



Education Board

Date: THURSDAY, 23 JULY 2015
Time: 4.00 pm
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Supplementary Paper

4. **GOVERNANCE OF THE CITY ACADEMIES**
Report of the Director of Community and Children's Services.

For Information
(Pages 1 - 12)

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NB: Part of this meeting could be the subject of audio video recording.

John Barradell
Town Clerk and Chief Executive

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Agenda Item 4

Committee(s)	Dated:
Education Board	23 July 2015
Subject: Governance of City academies	Public
Report of: Director of Community and Children's Services	For Information

Summary

This report provides an outline of issues that Members may wish to consider as part of a strategic discussion about the governance of City academies. Following this discussion a report will be developed to provide Members with detailed governance options.

City Corporation is accountable for the performance of its sponsored/co-sponsored academies and responsible for establishing clear governance and accountability structures. This responsibility is delegated to the Education Board.

As the Education Board is responsible for establishing clear governance and accountability structures it is important that Members consider whether the current governance structure enables them to fulfil their obligations. It is also important that the structure appropriately represents City Corporation's co-sponsors in order to maintain the strong and effective partnerships that have been developed.

An effective way for an academy sponsor to exercise its governance responsibilities is by establishing a clear and shared vision for its schools and through the appointment of governors that share the vision and are accountable to the sponsor. The Education Board is responsible for appointing City sponsor governors to the governing bodies of City academies. Therefore Members may wish to discuss how they ensure that City sponsor governors share the vision set out in the Education Strategy and how they can be held accountable for the performance of City academies.

As Members consider the governance structure for the City academies it is important to note that expanding the number of City academies could have corporate implications such as the need for a Chief Executive to oversee an expanded chain of City academies, additional central support services, increased demand for engagement with the City's educational offer, a need for additional governors, and additional funding allocations.

Recommendation(s)

Members are asked to note the report.

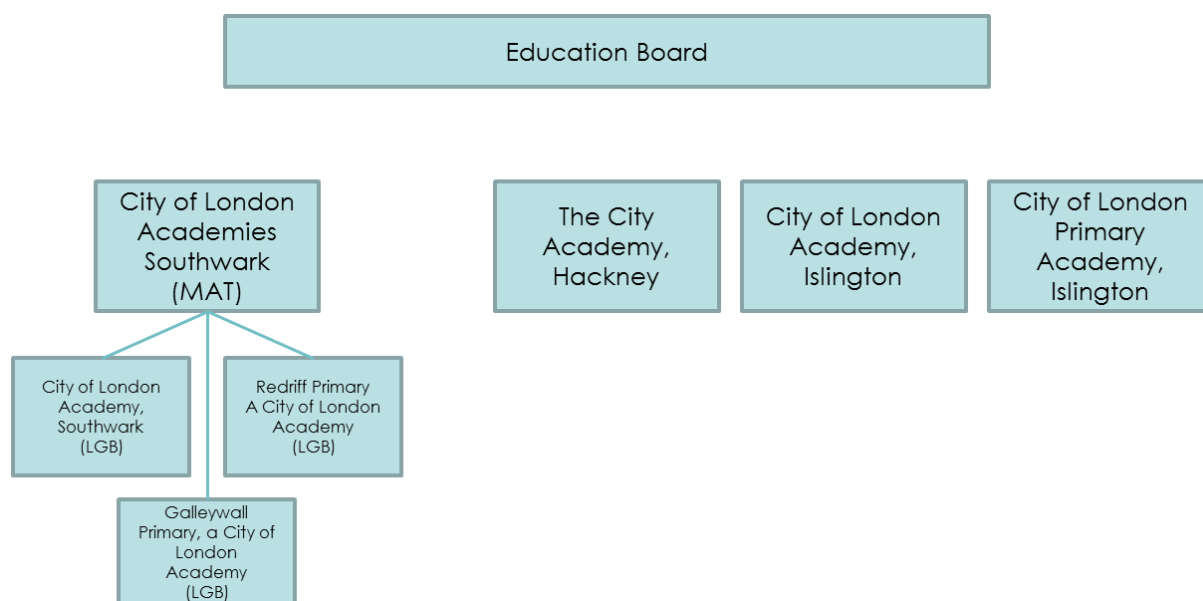
Main Report

Background

1. The City of London Corporation currently sponsors/co-sponsors three secondary academies, one primary academy and has been approved to progress to the 'Pre-opening Phase' for two new primary academies.
2. As an academy sponsor City Corporation is accountable to the Department for Education for school performance and responsible for establishing clear governance and accountability structures.
3. City Corporation is accountable in its role as an academy sponsor through the Court of Common Council and this responsibility is then delegated to the Education Board.

Current Position

4. The current governance structure for the City academies, which is set out below, has evolved as the City has taken on additional schools.



Options

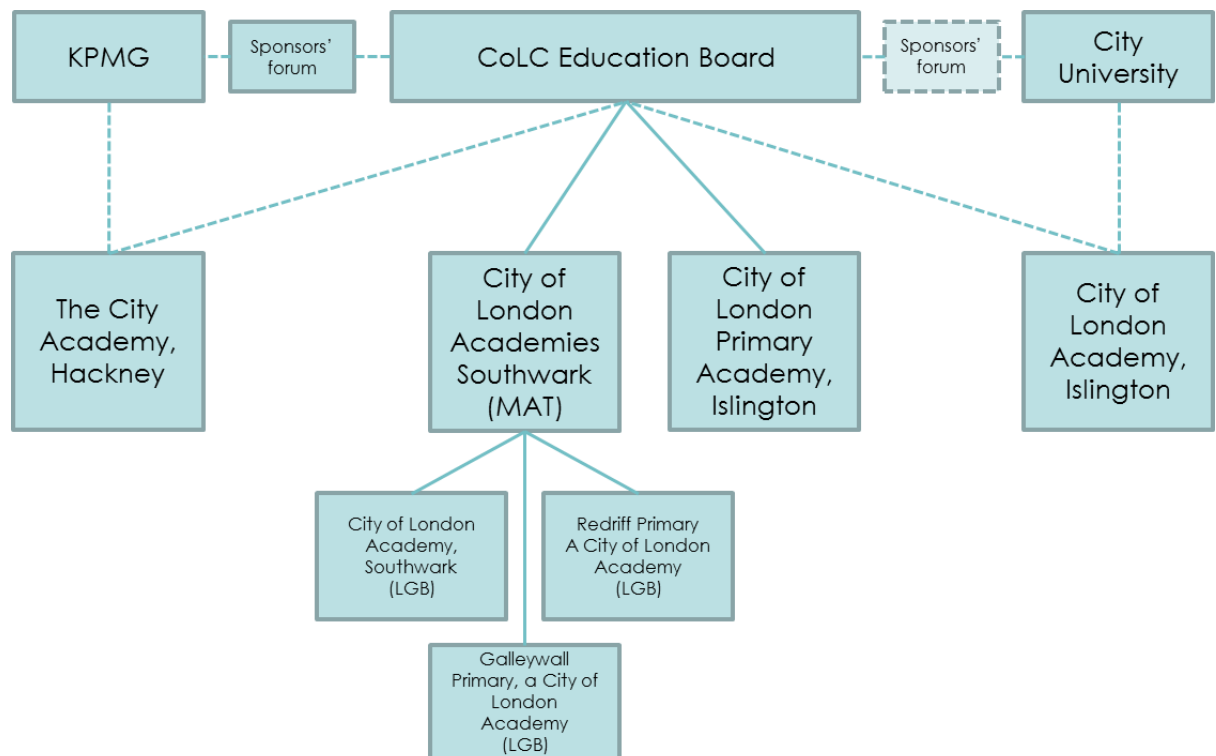
5. As the Education Board is responsible for establishing clear governance and accountability structures it is important that Members consider whether the current governance structure enables them to fulfil their obligations. It is also important that the governance structure enables City Corporation to work effectively with its co-sponsors and that an appropriate structure is in place to accommodate growth should City Corporation decide to sponsor additional schools.
6. An effective way for an academy sponsor to exercise its governance responsibilities is by establishing a clear and shared vision for its schools and

through the appointment of governors that share the vision and are accountable to the sponsor. The Education Board is responsible for appointing City sponsor governors to the governing bodies of City academies, including:

- 4 City Corporation governors for City of London Academy, Islington,
- 5 City Corporation governors for The City Academy, Hackney,
- up to 9 directors for City of London Academies, Southwark, and
- it will be responsible for appointing City Corporation governors once City of London Primary Academy, Islington is approved to proceed to the 'Opening Phase'.

The Board of Directors for City of London Academies, Southwark is responsible for appointments to its Local Governing Bodies.

- Members may wish to discuss how they ensure that City sponsor governors share the vision set out in the Education Strategy and how they can be held accountable for the performance of City academies.
- Where City Corporation is sole sponsor of an academy the Education Board is responsible for ensuring the sponsor's responsibilities in relation to performance and governance are exercised. For the co-sponsored academies this responsibility is jointly held with City Corporation's two co-sponsors, KPMG and City University. City Corporation and KPMG have established an effective Sponsor's Forum which meets termly and allows the sponsors to discuss matters such as performance and governance. The Chairman of Governors at City of London Academy, Islington has expressed an interest in establishing similar meetings between City Corporation and City University. The role of the sponsor's forum could be recognised in updated Memoranda of Understanding between the co-sponsors.



9. When a sole sponsor establishes an academy chain there are two governance models that are predominantly used, namely an Umbrella Trust or a Multi Academy Trust (MAT). An Umbrella Trust is arranged where a new Trust is formed to sit above the member academies. The academies retain their own legal status and are their own independent bodies. The role of the Umbrella Trust is to provide assistance in whatever form the group of schools decide is needed, for example by sharing a Financial Director. The Umbrella Trust has the ability to impose governance influence where the management of the school is not producing the required outcomes. A MAT is a single trust which is responsible for a number of academies. The MAT consists of the members and the trustees. The members are akin to the shareholders of a company. They have ultimate control over the academy trust, with the ability to appoint some of the trustees and the right to amend the trust's articles of association. The trustees are responsible for the same three core governance functions performed by the governing body in a maintained school (setting the direction, holding the Headteacher to account and ensuring financial probity). As charity trustees, they must also ensure that they are complying with charity law requirements. Academy trusts are charitable companies and the trustees are company directors and must comply with company law requirements. The model articles state that the chair of the board of trustees will also be a member, thereby ensuring a link between the two layers. However, while trustees can also serve as members, the most effective governance models recognise that the members are responsible for holding the trustees to account. Some separation between those serving as trustees and those serving as members is, therefore, desirable for achieving robust accountability. Below the MAT each school has its own local governing body (LGB) and trustees can delegate governance functions to the local level. Trustees have complete discretion over what is delegated to each LGB. They may, for example, decide to delegate all functions to academies in the chain that are performing well and only a few to those academies that need greater support. Alternatively, where a MAT wishes to retain all governance functions centrally, it may establish an advisory body at the school level, which has no formal governance function but which advises the board of trustees on its decisions.
10. As City Corporation has established academies in three London boroughs (Southwark, Hackney, Islington) Members could take a strategic decision to consolidate and develop the City academy programme within three broad geographical clusters, namely: City and Islington, Southwark, and Hackney. This would enable City Corporation to focus on strengthening its commitment as a sponsor of existing academies, establish effective local governance structures, share resources within the geographical area creating a sustainable chain of City academies, and develop local partnership opportunities within the surrounding community.
11. In Southwark MAT is already in place and City of London Primary Academy, Islington has also been established as a MAT so that it could accommodate additional academies. As they are both co-sponsored, the City Academy, Hackney and City of London Academy Islington are standalone academies.
12. The All Party Parliamentary Group on Education Leadership and Governance recently published a paper entitled Twenty-one Questions for Multi-academy

Trusts - Key questions a MAT board should ask itself. Key questions relating to governance are set out below for Members to consider.

- Does the Trustee Board have a clear vision and strategic priorities for the next three to five years, to which all academies contribute and which is understood by each of its academies?
- How effectively do these strategic priorities drive the governance structure, activities and agenda setting at all levels of the Trust?
- What vision does the Trustee Board have for the size of the Trust and how does the strategy ensure that there is the capacity to support any additional academies well?
- Is the structure of the Trust from its members to academy level governance conducive to effective working, ensuring check and balances but avoiding duplication at different levels, and delivering good two-way communications?
- How does the Trustee Board ensure that its governance structure is clear, in keeping with its Articles of Association, and that those at regional, cluster and academy level understand their roles and responsibilities compared to those of the Trustee Board?

Corporate & Strategic Implications

13. As Members consider the governance structure for the City academies it is important to note that expanding the number of City academies could have strategic implications, such as the need for a Chief Executive to oversee an expanded chain of City academies, additional central support services, increased demand for engagement with the City's educational offer, a need for additional governors, and additional funding allocations.

Conclusion

As an academy sponsor City Corporation is accountable for school performance and responsible for establishing clear governance and accountability structures. As the Education Board is responsible for the governance and accountability of City academies it is important that Members consider whether the current governance structure enables them to carry out this responsibility. This report provides an outline of issues that Members may wish to consider as part of a strategic discussion about the governance of City academies. Following this discussion a governance paper will be developed to provide Members with detailed governance options.

Appendices

- Appendix 1 – Summary of Governors in the City academies

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Appendix 1

City School	Governing Body	Appointment	Tenure	Notes
City of London Academy Islington	Not less than 3 and not subject to any maximum;		Four years, apart from Headteacher (ex-officio).	Chairman/Deputy Chairman
	4 City Corporation governors	City Corporation governors appointed by Court of Common Council/Education Board	No maximum tenure provided candidates remain eligible.	Elected annually by governors. A governor employed by academy is not eligible to be chairman/deputy chairman. No maximum term.
	4 City University governors	City University governors appointed by City University		
	1 LEA governor	Appointed by LEA		City Corporation Sponsor Governors
	2 parent governors	Elected by parents		In practice 2 City Corporation sponsor governors are members of the Court of Common Council, and 2 are external members.
	1 headteacher	Ex-officio		
	1 teaching staff	Elected by teaching staff		
	1 non-teaching staff	Elected by non-teaching staff		
1 community governor	Appointed by governing body			

City School	Governing Body	Appointment	Tenure	Notes
	<p>Up to 2 co-opted governors appointed by governing body</p> <p>Any additional governors appointed by Secretary of State</p>	<p>Appointed by governing body</p> <p>Secretary of State</p>		
The City Academy Hackney	<p>Not less than 3 and not subject to any maximum</p> <p>5 City Corporation sponsor governors</p> <p>5 KPMG sponsor governors</p> <p>1 LEA governor</p> <p>3 parent governors</p> <p>1 headteacher</p> <p>1 teaching staff</p> <p>1 non-teaching staff</p>	<p>Appointed by City Corporation</p> <p>Appointed by KPMG</p> <p>Appointed by LEA</p> <p>Elected by parents, or appointed by governing body if no candidate stands for election</p> <p>Ex-officio</p> <p>Elected by teaching staff</p> <p>Elected by non-teaching staff</p>	<p>Four years, apart from Headteacher (ex-officio).</p> <p>No maximum tenure provided candidates remain eligible.</p>	<p>Chairman/Deputy Chairman</p> <p>Elected annually by governors. A governor employed by academy is not eligible to be chairman/deputy chairman. No maximum term.</p>

City School	Governing Body	Appointment	Tenure	Notes
	<p>1 community governor</p> <p>2 co-opted governors</p> <p>Any additional governors appointed by the Secretary of State</p>	<p>Appointed by governing body</p> <p>Appointed by governing body</p> <p>Secretary of State for Education</p>		
<p>City of London Academies Southwark [Board of Directors overseeing 2 local governing bodies (LGBs)]</p>	<p>Not less than 3 but not subject to any maximum</p> <p>Up to 9 sponsor directors</p> <p>Chair of each governing body</p> <p>Principal of each academy operated by Company</p> <p>Minimum of 2 parent directors (if no parent governors on each LGB)</p> <p>Any number of co-opted</p>	<p>Appointed by City Corporation</p> <p>Ex-officio</p> <p>Ex-officio</p> <p>Elected by parents</p> <p>Appointed by Board of</p>	<p>Four years, apart from Headteacher (ex-officio, as long as in post).</p>	<p>Chairman/Deputy Chairman Elected annually by governors. A governor employed by academy is not eligible to be chairman/deputy chairman. Chairman must be a member of Court of Common Council. No maximum term.</p> <p>Governing Body The board of directors described on the left in practice consists of 8 sponsor directors; headteacher of each academy; Chairman of Redriff LGB.</p>

City School	Governing Body	Appointment	Tenure	Notes
	directors provided number of directors employed by company does not exceed one-third of directors including Principals	Directors		
City of London Academy Southwark Local Governing Body (LGB)	<p>8 sponsor governors</p> <p>2 staff governors (1 teaching; 1 support staff)</p> <p>2 parent governors (one Southwark, one City of London)</p> <p>1 headteacher</p> <p>1 headteacher/deputy headteacher of Redriff Primary Academy</p>	Appointed by the Board of Directors		
Redriff Primary Academy Local Governing Body (LGB)	<p>1 teaching staff</p> <p>5 parent governors</p> <p>4 community governors</p> <p>Headteacher</p> <p>2 co-opted LEA governors</p>	Appointed by the Board of Directors		

City School	Governing Body	Appointment	Tenure	Notes
	Co-opted Principal/Senior Vice Principal of Academy 1 Director appointed by the Company			
Galleywall Primary School, a City of London Academy	tbc	tbc	tbc	tbc
City of London Primary Academy Islington	tbc	tbc	tbc	tbc

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