

The Council Role in Education

Purpose of report

For information and discussion.

Summary

To provide an overview of current issues around the council role in education including the role of the Education Funding Agency.

Recommendation

This report is for Members' discussion.

Action

To be taken forward by officers as directed by members of the Board.

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The Council Role in Education

The Education Funding Agency (EFA)

1. The Young People's Learning Agency (YPLA) and Partnerships for Schools (PfS) ceased their activities at the end of March 2012. Their responsibilities and staff, along with a number of Department for Education (DfE) staff, moved to the new Education Funding Agency (EFA) from 1 April 2012. The EFA will have 750 – 800 staff, with 580 YPLA staff transferring.
2. The EFA has a wider remit than the YPLA and will fund the education system for 3-19 year olds (or up to 25 for learners with a disability), including Academies, free schools, maintained schools and sixth form colleges. (Prior to the EFA's establishment, the DfE dealt directly with councils on schools funding for 0 – 16 year olds.) It will be responsible for the allocation and payment of approximately £52 billion revenue and capital funding each year and for the delivery of capital programmes.
3. A list of the functions of the EFA, taken from the DfE website, is attached as **Appendix A**.
4. In the run-up to the publication of the School's White Paper in 2010 the LGA lobbied intensively for the abolition of the YPLA, with its functions devolved to councils or taken on by DfE without the need for an additional bureaucratic tier between central and local government. We met with Lord Hill on two occasions to discuss the LGA's ideas for streamlining and localising the YPLA's (and subsequently the EFA's) remit. Our suggestions included:
 - 4.1. allowing councils to take over the calculation which replicates local schools funding formulae for academies on the basis that councils already do this for maintained schools and EFA involvement is unnecessary duplication of a function that can be more cost-effectively delivered by councils for all schools locally;
 - 4.2. allowing councils to take on the current roles discharged by the EFA in relation to financial assurance for academies on a similar basis to that outlined above;
 - 4.3. allowing councils to take over the EFA's functions in relation to school improvement and intervention for academies, to allow councils to fulfil their statutory duties to "promote high standards and the fulfilment of potential" of local pupils, without having to raise issues about the performance of local academies in a different way with the EFA and the Secretary of State; and
 - 4.4. disbanding the EFA's regional structure, which means that it has to maintain 10 separate offices, which is only necessary if it is duplicating the detailed local

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functions of councils in replicating local funding formulae, financial assurance; and driving school improvement locally.

5. We have also proposed that in council areas where more than half of secondary schools are academies, the functions of the EFA in relation to funding, financial assurance, monitoring performance and intervention in the case of underperformance should revert to the local council. We have argued that in those areas councils will have already demonstrated their willingness to take on the more strategic council role in the local education system envisioned by the Schools White Paper and that those councils should be trusted to take on this role for all local schools, including academies.

LGA/DfE action research into the evolving role of the local authority in education

6. The final report of the action research that LGA jointly funded with DfE was published at LGA Annual Conference on 26 June 2012 and discussed at the last Board meeting. It will be discussed by the Ministerial Advisory Group on the council role in education on 8 November. It flags up a number of challenges for DfE, which focus on situations where local partnership working between councils and academies is not working effectively. These include:
 - 6.1. providing greater clarity about how performance in academies will be monitored and underperformance tackled, particularly in 'stand alone' converter academies;
 - 6.2. more clarity about who will be responsible for closing, merging and reorganising academies that are failing or are no longer needed because of competition from more successful schools;
 - 6.3. greater clarity about how the DfE assesses the suitability of potential academy and free school sponsors and how it monitors the performance of sponsors;
 - 6.4. evidence that delays by the Education Funding Agency in using their powers to direct academies to take 'hard to place' pupils are causing difficulties locally; and
 - 6.5. concerns about how the changes to the SEN system, including changes to funding, will impact on a system where schools have greater autonomy and responsibility.

Financial Implications

7. There are no additional financial implications as this is a priority in the LGA Business Plan.