

<b>Cabinet</b>	 <b>TOWER HAMLETS</b>
30 October 2019	
<b>Report of:</b> Debbie Jones, Corporate Director, Children's Services	<b>Classification:</b> Unrestricted
<b>Tower Hamlets Education Partnership Financial Statements and Annual Review 2018-19</b>	

<b>Lead Member</b>	<b>Councillor Danny Hassell, Cabinet Member for Children, Schools &amp; Young People</b>
<b>Originating Officer(s)</b>	Christine McInnes, Divisional Director, Education & Partnerships Tracy Smith, THEP Executive Director
<b>Wards affected</b>	All
<b>Key Decision?</b>	No
<b>Forward Plan Notice Published</b>	Yes
<b>Reason for Key Decision</b>	n.a.
<b>Strategic Plan Priority / Outcome</b>	<b>1. People are aspirational, independent and have equal access to opportunities</b> <b>2. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.</b>

### **Executive Summary**

As the designated supervising authority for Tower Hamlets Education Partnership (THEP), the Council is provided with a copy of THEP's audited accounts and has requested a copy of THEP's annual report to members. This report contains both documents for 2018-19. One of the duties of the Council as supervising authority is to monitor the management and finances of THEP and consideration of these two documents is part of that process.

### **Recommendations:**

The Mayor in Cabinet is recommended to:

1. Note the activity of THEP as summarised in the THEP Annual Review 2018-19
2. Accept the audited accounts as contained within the THEP Annual Report and Financial Statements for the year ending 31 March 2019
3. Endorse the role of THEP in delivering Council priorities

## **1 REASONS FOR THE DECISIONS**

- 1.1 For the purposes of The School Companies Regulations 2002, THEP is a school company and, pursuant to the Regulations, has designated LBTH as its supervising authority. Pursuant to regulation 28 (as amended) THEP has provided the supervising authority with a copy of its most recent audited accounts and, pursuant to regulation 29, a copy of its most recent annual report to THEP members.
- 1.2 These documents assist the Council in carrying out its duties as the supervising authority, pursuant to regulation 26, to monitor the management and finances of THEP

## **2 ALTERNATIVE OPTIONS**

- 2.1 None

## **3 DETAILS OF THE REPORT**

- 3.1 Two documents are provided in order to assist the Council in monitoring the management and finances of THEP: THEP Annual Report and Financial Statements to 31 March 2019 and THEP Annual Review 2018-19.
- 3.2 The THEP Annual Report and Financial Statements include the audited accounts. These show an operating surplus for 2018-19.
- 3.3 Funding from the Council amounted to £667,380 and was made up of:
- |                                 |          |
|---------------------------------|----------|
| Seed funding (final instalment) | £300,000 |
| School Improvement Commission   | £285,100 |
| Additional Projects             | £82,280  |
- 3.4 The additional projects included support for the development of a 14-25 strategy, Maths and Science support and facilitating the Pupil Place Planning consultation.
- 3.5 The level of financial reserves at the end of 2018-19 serves two purposes. First, THEP has a requirement as a charity to maintain sufficient reserves to cover unforeseen shortfalls in income and any consequent unexpected expenditure commitments. THEP's reserves policy is to retain a minimum of three months core expenditure to cover such contingencies.
- 3.6 In addition, THEP has placed great store on establishing quality improvement and development services for schools backed up by robust systems and structures. Assisted by strong financial management, THEP has managed to achieve this and reached a position where we are now able to invest part of our reserves (in the order of £400,000) into the delivery of an ambitious strategic plan over the next three years.

- 3.7 The THEP Annual Review 2018-19 provides an overview of the activities that have been undertaken in partnership with member schools across three main areas: school improvement, people development and collaborative innovation. The Review also considers the impact of this activity in terms of the progress and attainment of schools and their learners, demonstrating significant improvements in the performance of both the schools and the children and young people of Tower Hamlets.
- 3.8 There will be a further report containing a detailed analysis of the validated school results for 2019 that will be considered by Cabinet in February 2020.

#### **4 EQUALITIES IMPLICATIONS**

- 4.1 THEP's vision is founded on all children and young people in Tower Hamlets experiencing the best possible educational opportunities, outcomes and life chances. As a result there is a focus on disadvantaged groups and since the establishment of THEP there have been significant improvements in the attainment of disadvantaged pupils, pupils on free school meals and pupils who do not have English as their first language. In addition the attainment gap with other learners is significantly below the national average and getting smaller.

#### **5 OTHER STATUTORY IMPLICATIONS**

- 5.1 As supervising authority, the Council has a duty to consider the risk of THEP becoming insolvent. The accompanying documents indicate that this risk has been actively managed by THEP and has reduced during 2018-19.

#### **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 THEP's latest audited financial accounts indicates a stable financial position after the seed funding provided by council ended on 31<sup>st</sup> March 2019, the report also indicate that THEP has accrued reserves ( £400k) to invest in the delivery of their new strategic plan over the next three years.
- 6.2 The conclusion from this report and accompanying documents is that the risk of insolvency is been actively managed by THEP and reduced in 2018-19, however, as the supervising authority, this should be continuously monitored.

#### **7 COMMENTS OF LEGAL SERVICES**

- 7.1 The School Companies Regulations 2002 require the Council, as the designated authority, to monitor the management and finances of the school company. A school company must provide a copy of its accounts for each financial year to its supervising authority within four months after the end of that financial year. The recommendations within this report are consistent with these duties.
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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- Appendix 1 THEP Annual Report and Financial Statements to 31 March 2019
- Appendix 2 THEP Annual Review 2018-19

### **Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- NONE

### **Officer contact details for documents:**

N/A