

Haringey Council

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| Report for: | Cabinet | Item Number: | |
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| Title: | Report relating to the conversion of Primary, Secondary and Higher educational establishments to Sponsored Academy status |
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| Report Authorised by: | <i>Libby Blake</i> Libby Blake, Director |
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| Lead Officer: | Jan Doust Deputy Director |
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| Ward(s) affected: | Report for Key/Non Key Decisions: |
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1. Describe the issue under consideration

A number of primary schools, secondary schools and a higher educational establishment have expressed an interest in converting to Academy Status, either as self converters or sponsored academies under the Academies Act 2010 (AA 2010).

The Secretary of State for Education (SoS) pursuant to his powers under the AA 2010 has issued Academy Orders in respect of these educational establishments to enable them to convert to Academy status. The particular establishments are St Ann's Primary School, St Michael's Primary School (N22), St Paul's & All Hallows Junior School, St Paul's & All Hallows Infant School, The Green Primary School, Haringey Sixth Form Centre and St Thomas More Catholic Secondary School.

The AA 2010 provides that on the Conversion Date the educational establishment closes and opens as an Academy under Academy Arrangements in accordance with Section 1 of the AA 2010. Under the provisions of the AA 2010, where the Council are freeholders of the land they are required to negotiate and enter into a 125 year lease with the new Academy Trust. In addition the Local Authority enter into a separate Commercial Transfer Agreement relating to the commercial arrangements.



2. Cabinet Member introduction

I note the decision of these educational establishments to convert to academy status. The local authority proposes to continue working with all these establishments as part of the Haringey family of schools. The recommendations proposed enable the local authority to comply with its statutory obligations.

3. Recommendations

3.1 The Cabinet is asked to note the decision of the educational establishments to convert to Academy Status.

3.2 In order to facilitate the statutory process and conversion of the schools to Academy status the Cabinet is asked to approve that for each of the establishments the Local Authority, as appropriate enter into:

- (i) a Commercial Transfer Agreement
- (iii) a Lease for 125 years where the Local Authority is the freeholder.

3.3 That the Cabinet delegates authority to the Director of Children and Young People's Service to agree the terms of the documents in paragraph 3.2 above to be entered into in consultation with the Lead Member for Children.

4. Alternative options considered

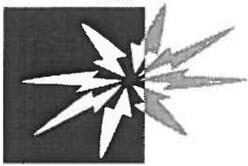
None – this is a statutory process following the exercise of the educational establishments' discretion to choose to convert to academy status under the Academies Act 2010.

5. Background information

The Governing Body's of St Ann's Primary, St Michael's Primary N22, St Paul's & All Hallows Junior, St Paul's & All Hallows Infant, The Green Primary School, St Thomas More Catholic School all voluntary aided schools together with Haringey Sixth Form Centre a maintained higher education establishment, applied to the Secretary of State to convert to Academy status under the Academies Act 2010 (as amended).

The SoS having considered the applications by the schools made Academy Orders for the following schools on the following dates:

12 October 2012 for Haringey Sixth Form Centre;



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17 October 2012 for St Paul's & All Hallows Junior, St Paul's & All Hallows Infant and St Ann's Primary;

30 October 2012; for St Thomas More Catholic School;

31 October 2012 for St Michael's Primary N22 and The Green Primary School.

The Academy Orders oblige the Council to cease maintenance of the schools on the conversion date. The anticipated conversion dates for the schools are:

1 January 2013 for St Ann's Primary school, St Michael's Primary [N22] school, St Paul's & All Hallows Junior school and St Paul's & All Hallows Infant school,

1 February 2013 for St Thomas More Catholic Secondary School

1 March 2013 for The Green Primary School and Haringey Sixth Form Centre.

The Green Primary School is the only school which will convert as a sponsored academy; all the others will be self converter academies.

Under the provisions of the Academy Order and of the Academies Act, where the Council is the freeholder it is required to negotiate and enter into a 125 year lease otherwise the SoS has power to make a property transfer scheme. The 125 year lease will enable the Academy to use the land and assets in accordance with the lease. This will only apply to the Haringey Sixth Form Centre, as all the other schools are voluntary aided schools where a diocese is the land owner.

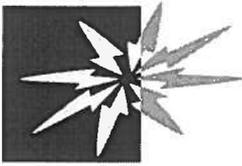
The grant of a 125 year lease will be of the school site at a peppercorn rent to the Academy with the Academy taking responsibility of maintaining the assets. The freehold interest will remain with the Council.

A commercial transfer agreement will transfer the maintenance responsibility of the schools to the Academy Trust to facilitate the conversion process.

A commercial transfer agreement is required to transfer responsibility of all the administration, including employment of personnel and pension obligations, maintenance of the school and insurance to the Academy.

Non-teaching staff at schools fall within the Local Government Pension Scheme (LGPS). As the employer, the Academy would be responsible for meeting the employer contribution. Academies are obliged to offer LGPS membership to staff and staff transferring would simply continue their scheme membership. The Council will remain the pension authority under the Local Government Pension Scheme (LGPS).

The Council will remain the coordination body for admissions for the Academy which means that parents/carers only need to complete one application form. The



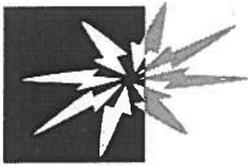
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Academy will be responsible for applying its allocation criteria to the list of applications supplied by the Council. The Academy will be responsible for setting up an independent admissions appeals panel on conversion to hear appeals, however whilst the Academy is establishing its own independent panel the recommendation is that the Council hears any outstanding appeals.

6. Comments of the Chief Finance Officer and financial implications

The conversion to Academy status has a number of financial implications for the Council. However, as set out in the Legal comments the authority must cease to maintain the school on the appropriate date.

- The transfer of staff who are members of the LGPS as described above creates an obligation on the school to meet an appropriate proportion of the pension fund scheme deficit; agreement was made by the Council's Corporate Committee on an appropriate basis for determining the relevant resource and this has been advised to the schools and their identified sponsors.
- The CTA can also provide for certain liabilities to fall on the Council, e.g. certain staff termination costs where a reorganisation is necessary to balance the budget and action has not been previously taken by the school. The extent of such liabilities would need to be identified in the CTA.
- The creation of an Academy means that resources are paid to the school directly by the Education Funding Agency (EFA) once the local Authority ceases to maintain the school. There is a consequent reduction in an Authority's Dedicated Schools Grant (DSG), based broadly on replication of the Authority's funding formula for schools.
- Currently a further reduction to an Authority's DSG is made in respect of the Local Authority Central Service Equivalent Grant (LACSEG) although this aspect is set to change under the broader Education Funding changes scheduled for April 2013.
- The Local Authority has made it clear that it expects the School and the Governing Body to discharge their financial responsibilities in respect of public money appropriately. All schools, except for St Thomas More Catholic Secondary the Green Primary school and St. Michaels N22, are predicted to have a surplus on conversion.
- Any deficit budget will revert to the Local Authority on the conversion date where the conversion is to a 'sponsored academy'. This then forms a charge against the Council's Dedicated Schools Grant allocation. This situation is expected to apply only to The Green which had a deficit of £106,426 as at 31 March 2012.



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- The treatment of any deficit budget where a school is a 'converter academy' will need to be agreed with the Department for Education; the regulations provide for the DfE to reimburse the LA for an agreed value reflecting the deficit on conversion. This applies to St. Thomas More School and St. Michael's N22.
- The Local Authority requires that any surplus at the point of closure will be treated in accordance with the provisions of the Academies Act 2010 and the guidance on Academy surplus and deficits issued by the Department for Education.

The Council, in common with all other 'upper tier' Councils has already had removed from its 2011-12 and 2012-13 Formula Grant allocation amounts in respect of 'Central Services LACSEG'. Following recent consultations the government has announced the methodology that it proposes to use in future years to reflect the transfer of these resources from local authorities to Academies and this has been reflected in the Council's MTFP. A non-ringfenced grant of £687k has been returned to the Council in 2012-13 in recognition of the excessive deductions undertaken in 2011-2013 under previous methodologies.

7. Head of Legal Services and legal implications

The Head of Legal Services notes the contents of this report and advises that under section 6 subsection (2) of the Academies Act 2010, the Council as the local authority must cease to maintain the school on the conversion date; this date will be stipulated in the funding agreement entered into by the Secretary of State.

In order to facilitate this, approval is required to enter a lease where the local authority is the freeholder and commercial transfer agreements as appropriate.

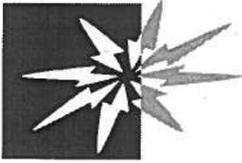
Under the provisions of the Academy Order and of the Academies Act, the Council is required to negotiate and enter into a 125 year lease. If the Council fails to negotiate terms of the lease, the SoS has power to make a property transfer scheme and impose terms on the Council. The Council will finalise the terms of lease before the transfer.

The Council is required to formalise the transfer the responsibility of all the administration, including employment of personnel and pension obligations to the Academy Trust by way of the commercial transfer agreement.

There are no other specific legal comments.

8. Equalities and Community Cohesion Comments

The SoS has confirmed that the Schools will convert to Academy status on the conversion dates. Haringey Council will urge the new Academy, as a public body, to be mindful of its Public Sector Equality Duty in particular in relation to its



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admissions policy and recruitment and management of staff.

An Equality Impact Assessment (EqIA) should be undertaken by the relevant governing body board of each school prior to conversion for the School to adequately discharge their equality duty. The Local Authority will work with and remind the schools governing body board of its duty to ensure this is undertaken to address the impact prior to conversion

9. Head of Procurement Comments

NA

10. Policy Implication

The governing body of an academy will be the admitting authority. This means they have the power to set and apply their admission criteria. They must adhere to the mandatory provisions of the School Admissions Code and follow the provisions set out in the local authority's scheme of co-ordination (this is determined by Haringey and sets out the general admission procedures which will be adopted by all schools and academies throughout the year to ensure that every child has one offer of a school place).

11. Reasons for Decision

This is a statutory process following the exercise of the educational establishments to choose to convert to academy status under the Academies Act 2010.

12. Use of Appendices

Academy Order for Haringey Sixth Form Centre dated 12 October 2012
Academy Order for St Paul's & All Hallows Junior, St Paul's & All Hallows Infant and St Ann's Primary dated 17 October 2012
Academy Order for St Thomas More Catholic School dated 30 October 2012
Academy Order for St Michael's Primary N22 and The Green Primary School dated 31 October 2012

13. Local Government (Access to Information) Act 1985

N/A