

Report of the Built Environment Lead

Report to the Deputy Director of Children & Families

Date: 27th September 2018

Subject: Commercial Transfer Agreement – Calverley Parkside Primary School from Leeds City Council to Owlcotes Multi Academy Trust



Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Calverley and Farsley	<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 & Families, Legal Services and Procurement and Commercial Services) have negotiated the Commercial Transfer Agreement (“**CTA**”) between (1) LCC; (2) The Governing Body of Calverley Parkside Primary School (“**Governing Body**”) and (3) Owlcotes Multi Academy Trust and agreed a commercial position in preparation for the academy transfer on 1st November 2018. 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 Calverley Parkside Primary School to Academy status.

Recommendations

It is recommended that the Deputy Director of Children & Families:

- Notes the negotiations held with Solicitors acting on behalf of the Governing Body of Calverley Parkside Primary School and Owlcotes Multi Academy Trust;
- Gives authority for the Commercial Transfer Agreement to be executed and completed to enable the Academy to open on 1st November 2018.

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 of Children & Families to:

- Note and approve the negotiations held with the Solicitors for the Governing Body of Calverley Parkside Primary School and Owlcotes Multi Academy Trust.
- Approve the signing of the Commercial Transfer Agreement required to enable the Academy to open on 1st November 2018.

2 Background information

2.1 The Director of Children and Families received the Academy Order on the 20th of January 2018 enabling Calverley Parkside Primary School to convert to an Academy under Section 4 of the Academies Act 2010. The proposed conversion date is 1st November 2018.

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 Section 4 of the Act, and on 20th of January 2018, the Director for Children and Families received an Academy Order enabling Calverley Parkside Primary School to convert.

3.2 As part of the conversion process for publically funded schools, a Commercial Transfer Agreement (CTA) has to be entered into between the relevant 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, as is the case at Calverley Parkside Primary School.

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), specifically in relation to our obligations under Regulations 13 and 14 of the Regulations, or any award of compensation under Regulation 15 of the Regulations

3.5 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).

3.6 Key issues that have been agreed are:

- Which assets / contracts will transfer
- How historic liabilities will be dealt with

3.7 All of the contracts and SLA's that LCC or the Governing Body currently have in place in respect of the school will be assigned to Owlcotes Multi Academy Trust where third party consent is not required, or where consent has been obtained. 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). For LCC contracts, where this has not been achieved LCC will continue with the contract as agent for Owlcotes Multi Academy Trust.

3.8 The 125-year lease of the building and grounds has been agreed and will be signed off / approved by the Director of City Development under a separate report.

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 Local Authority have been consulted as part of the conversion process including Finance, HR and Built Environment teams within Children & Families and also Legal Services, City Development and Procurement and Commercial Services. The Director of Children and Families was made aware of the proposed conversion on receipt of the Academy Order on 20th of January 2018, and both the Executive Member for Children and Families and local Ward Members have been informed and are aware of the conversion via a written briefing submitted in February 2018.

4.2 Equality and Diversity / Cohesion and Integration over the process.

4.2.4 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 Best Council Plan

- 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 LCC has offered a number of indemnities around staffing, there is a risk that the Council could potentially be liable for future costs arising from Employment Tribunals should any arise, however this has been assessed against the impact of the conversion not proceeding, which is considered to be a greater risk for the Council under the circumstances.
- 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 Procurement and Commercial Services 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 Owlcotes Multi Academy 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 of Children & Families:
- Notes the negotiations held with the Solicitors acting on behalf of the Governing Body of Calverley Parkside Primary School and Owlcotes Multi Academy Trust;
 - Gives authority for the Commercial Transfer Agreement to be executed and completed to enable the Academy to open on 1st November 2018.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.