


<p style="text-align: center;">Cabinet</p> <p style="text-align: center;">10 May 2016</p>	
Report of: Debbie Jones, Corporate Director Children's Services	Classification: Unrestricted
The Tower Hamlets Education Partnership (THE Partnership)	

Lead Member	Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Education and Children's Services
Originating Officer(s)	Layla Richards, Service Manager Policy Programmes and Community Insight Sajeed Patni, Finance Business Manager
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	A Prosperous Community

Executive Summary

This report provides an update on the establishment of Tower Hamlets Education (THE) Partnership. This is intended to be a schools-led partnership to accelerate improvement by promoting and extending existing joint working. It will cement the successful collaboration – between the schools themselves and between schools collectively and the local authority and other key partners – which has brought such marked benefits to the education of children and young people in the borough over the past twenty years.

The report seeks key decisions from the Mayor and Cabinet around THE Partnership.

This report includes two appendices:

- Appendix i: Steering Group Membership
- Appendix ii: THE Partnership Prospectus

Recommendations:

The Mayor in Cabinet is recommended to:

- Welcome the establishment of the Tower Hamlets Education (THE) Partnership and the potential of its role in establishing a school-led system of improvement which adds value to the whole Tower Hamlets' education system;
- Ask the Corporate Director for Children's Services in consultation with the Director of Law, Probity and Governance to consider which of the Council's current school improvement services might be delivered from THE Partnership in 2017 and identify appropriate mechanisms accordingly;
- Endorse the role of the Council in education, as set out in paragraphs 3.24 - 3.38, of this report and to ask officers to explore how the Council's partnership and scrutiny function might develop in support of this role;
- Ask THE Partnership to report on progress towards these outcomes in a comprehensive annual review of the quality of education in schools in Tower Hamlets, with the first report to be produced in November 2016;
- Agree that the Council establishes an earmarked reserve from general fund balances of up to £300,000 per annum to THE Partnership for a period of three years to enable it to become self-sustaining and to maintain a tight focus on improvement, as evidenced by progress in the outcomes described in paragraph 3.32; and
- Agree that THE Partnership is able to receive services in kind from the Council in support of its progress towards sustainability.

1. REASONS FOR THE DECISIONS

- 1.1 As set out above, the decisions sought in this paper will enable THE Partnership to further develop its role in establishing a school-led system of improvement which adds value to the whole Tower Hamlets education system and to become self-sustaining. THE Partnership will cement the successful collaboration which has brought considerable benefits to this borough. The Council's support for THE Partnership will be important in giving it time to becoming fully sustainable and keep the focus where it should be, that is, on accelerating improvement so that more children and young people thrive and achieve well in Tower Hamlets.

2. ALTERNATIVE OPTIONS

- 2.1 To do nothing, the risks of which are highlighted in the report. A changing national policy context and the *Education and Adoption Act 2016* provide added impetus for the establishment and Council support for a schools-led partnership.

3. DETAILS OF REPORT

The development of THE Partnership

- 3.1 The Council recognises that longstanding collaboration between schools and the local authority is a huge strength of education in Tower Hamlets. Headteachers, though primarily concerned with their own schools, have for many years shown a commitment to all Tower Hamlets children and their families.
- 3.2 In the summer of 2015, informal discussions amongst headteachers considered the implications for Tower Hamlets schools of the changing national policy context and the proposed legislation which has now been introduced in the form of the *Education and Adoption Act 2016*. The idea emerged that a schools-led partnership should be established to promote and extend existing joint working and to cement the very successful collaboration – between schools themselves and between the schools collectively and the local authority and other key partners – which has brought such marked benefits to the education of children and young people in the borough over the past twenty years.
- 3.3 A twenty year journey made possible by the seven key themes identified by Woods, Husbands and Brown in the 2013 publication: *Transforming Education for All: the Tower Hamlets Story*, which supported the significant progress in improving education delivery in the Borough between 1997 and 2013:
- Ambitious leadership at all levels
 - Very effective school improvement
 - High quality teaching and learning
 - High levels of funding (spent wisely)
 - External integrated services
 - Community development and partnerships
 - A resilient approach to external government policies and pressures.
- 3.4 In responding to these initial proposals, councillors were keen to stress that as education remains important to local communities, in particular to parents with children at local schools and prospective parents, it remained important to them. They recognised too that education is a powerful regeneration strategy and therefore vital in sustaining the life of the local area which is of major importance to them too. As community leaders, councillors will therefore continue to have a key role to play in raising expectations, aspirations and educational achievement.

- 3.5 THE Partnership in no way diminishes the Council's role in shaping and raising aspirations for learning and education locally. When responding to the initial Partnership consultation paper in December 2015, three months before the publication of the recent White Paper, *Educational Excellence Everywhere* (DfE, 2016), the Council emphasised its continuing role as both champion for children in Tower Hamlets and guardian of children and young people in the area. These roles stem from the leverage given by the local authority's democratic base so it is good to see them recognised by the government in the White Paper. The role of the Council in this new education world is set out more fully in paragraphs 3.24 to 3.30 below.
- 3.6 A consultation was undertaken to test the idea of a Partnership amongst Tower Hamlets schools during the autumn term of 2015 and it was discussed at the termly Director's meeting with Governors on 19 January 2016. The response to the consultation was strong, with 75% of schools indicating a potential interest in such a partnership – depending on the details of its educational purposes, its operation, its governance and its costs and benefits. A wide range of specific suggestions were made as to what its key features might be.
- 3.7 Responses expressing positive interest came from all types and phases of school, including nursery, primary, secondary, special, academies and Catholic and Church of England voluntary-aided schools. Only one school responded to say that it would not be interested in participating, on the grounds that it is subject to the Catholic Diocese – although other individual Catholic schools were positive about it.
- 3.8 Between January and April 2016 a Steering Group involving representatives from all sectors, including governors, worked intensively on the development of the partnership model, taking into account the specific points made in responses to the initial consultation.
- 3.9 The result of this work is set out in the detailed proposal for the Tower Hamlets Education Partnership (THE Partnership), as reflected in its Prospectus (Appendix ii) and proposed Operating Model, Governance arrangements (<http://the-partnership.org.uk/>). The detailed proposal is due to be launched with schools on Tuesday, 26 April.
- 3.10 As the Council had requested in December 2015, the primary focus of THE Partnership will be on collaboration for school improvement – for all schools, not just for those experiencing difficulties – and on achieving the best educational outcomes for the children and young people of Tower Hamlets. THE Partnership's vision and values are at one with those of the Council, and its focus on improving outcomes for our children and young people is reflected in a commitment to specific, targeted outcomes. Further, school improvement can be a system-wide endeavour. This proposal would make THE Partnership responsible for school improvement in Tower Hamlets and be accountable for that to wider community.

- 3.11 THE Partnership will become accountable for driving and ensuring school improvement in Tower Hamlets. This means it will:
- know all Tower Hamlets schools well
 - establish robust monitoring, challenge and support
 - broker and commission effective support for schools in difficulty or causing concern
 - liaise with the local authority and external bodies, such as the DfE or the Regional Schools Commissioner, about performance
 - identify, develop and extend good and interesting practice
 - provide excellent professional development and training for school staff and governors
 - improve a range of improvement and performance outcomes.
- 3.12 It intends to do this by establishing an ambitious, school-led system of continuous improvement. It will draw on the collective strengths of schools in Tower Hamlets, for example, those evident in outstanding schools and on great practice in individual schools, even if they may not yet be judged outstanding. THE Partnership will want to use the rich resource offered by the teaching schools in Tower Hamlets and their teaching school alliances. It will use the expertise of system leaders in education such as National Leaders of Education (NLEs), Local Leaders of Education (LLEs), Teaching Schools, Specialist Leader of Education (SLEs) and National Leaders of Governance (NLGs).
- 3.13 THE Partnership's existing Steering Group has agreed transitional arrangements to get THE Partnership up and running. The Steering Group, made up of governors, heads and other school and staff representatives will perform the role of the Advisory Council until the final structure and composition of the Advisory Council is settled. This is expected to happen no later than March 2017.
- 3.14 An Interim Board of Directors has been appointed by the Steering Group, to lead THE Partnership until the first formal Annual General Meeting of members. The AGM will be the first opportunity for a Board of Directors to be formally elected by the membership and is expected to take place in April 2017. The Interim Board will have a mandate to establish THE Partnership and bring it into full operation.
- 3.15 Additional momentum for the future development of THE Partnership has been provided by recent government legislation and policy announcements (*Education and Adoption Act 2016*; National Funding Formula proposals; Educational Excellence Everywhere White Paper). These changes offer further potential opportunities for the local authority to work with THE Partnership to enable it to establish and deliver other services currently provided by the Council and new services.

The Local Authority's school improvement services

- 3.16 In responding to the consultation on THE Partnership in December, the Council agreed that a new model of school improvement, led by schools for schools, should be established and that the Steering Group should focus its next phase of discussions on this. The Council suggested all school improvement services, such as primary school improvement services, which are currently sold to schools services, should sit within the Partnership. This fits well with the proposals on school improvement set out in the White Paper.
- 3.17 It is therefore proposed that the Council will seek to commission THE Partnership to provide some of the school improvement services currently provided by the Council. It is anticipated that this may involve secondment of the Council's Learning and Achievement teams or a specific team within this division to provide the services to which it has already committed. Given the expertise in our teams, and their very strong links with our schools and the benefits these have been shown to bring, it would seem sensible to support the transfer over to THE Partnership but in such a way as to minimise the risk of this move both to the staff and to the developing partnership. We are recommending that the Mayor charges the Director of Children's Services in consultation with the Director of Law Probity and Governance with devising a realistic plan of what services might be transferred and when. This would need to be achieved before the end of March 2017.

Governance and Management of THE Partnership

- 3.18 THE Partnership will be made up of its member schools, and registered as a 'Schools Company' – a company limited by guarantee with charitable status – 100% owned by schools and colleges in the borough. The Council will be an Associate Member of THE Partnership.
- 3.19 All publicly funded schools (which would include free schools and academies) within Tower Hamlets are eligible for full membership, while other schools and institutions (including Multi Academy Trusts or MATs) wishing to support THE Partnership can become 'associate members', and access relevant services without being legal 'members of the company'.
- 3.20 THE Partnership will not itself be a Multi Academy Trust (MAT), but will work closely with academy trusts and actively support local schools through the conversion process.
- 3.21 As a legal company, THE Partnership considers it might want to explore the potential of setting up a subsidiary company as an academy sponsor. This is not a current priority but it might be something worth investigating in the future, once the Partnership has established its capacity, expertise and credentials in leading and managing school improvement.
- 3.22 The directors of THE Partnership will collectively form a Board, providing strategic guidance for THE Partnership and holding the executive management of THE Partnership to account. Board members will not be paid.

The Executive Director of THE Partnership will be a paid director, and will oversee the day-to-day operation of THE Partnership's services and management of its staff.

- 3.23 A separate Advisory Council will provide a representative body made up of current school leaders and governors elected by the membership, which will meet with the Partnership's Board regularly to scrutinise, review and challenge performance and strategic direction.

Role of the Council and its expectations of THE Partnership

- 3.24 THE Partnership in no way diminishes the role of the Council in education and, in many ways, it helps to clarify the most important elements of its role in the future. The Council will continue to see school improvement and the performance of children and young people as of crucial importance to the borough. They also see them as fundamentally related to their continuing responsibilities in education, as detailed below.
- 3.25 As outlined in the Cabinet report, Maintaining Educational Excellence in Tower Hamlets, the White Paper indicates local authorities will be expected to 'step back from running school improvement from the end of 2016/17 academic year'. They retain responsibilities in three areas:
- ensuring every child has a school place
 - ensuring the needs of vulnerable children are met
 - acting as champions for all parents and families.
- 3.26 Whatever, the statutory definition of its role, the local authority's democratic base gives it leverage locally which translates into activities as:
- community leaders
 - guardians of children
 - champions for children, parents and families
- 3.27 As community leaders, councillors recognise the importance of education to local communities. Whether holding statutory responsibility for this or not, they want it to be good quality. They share strong moral purpose with those in schools and colleges wanting to improve the achievements of children and young people.
- 3.28 Councillors already listen hard to the voice of parents and others in the local community about the needs of children. Ensuring this voice is heard becomes even more important in the system described in the recent White Paper. As community leaders, councillors have an important role in place –planning and consequently, in shaping school provision in the area.
- 3.29 As guardians for children, councillors must be vigilant about the needs and interests of the most vulnerable, such as children in public care, and sensitive to their interests. However, we would argue that this vigilance should extend to all children and young people in Tower Hamlets. The Council needs to have an up to date understanding, of how well the needs and interests of young people are being served by local schools and colleges and seek to

improve it not be taking responsibility for delivery itself but by engaging with those providing to see to influence by pressure and support.

- 3.30 The Council will continue to act as champions for children and families in Tower Hamlets. A key part of this role is to articulate a local and ambitious vision for education as part of the Community Plan for Tower Hamlets. This should give active support to schools in their drive for improvement. Councillors are well placed too to make connections across people, services and places in Tower Hamlets that could benefit young people.
- 3.31 These responsibilities mean the Council sees education as vital to local communities. It is concerned therefore to ensure that THE Partnership gives effective support to schools in Tower Hamlets so they continue their upward trajectory. Councillors are particularly concerned that the structural move to a school-led system of improvement will take time to become sustainable and might lead to a loss of focus. Consequently, in order to give THE Partnership time and space to concentrate on improvement, the Council proposes allocating seed funding as set out in 3.40 below. If it is to do this, the Council will expect to see evidence of progress in a number of key areas and an increase in attainment outcomes year on year.
- 3.32 Informal discussions have been held about this with THE Partnership and, consequently, as reflected in the Prospectus, in addition to developing a reputation for excellence at national and international levels, it is proposing to deliver the following outcomes:
- All schools to be at least good, as judged by Ofsted, and the proportion of outstanding schools in Tower Hamlets to be amongst the highest in the country
 - Overall progress and attainment levels to be amongst the best in the country
 - Evidence of narrowing the gap by improving outcomes for disadvantaged groups of children and young people
 - Attendance and low exclusion figures in THE Partnership schools - among the best in the country
 - Year-on-year increase of uptake levels for THE Partnership membership with high levels of member participation and satisfaction along with strong staff motivation and commitment in member schools
 - Evidence of strong satisfaction levels with education amongst local people
- 3.33 The Community Plan will provide the base for the improvement outcomes the Council will expect THE Partnership to deliver and the expectation that we would want to see all schools in the borough performing in the top quartile when compared with national benchmarks.
- 3.34 Whilst associate membership status gives the Council certain rights, entitlements and participation in THE Partnership, it is important to note that the Council through its continuing role in education, as enshrined in the Community Plan, and its democratic base will have a unique and elevated

relationship with THE Partnership. It is evident throughout the prospectus that the Local Authority is clearly differentiated from associate membership.

- 3.35 That unique, elevated and mutually beneficial relationship would be protected by a Memorandum of Understanding, outlining the structure under which both the Children and Families Partnership Board (CFPB) and THE Partnership work together which, in turn, would form part of the recently re-launched Local Strategic Partnership governance arrangements.
- 3.36 Further, it is proposed that the consequent revised terms of reference for the CFPB, a specific sub-committee would be created as an additional layer of accountability and review of THE Partnership's performance either on a termly or six monthly basis.
- 3.37 The role of Scrutiny should become even more important in a system where all or the majority of schools are academies and operating in multi-academy trusts (MATs).
- 3.38 In addition, beginning in November 2016, the outcomes will be monitored through an annual review, presented to the Council by THE Partnership, of the quality of education in schools in Tower Hamlets with an analysis which identifies strengths and weaknesses.

Resourcing the Partnership

- 3.39 It is anticipated that THE Partnership's sustainable income will come from a number of sources, principally:
- Membership subscriptions from schools
 - Contracts with the local authority for specific purposes
 - Income from traded services
 - Income from bespoke assignments
 - Income from grants or awards
 - Payment in kind (such as the use of the PDC)
- 3.40 Whilst member subscriptions would represent an investment in the vision and future of THE Partnership as well as entitlement to a range of value for money services, THE Partnership is likely to take some time to grow its business and become sustainable. As indicated above, the Council is concerned that there should be no slippage in either improvement or attainment levels during this time. Consequently, to ensure both improvement and performance continue, it is recommended that the Council supports the establishment of THE Partnership by providing funding for a period of three years (including benefits in kind) to cover the costs of the organisation's infrastructure that 'traded' services currently do not take account of. That is, the costs of the Senior Leadership Team and support and the consequent fixed costs related to hosting the organisation within council premises (IT, premises etc).
- 3.41 As an indicator of the Council's continuing commitment to education in Tower Hamlets, the Mayor is minded to agree funding of up to £300,000 a year for

three years, with additional support given through different forms of payment in kind.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 This report seeks a commitment to provide seed funding for THE Partnership of up to £300,000 per annum for three years. This would supplement the other sources of income included in THE Partnerships business plan which are outlined at 3.39 of this report. The business plan is constructed on the basis that seed funding will not be required after three years and the organisation will be self-funding.
- 4.2 The provision of funding for the first three years is considered to support and enable the organisation to firmly establish its finances by maximising the use of its services over the medium term. It should be noted that the up to £900,000 funding for THE Partnership will be provided at the Council's risk as it will not guarantee THE Partnership will successfully secure other funding for the provision of its services.
- 4.3 The commitment to provide seed funding may represent a grant for the purposes of the directions on the Council by the Secretary of State. As a consequence any decision to agree seed funding for THE Partnership will need the agreement of the Commissioners once the organisation is constituted.
- 4.4 The Council will need to consider the allocation of up to £900,000 in the context of the Council's Medium Term Financial Strategy as the funding will need to be found from the Council's General Fund balances rather than from the Dedicated Schools' Grant. There will need to be a robust monitoring and reporting arrangement to ensure the funding is used effectively to deliver the objectives agreed by the Council and to achieve value for money.

5. LEGAL COMMENTS

- 5.1 On 17 December 2014 the Secretary of State made directions pursuant to powers under sections 15(5) and 15(6) of the Local Government Act 1999 (the Directions). Paragraph 4(ii) and Annex B of the Directions together provide that, until 31 March 2017, the Council's functions in relation to grants will be exercised by appointed Commissioners, acting jointly or severally. This is subject to an exception in relation to grants made under section 24 of the Housing Grants, Construction and Regeneration Act 1996, for the purposes of section 23 of that Act (disabled facilities grant).
- 5.2 Therefore, whilst it is appropriate for the Mayor to make the decision for the allocation of money to be used as the seed fund, the decision to make the grant rests with the Commissioners. However, to the extent that the Commissioners are exercising powers which would otherwise have been the Council's, there is a need to ensure the Council has power to make the grants in question. Under section 1 of the Localism Act 2011 the Council has the

general power of competence. This means that the Council has the power to do anything to do what an ordinary human being could do, unless statute specifically restricts the Council for acting in the way it wishes. It appears that there is no specific legislation prohibiting the making of the grant itself. Therefore, it is within the Council's power to issue these grants, subject always to the directions of the Secretary Of State For Communities and Local Government and therefore the decision of the appointed commissioners

- 5.3 However, the Council must satisfy itself that the giving of any such grant would not constitute State Aid for the purposes of European Law. Whilst the grant itself has some of the hallmarks of state aid and would be above the de minimis threshold that applies to State Aid it is unlikely:

5.3.1 That an organisation resident in another member state would be interested in providing services in the UK of a type similar to that which the Company will carry out and

5.3.2 That the Company will be in a position to compete for services advertised in another member state

- 5.4 This means that it is unlikely that there is any "cross border interest" in the giving of the grant and therefore would not constitute state aid for the purposes of European Law.

- 5.5 The Council has a duty to achieve Best Value in respect of its expenditures. This is by virtue of Section 3 of the Local Government Act 1999. This has two impacts on this matter:

5.5.1 The Council must satisfy itself that the giving of any grant represents Best Value. This means that it will have to ensure that any grant is properly made under terms that enable the proper monitoring of outcomes to demonstrate that the money achieves the appropriate outcomes for which it was given.

5.5.2 Where the Council requires services to be provided by the Company to itself in particular then such contract cannot be directly awarded to the Company without direct competition.

- 5.6 However, it is permissible for a contracting authority to award a contract without competition to a company which (on the face of it) is jointly controlled by itself with other not for profit organisations who are also contracting authorities.

- 5.7 In the circumstances outlined in the report, it is not intended though that the Council will be a member of the Company. This would mean, therefore, that as far as the Council is concerned the arrangement would fail the test detailed in Regulation 12 of the Public Contracts Regulations 2015.

- 5.8 However, the intention is that all schools who wish to receive services from the Company will also have a controlling interest in the Company whether by direct control on the board or through some form of group representation. In

any event, a school would have sufficient control (subject to the Company being formed in accordance with Regulation 12) to approach the Company to purchase services directly for the benefit of that particular school.

- 5.9 It is the intention that whilst the Company is becoming operative and whilst the Council has statutory education duties to carry out that a duelling of service will be undertaken allowing the gradual transition of services to the company. However, ultimately, where the Council is using the approach to fundamentally change how it delivers Best Value education services the Council is required to consult interested parties for the purposes of S.3(2) of the Local Government Act 1999.
- 5.10 The Council must also ensure that it fully understands the impact on persons with a protected characteristic that the changes in this report may represent for the purposes of the Equality Act 2010. It may therefore need to undertake desktop evaluations and where appropriate carry out equality consultations also. .

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The aims of THE Partnership to support collaboration and a system which benefits all children in the borough is entirely consistent with One Tower Hamlets aims.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 None identified.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 None identified.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 Incorporated in main report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 None identified.

11. SAFEGUARDING IMPLICATIONS

- 11.1 None identified.
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Linked Reports, Appendices and Background Documents

Linked Report

- Maintaining Educational Excellence (May Cabinet)

Appendices

- Steering Group Membership
- THE Partnership Prospectus

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

- TH Response to Partnership Consultation - FINAL 23-12-15

Officer contact details for documents: Layla Richards

Appendix i
Tower Hamlets Education Partnership
Steering Group Membership

Headteachers

- | | |
|---------------------------|-------------------------------|
| • Paramjit Bhutta | Stepney Green |
| • Jemima Reilly | Morpeth |
| • Cath Smith (Vice Chair) | Bow and Alternative Provision |
| • Joanna Franklin | Stebon |
| • Sara Haynes | Arnhem Wharf |
| • Ian Jones | Marion Richardson |
| • Fanoula Smith | St Saviours |
| • Martin Tune | Bonner |
| • Matthew Rayner | Stephen Hawking |
| • Sarah Helm | Old Church |

Governors

- | | |
|---------------------------|-----------------------------|
| • Rob Crothers | Morpeth & Kobi Nazrul (IEB) |
| • Michael Keating (Chair) | Stebon |
| • Bill Wright | Wellington |
| • Victoria Crawley | Columbia Market |

Other Attendees

- | | |
|--------------------------|-------------------------------------|
| • Inigo Woolf | Anglican Diocese of London |
| • JP Morrison | RC Diocese of Westminster |
| • Alex Kenny | NUT |
| • John McLoughlin | Unison |
| • Sir Alasdair Macdonald | Independent Consultant |
| • Alan Parker | Independent Consultant |
| • Kate Bingham | Service Head (Children's Resources) |
| • Sarah Steer | Minute Clerk |