

Report of the Built Environment Programme Manager

Report to the Deputy Director, Children’s Services (Learning)

Date: 29th June 2015

Subject: Commercial Transfer Agreement – Holy Name Catholic Primary School from Leeds City Council to The Bishop Wheeler Academies Trust



Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Weetwood	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

The Project Team (including Children’s Services, Legal Services and Procurement) have negotiated the Commercial Transfer Agreement and agreed a commercial position in preparation for the academy transfer on 1st August 2015. All issues have been resolved to the Project Team’s satisfaction and the formalisation of the CTA is recommended in preparation for the transfer of Holy Name Catholic Primary School to Academy status.

Recommendations

It is recommended that the Deputy Director, Children’s Services (Learning):

- Notes the negotiations held with Solicitors acting on behalf of the school, DfE and the Academy Trust;
- Gives authority for the Commercial Transfer Agreement to be executed and completed to enable the Academy to open on 1st August 2015.

1 Purpose of this report

- 1.1 The report provides a summary of negotiations to date, advises on issues and risks and requests the Deputy Director, Children's Services (Learning) to:
- Note and approve the negotiations held with the Solicitors for the Governing Body of Holy Name Catholic Primary School and the Bishop Wheeler Academies Trust.
 - Approve the signing of the Commercial Transfer Agreement required to enable the Academy to open on 1st August 2015.

2 Background information

- 2.1 The school applied to the DfE to be granted Academy status and on 24th March 2015, the Director of Children's Services received the Academy Order (dated 20th March 2015) enabling Holy Name Catholic Primary School to convert to an Academy under Section 4 of the Academies Act 2010. The proposed conversion date is 1st August 2015.

3 Main issues

- 3.1 Under the Academies Act 2010, publicly funded schools in England may become Academies. Schools may be converted into academies by an Academy Order made under s4 of the Act, and on 24th March 2015, the Director of Children's Services received an Academy Order enabling the school to convert.
- 3.2 As part of the conversion process, a Commercial Transfer Agreement (CTA) has to be entered into between the Academy Trust and Leeds City Council (if the Commercial Transfer Agreement is signed prior to the conversion then the Governing Body of the outgoing school also joins into the Agreement).
- 3.3 The Commercial Transfer Agreement deals with the transfer of the assets, staff and contracts from the Council to the new Academy Trust (where applicable). When a community school converts to Academy status, the CTA provides for apportionments of payment of salaries, pension contributions, etc. and indemnities from both parties in relation to employment matters.
- 3.4 The standard form (which provides for extensive indemnities from the City Council to the Academy) was modified in line with Children's Services policy to accept only the minimum obligations required under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (known as TUPE) to pay staff up to the date of transfer and for any personal injuries prior to transfer.
- 3.5 On the basis that Holy Name Primary is a Voluntary Aided Catholic school, all of the staff are already employed by the Governing Body of the school, therefore this particular CTA will not deal with the transfer of staff from the Council. It does, however, ensure that it is clearly documented that these liabilities sit with the Governing Body and not LCC, by stating "The Council will not be responsible for any of the indemnities given by the Governing Body in Clause 7 and the Company will not be able to enforce them against the Council".

- 3.6 It should be noted that it is not necessary for the Commercial Transfer Agreement to be entered into in order for the transfer to take place; however, it is in the Council's interests for the Agreement to be entered into to set out the formal transfer of the assets, contracts and staff (where applicable).
- 3.7 Key issues that have been agreed are:
- What assets / contracts will transfer
 - How historic liabilities will be dealt with
- 3.8 All of the contracts and SLA's that the Governing Body currently has in place will be assigned to the Academy Trust where third party consent is not required, or where consent has been sought. Where consent is required but has not been granted prior to the conversion date, all parties should use their 'reasonable endeavours' to obtain the consent of other parties to the assignment and then assign or procure the Novation of that contract(s).
- 3.9 As Holy Name is a Voluntary Aided RC school, the freehold of the majority of the school site is held by the Diocese, with the exception of the playing fields and the 125-year lease of the playing field has been agreed and will be signed off / approved by the Director of City Development under separate report. It should be noted that LCC will be left with a significant area of land which is not being leased to the Academy Trust, as this sits outside of the school fenceline, despite it being within the title plan for the site, and has not been used by the school for a significant length of time. This area of land will be declared surplus to operational requirements accordingly (see attached plan at Appendix 1, retained land highlighted / hatched red).

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 It should be noted that the statutory consultation process is no longer required, as the Academies Act 2010 streamlined the process so that when there is a conversion from a single school into a single academy (rather than a merger), there is no longer the requirement to issue a closure notice, as the school converts to academy status rather than closing and re-opening as an academy.
- 4.1.2 All consultations regarding the proposed academy are undertaken by the Governing Body and it is for the Governing Body to decide upon a level of consultation which is deemed appropriate under the circumstances. However, it should be highlighted that there is no set guidance on how to quantify what appropriate consultation actually means in terms of duration and consultees. All interested parties should however, be provided with opportunity to respond and ask questions.
- 4.1.3 Whilst the Authority has no ability or rights to prevent the conversion from taking place, a number of stakeholders within the LA have been consulted as part of the conversion process including Finance, HR and Built Environment teams within Children's Services and also Legal Services, City Development and PPP&PU.

The Director of Children's Services was made aware of the proposed conversion on receipt of the Academy Order on 24th March 2015, and both the Executive Member for Children and Families and local Ward Members have been informed and are aware of the conversion.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening form has been completed and submitted to the Equality Team. The Screening process has determined that although the conversion to Academy status could potentially have an impact on a number of groups, it is not necessary to undertake an EIA in relation to either this report or the entering into the Commercial Transfer Agreement between LCC and the Academy, due to the decision to convert not being a decision the Council has made, and that the Council has limited control over the process.
- 4.2.2 The DfE have undertaken an Equality Impact Assessment in relation to the Academies Bill and have also completed a Race Impact Assessment in relation to the Academies Programme – both of these are publicly available on the DfE's website.

4.3 Council policies and City Priorities

- 4.3.1 The 'Leeds for Learning' policy is an ambitious city-wide commitment to achieving a child friendly city that drives school improvement and reflects the new relationship with schools, the integrated children's services and the changes to national policy and funding.
- 4.3.2 The Local Authority has a duty to promote high standards and champion educational excellence. The relationship between the authority and its schools must influence the city wide agendas such as 'improve attainment and close the achievement gap', 'improve attendance and develop positive behaviour' and to 'create a life ready for learning'; all of which are aspirations from the Children and Young People's Plan. We will continue to apply the cycle of monitor, evaluate, challenge and support with schools in order that they become strong and capable of contributing to the key priorities of the city.

4.4 Resources and value for money

- 4.4.1 The City Council has incurred costs relating to legal, finance and project management. It should be noted that there is no DfE funding support for these costs.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Legal implications are outlined above in 3.0 Main Issues.
- 4.5.2 This is an Administrative decision on the basis that there is little risk and that the transfer will proceed even if the City Council does not enter into the Agreement. However, it is in the Council's interests for the Agreement to be entered into to set out the formal transfer of the assets, contracts and staff (where applicable), and to give LCC some protection against future claims

4.5.3 This report does not contain exempt information under Access to Information.

4.6 Risk Management

4.6.1 Negotiations around the Commercial Transfer Agreement have been handled by procurement and contract specialists in Legal Services and PPP&PU who have given appropriate due diligence and advice. No risks have been identified which have not been raised within the body of the report. No future risks have been identified which are not mitigated through the CTA.

5 Conclusions

5.1 Under the circumstances, negotiations have progressed well and have been concluded – furthermore the relationship with the Bishop Wheeler Academies Trust and their advisors continues to be positive. Therefore the Commercial Transfer Agreement is agreed and ready for sealing/signing as appropriate.

6 Recommendations

6.1 It is recommended that the Deputy Director, Children's Services (Learning):

- Notes the negotiations held with the Solicitors acting on behalf of the School, DfE and Academy Trust;
- Gives authority for the Commercial Transfer Agreement to be executed and completed to enable the Academy to open on 1st August 2015.

7 Background documents

7.1 Appendix 1 – Site plan showing area of retained land.