

**REPORT FOR: OVERVIEW AND  
SCRUTINY COMMITTEE**

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<b>Date of Meeting:</b>	5 <sup>th</sup> July 2011
<b>Subject:</b>	Transfer of Harrow High Schools to Academy Status
<b>Responsible Officer:</b>	Catherine Doran, Corporate Director Children's Services
<b>Scrutiny Lead Member area:</b>	Councillor Christine Bednell – Policy Lead, Children and Young People Councillor Krishna James – Performance Lead, Children and Young People
<b>Exempt:</b>	No
<b>Enclosures:</b>	Appendix A - Cabinet Report – 17 <sup>th</sup> March 2011 Appendix B - Cabinet report – 7 <sup>th</sup> April 2011 Appendix C - Licensing and General Purposes Committee Report – 17 <sup>th</sup> May 2011

## **Section 1 – Summary and Recommendations**

This report sets out the context, history, Harrow Council response and work undertaken relating to the transfer of Harrow High Schools to academy status. It highlights significant issues, political decision making and anticipated future activity.

The report is produced to provide sufficient information to allow members of Overview and Scrutiny to oversee the activity and raise informed questions or challenge to the relevant officers or Portfolio holder. The report also sets out the challenges faced by a Local Authority in dealing with a significant number of High Schools transferring at the same time and highlights actions the Department for Education might take to assist.

### **Recommendations:**

That the Committee be invited to consider and comment on the report and, if appropriate, refer its comments to Cabinet.

## **Section 2 – Report**

### **The Legislative Background and the position of Harrow High Schools**

*The appendices to this report contain much of the background information and rationale for decision making and approaches adopted by Harrow Council in this work. Rather than rehearse them in detail, cross reference is made to relevant parts, where appropriate, in the body of this report.*

1. Appendix A sets out the legislative opportunities presented to schools by the Academies Act 2010. In short, this gave any school assessed by Ofsted as 'Outstanding' or 'Good with Outstanding features' the opportunity to transfer to Academy Status by entering a funding agreement with the Secretary of State. Unlike other local authorities Harrow Council had no previous experience of 'old style' academies as all its high schools had achieved the highest levels of performance under the Ofsted Assessment framework. The methodology and approach to obtaining academy status is also set at in Appendix A together with an anticipated timescale which has (more or less) proved to be the one that the schools have followed.
2. 7 Harrow High Schools with 'Outstanding' or 'Good with Outstanding features' in their last Ofsted inspection have been pursuing their interest in conversion to Academy Status since formally notifying Harrow Council (in February 2011). Only Whitmore High School of the non-voluntary aided, mainstream secondary schools has not been investigating change of status.
3. As Appendix A makes clear the perceived advantages of Academy Status for any school are:
  - Autonomy from the Local Authority to run the school as a separate stand alone organisation
  - Greater freedom over the curriculum
  - The ability to alter the nationally agreed terms and conditions of staff
  - Greater flexibility over the school day and school terms
  - Increased funding by virtue of receiving funding direct from the Department for Education (or the YPLA) to cover the cost of new functions they will take from the Local Authority
4. The 7 High Schools investigating change of status have stated that they will not wish to change terms and conditions of staff contracts of employment, the school days or term times for the foreseeable future. Appendix A sets out a range of principles that the 7 schools have publicly adopted to guide their work.
5. A range of the key implications of transfer for the schools and Harrow Council are set out in Appendix A.
6. All 7 of the schools have now made the decision to convert to Academy Status (subject to entering a funding agreement with the Secretary of State).
7. Despite some expected tensions along the way, a number of the schools have thanked Harrow Council for its time, support and challenge during the process so far

(notwithstanding the Council's preferred approach that all schools remain "maintained"). Whilst it is perhaps inevitable that the council and the schools will not always see eye to eye (and at the time of drafting there remain some robust conversations to be had) the potential for a positive ongoing relationship appears good. The intervention of the Chief Executive at particular junctures was particularly appreciated by the schools concerned.

8. The Licensing and General Purposes committee on 17<sup>th</sup> May made a series of important and complex decisions relating to the new Academy Trusts' positions within the Local Government Pension scheme (for non-teaching staff). In short, each new academy will be a separate employer under the scheme and therefore have different contribution rates reflecting the liabilities of their own workforce. A 20 year deficit recovery period was agreed, with the deficit share for each new academy being based upon current, deferred and pensioner members. No stabilisation of contributions will be applied. Appendix C is the relevant committee report.
9. Equalities Impact Assessments on the proposed transfers have been completed for Harrow Council (recognising the Council's new role in relation to the Academies) and by each of the 7 schools.
10. All schools completed a detailed assessment of the pros and cons of transfer and the Governing bodies considered them in detail at their decision making meetings. Whilst the financial position for the schools (particularly relating to LACSEG<sup>1</sup> monies) was not as positive as they had initially hoped, the Governing Bodies formed the view that the schools are financially viable as academies.
11. Academy Orders have been made by the Department for Education for each of the 7 schools, however conversion will not be confirmed until the funding agreements have been completed with the Department for Education. Harrow Council and the Schools are working hard to achieve a transfer date of 1<sup>st</sup> August 2011.

## **Harrow Council's Approach**

12. The Overview and Scrutiny Committee may be interested in the approach taken by Harrow Council to the Academies Transfer issue. Some of the key issues and how they have been managed are drawn out below. The following substantive section then deals with some of the anticipated future work and how the project will be reviewed and evaluated. It also considers lessons learned and how these can be applied in the event that other schools decide to pursue change of status.
13. Once Harrow Council became aware of the number of schools potentially transferring, the Director of Children's Services moved rapidly to create capacity to handle transfer with a small project team supported by staff from across the Council. The Council (and schools) have been breaking new ground but the ability to have a focused resource, a project methodology, good risk management and a strong response from the officers across the Council have enabled real progress to be made in a tight timescale. Key decisions have been properly taken, robust conversations taken place where needed and all stakeholders kept informed. It is hoped this provides the basis for a strong,

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<sup>1</sup> Local Authority Central Spend Equivalent Grant (LACSEG) - an amount paid to academies in recognition of the fact that as academy schools they no longer receive a number of services from local authorities

though remodelled, relationship to continue between the new Academies, Harrow Council and the maintained schools.

14. It is worth recognising that when all 7 schools transfer to Academy status they constitute some 28% of the Borough's pupils and 74% of Secondary pupils. Around 1400 staff will TUPE transfer along with sizable land transfers. There are very significant financial issues and an impact on the £2 million per year of 'bought back' services under Service Level Agreements (SLAs). The impact of transfer should not therefore be underestimated. Overview and Scrutiny members will be aware of the Council's developing work on the new strategic relationship with all schools (not just Academies).
15. The Programme Team has progressed work in 8 different workstreams namely:
  - Communications and Consultation
  - Staffing and Pensions
  - Land and Buildings
  - Service Level Agreements
  - Contracts with Third Parties
  - Finance
  - Data and information Systems
  - Corporate Implications and Issues
16. Led by the Corporate Director of Children's Services with top level officer inputs from the Chief Executive and CSB, the workstreams have enabled detailed technical work to be programmed and coordinated in a focused way and helped ensure that there is a 'main conduit' for discussion and information flow between the Council, the schools and their retained consultants. Elected members have been involved in taking key decisions, briefings and in feeding into the schools' consultation processes
17. A detailed project plan, risk log and issues log and regular meetings of the project team (and schools consultants) have helped to keep progress on track. Assuming that all work is completed by the 1<sup>st</sup> August, Harrow Council will have managed a highly complex and service sensitive project in a safe, adaptive and cost effective way. This is important not just to ensure financial efficiency but to help preserve the continuity of high quality secondary education provision in Harrow and maximise the chances of a good ongoing relationship with the new Academy Trusts.
18. There remains at the time of drafting much to do. The project team and the Council generally face real challenges in completing transfers over the next two months and are not complacent about those demands or remaining risks which will continue to be carefully managed.
19. Appendices A and B give a flavour of some of the work that has been undertaken by the Programme Team. Rather than set out in detail all that has been undertaken the next section flags some particular issues and potential learning points. Officers from the Programme Team will attend the Overview and Scrutiny Committee meeting on 5<sup>th</sup> July to answer any questions on these or other areas of interest to the Committee.

## **Some Key Issues**

20. Reference has already been made to the fact that Harrow Council (and schools themselves) have been 'breaking new ground' in undertaking this work. No other Local Authority that we have been able to identify is attempting to manage such a large number of Academy transfers at one time. On occasions this has required real innovation, pragmatic solution finding and continually asking, "what is right for Harrow?" The Department for Education, whilst sympathetic to the Council's predicament, simply do not have solutions yet to many of the issues that we have experienced and have been interested in the approach taken by the Council (for example they have not experienced such a thorough response to a school's consultation process as that sent by the Corporate Director of Children's Services).
21. Members of the Overview and Scrutiny committee may wish to suggest to Cabinet that officers be instructed to write formally to the Department for Education explaining the difficulties inherent in handling a number of potential transfers concurrently. In particular this might include:
- Lack of financial support from the Local Authority (compared to the £25,000 funding for the Schools in question). In the case of transfer of staff, land, contracts, etc the majority of pre transfer work is arguably to be undertaken by the Local Authority. It also needs to be undertaken to a high standard to enable robust decision making by the Governing Bodies.
  - The tight timescales which are set without reference to the Local Authority.
  - Lack of clarity on School finances meaning that neither the school nor the Local Authority can plan with certainty for capital or revenue budgeting.
  - Significant gaps in the Department for Education's ability to provide useful guidance to Local Authorities on pension issues.
  - Other issues that the committee identify as causing difficulties in the transfer process.

## **Consultation**

22. The Academies Act 2010 contains only minimal requirements for consultation by Governing Bodies considering transferring status. Harrow Council took the position that all interested stakeholders should be aware and have the opportunity to have their voices heard. Special sessions for Governors of all Harrow Schools, all elected members, trade unions, the Youth Parliament etc were facilitated and local media encouraged to cover the issues to enable an informed response. The Council's website and printed communications covered the issue and encouraged a wider civic debate. This approach, whilst proving controversial for some, was welcomed by the schools and helped to increase the number of responses to this consultation processes.

## **Land and Buildings**

23. The Appendices (particularly Appendix B) cover the issue of the Council needing to transfer the school sites on 125 year leases to any new Academy Trust. Investigating title, agreeing lease terms, drafting licenses to occupy land (for example for sports fields) have all been sizable tasks. On shared sites, the Council has been keen to ensure the interests of remaining maintained schools are protected. In similar fashion the Council has sought to ensure that existing community use is maintained once the land is transferred to the Academy Trusts.

24. The condition of the schools premises varies considerably. Some have recently had sizable capital investments, others believe they should have had more. Harrow Council has no further capital at its disposal to invest in the sites and the ability of new Academies to access capital funds from the Department for Education is currently unclear. The Council has sought to provide the schools with all the information it holds as landlord about the sites and would perhaps wish to support some schools in applications that they make to the Department for Education for investment in the future.

## **Staffing and Pensions**

25. Early dialogue with the Trade Unions, before any formal TUPE (Transfer of Undertakings and Protection of Employment) consultation process, helped to identify a number of concerns that the Council and the schools have worked to address. It remains the case that all unions are opposed to Academies and have raised their concerns nationally and locally. Harrow's recognised Trade Unions have engaged constructively given that potentially 1400 staff will transfer to new employers. The formal TUPE processes started on 15<sup>th</sup> June. Much of the data checking, sharing of policies and contract of employment information has been undertaken in advance to make more manageable the transfer of such a large number of employees. The Council's Human Resources Team have obtained additional resource to ensure they can manage what is likely to be a significant number of questions from individual staff.

26. Issues relating to the Local Government Pension Scheme have proved complex and were the subject of a report (Appendix C) to the Licensing and General Purposes committee on 17<sup>th</sup> May. In short, any new academy trust will now be a separate employer under the Scheme and will therefore have different employees' contribution rates that reflect the liabilities of their own workforce. Pension deficits will be recovered over a 20 year period with the deficit calculated upon current, deferred and pensioner members. At a national level this is an issue that Local Government Employers are raising with the Department for Education given that different Pension Schemes in different localities are coming to different views about how best to resolve the position.

## **Service Level Agreements (SLAs)**

27. The Appendices set out how important in revenue and relationship terms the services to be 'bought back' by Academy Trusts from Harrow Council are. It is acknowledged by schools and Harrow Council that the consistency, quality and cost of these services requires attention. With the Leadership of the Chief Executive and Director of Finance the provision of negotiated SLA services will be the subject of intense work up to 1<sup>st</sup> August and then beyond. Managing 'trading relationships' between Harrow Council and all schools has been highlighted as an important area to develop. Officers can update further, if required, following the SLA negotiation day planned for 30<sup>th</sup> June.

## **New Strategic Role of Local Authorities in Local Education Provision**

28. The Department for Education vision for Local Authorities is as local champions of quality and equality amongst education providers in their areas (rather than commissioners or direct providers of education). Whilst that position may take some time to realise, clearly academies, free schools and other national policy developments are designed to further this strategic direction.

29. Harrow Council has developed its thinking on how that might work in the Borough, with the Council's strategic role for education being the subject of a Cabinet report in May. A future report on a new approach to place planning and school expansion is being considered by Cabinet in July. Clearly the ongoing maintenance of good working relationship with the academies (as well as all maintained schools) will be essential. Through strategic conversations, active mutual support and delivery of quality SLA services this role will be developed over time. In their notification of decision letters each of the 7 schools have stated their desire to continue to work constructively with the Council.
30. Harrow Council has been clear that the 'family' of Harrow Schools has such inherent strengths that it should, where possible, be maintained. The Council would also like to see any Academy maintaining high quality standards, being financially strong and utilising all of the benefits of working collectively together.

## **Next Steps and Evaluation**

31. The completion of Commercial Transfer Agreements (CTA's), leases and licences, various contract novations, staff transfers and SLAs will all require considerable input from Harrow Council's project team and the schools over the next 2 months. A due diligence process will be designed to ensure all risks are covered, warranties and indemnities understood and liabilities are clear.
32. The project team will undertake a review (which Overview and Scrutiny are invited to make observations to) to feed the creation of a 'Rough Guide to Becoming an Academy in Harrow'. This will set out clearly the most efficient process that Harrow Council would anticipate any school subsequently investigating transfer to follow and setting out the Council's expectations on the basis of our experience with these 7 transfers. The project team approach to managing transfers is not financially viable beyond September 2011 and any further transfer activity will need to be mainstreamed into the day-to-day business of the Council. The 'Rough Guide' should provide a useful resource.
33. A workshop (or series of workshops) will be run for Harrow's maintained schools, many of whom have expressed an interest in understanding the process, if not in actually investigating transfer formally. The issues, in particular financial viability, are likely to be different for primary schools but there will be useful lessons to be drawn out.

## **Risk Management Implications**

The Academies Project has been run using project management methodology. This has included a Risk and Issues log, regularly updated and reviewed, with risks managed or escalated where appropriate.

## **Equalities implications**

An Equalities Impact Assessment (EIA) was carried out by Harrow Council and 7 separate Assessments undertaken by the 7 schools concerned.

None of the 8 Assessments identified adverse impacts. The Harrow Council EIA set out a base line position for pupil information and staff data that will allow both to be tracked over time. The new role of Harrow Council as champions of quality and equality in the new school system means that an annual oversight in areas such as admissions, exclusions

and Special Educational Needs (SEN) provision will be valuable. This is the major specific recommendation from the EIA.

Moving forward, academies are public bodies for the purposes of the Equality Act and will be subject to the new public sector equality duty and specific duties in relation to setting equality objectives and publishing equality information. An ongoing relationship between the Council and the schools will ensure that the organisations can work together to promote equality of opportunity and eliminate discrimination.

### Corporate Priorities

Retaining an integrated family of schools across the Borough with a close working relationship with the Council contributes to the Council's Corporate Priorities to unite and involve communities and support and protect people most in need.

### Section 3 - Statutory Officer Clearance

Name: Emma Stabler	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 12 <sup>th</sup> June 2011		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date: 24 <sup>th</sup> June 2011		

### Section 4 - Contact Details and Background Papers

#### Contact:

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#### Background Papers:

##### Appendix A

Cabinet Report: 17<sup>th</sup> March 2011 "*Position on the Potential Conversion of Harrow High Schools to Academies*"

##### Appendix B

Cabinet Report: 7<sup>th</sup> April 2011 "*Potential conversion of Harrow High schools to Academy Status –Land and Asset Issues*"

##### Appendix C

Licensing and General Purpose Committee: 17<sup>th</sup> May 2011 "*Academies: Employer Contributions Rates*"



# Appendix A

## REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	17 March 2011
<b>Subject:</b>	Position on the Potential Conversion of High Schools to Academies
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Catherine Doran, Corporate Director Children's Services
<b>Portfolio Holder:</b>	Councillor Brian Gate, Portfolio Holder for Schools and Colleges
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	None

### **Section 1 – Summary and Recommendations**

This report sets out

- A proposed Council position on potential conversion of 7 high schools to academies
- The Academies Act 2010 and what it means for Harrow schools
- The current declared position of Harrow's High schools, and the statutory process they will need to follow.
- Implications for LB Harrow as a Local Authority.
- Actions, key decisions and a top level timetable

#### **Recommendations:**

(1) Cabinet agree the position of the Council on the proposal for 7 of the High Schools to convert to academies.

(2) Cabinet note the implications for the Local Authority of the potential conversion.

**Reason: (For recommendation)**

To prepare for the significant changes that academy conversion will entail and to ensure that all of Harrow's schools continue to provide high quality education to local young people.

## **Section 2 – Report**

### **INTRODUCTION**

The Local Authority learned in January that 7 high schools were investigating academy status with potential conversion on or before the 1<sup>st</sup> of September 2011.

Harrow has a history of good partnership working between Local Authority, schools, governors, parents and young people. Elected Councillors are rightly proud of the Borough's high schools, which have served young people and the community well over many years. The Local Authority actively supports schools to have the freedom to operate as they know best and has delegated a higher proportion of the schools budget to schools than any other local authority in England.

### **PROPOSED COUNCIL POSITION ON CONVERSION TO ACADEMY.**

The Education Consultative Forum considered the issues around academies conversion at its meeting on 1<sup>st</sup> March and has advised that the Council adopts the following position:

- The Local Authority would prefer the 7 high schools to remain within the family of schools in the borough
- However, the Local Authority will support the schools and work in partnership with them regardless of the outcome regarding academy status
- The Local Authority will encourage all schools to work closely together in the best interests of Harrow people, including high schools working with primaries and through the Collegiate
- The Borough's admissions arrangements for community schools and fair access protocol are important to Harrow parents; we will not wish to see these changed and remain committed to high quality Harrow school places for all Harrow children
- We will remain committed to great learning opportunities for all Harrow pupils whatever their abilities or disabilities
- As democratically elected representatives we will seek to be actively involved in supporting any new academies and continue to hold all schools publicly to account for outcomes for the borough's young people
- The Local Authority will work with the respective Governing Bodies to ensure that due diligence is exercised in considering academy status
- We will encourage fair and wide consultation as part of the process

Members of the Forum expressed the view that the proposed level of consultation needed to increase in order to enable parents within the borough to be fully informed of the potential impact of these schools adopting academy status. As a result the schools have agreed to widen the consultation to reflect a standard school reorganisation, and have included local voluntary and community groups, plus the Harrow Youth Parliament.

Members also agreed that maintaining the proud educational history of the borough was of paramount importance whilst considering and supporting the schools that had expressed an interest in transferring to academy status.

## **FURTHER INFORMATION ON THE PROPOSED CONVERSION OF SCHOOLS TO ACADEMIES:**

### **1. The Academies Act 2010**

The Academies Act 2010 streamlined the process to convert maintained schools into academies. In the first instance any maintained schools rated as “outstanding” in their latest Ofsted inspection could apply, this was more recently extended to “good” schools with one or more “outstanding” feature. As Harrow has no High Schools performing poorly it has no history of dealing with “old style” Academies, primarily focused on failing secondary schools.

An academy is a publicly funded independent school free from local authority control. It is state maintained and funded directly by the Department for Education as opposed to through the local authority. No charge can be levied to parents or children attending the school, save where the law allows maintained schools to charge. Any school wishing to convert will be required to commit formally to supporting another school to raise its performance

Academies have considerable autonomy in comparison with LA maintained schools, including the power to set terms of employment for staff, flexibility in terms of following the national curriculum and the ability to change the length of terms and school days. The DfE will provide further freedoms to academy schools through a revised Funding agreement in such areas as target setting and 14-19 education.

Selective and religious schools can carry over their status, but other schools cannot become selective after conversion.

The Act is intended to increase dramatically the number of academies across the UK. As at 1 February 2011, 527 applications to convert had been received, 326 academy orders have been made and 171 new academies have been created.

### **2. The current position of Harrow’s High schools and the required conversion process.**

In early February, a collective statement was issued by the Chairs of Governors and Head teachers of Bentley Wood, Canons, Harrow High, Hatch End, Nower Hill, Park and Rooks Heath announcing their individual investigation of academy status. Amongst the mainstream community schools only Whitmore is not currently investigating academy status. In context the 7 schools represent 28% of the Borough’s pupils and 74% of secondary pupils.

There are 4 keys steps for schools to follow to achieve academy status:

- **Step 1.** Interest in conversion registered with DfE following a GB resolution to investigate academy status. Funding from the DfE is released to the schools to assist with the costs associated with conversion. Statutory consultation may begin at this stage.

- **Step 2.** Application to convert is made to DfE, GB passes resolution in favour of academy conversion, GB and Local Authority start TUPE<sup>2</sup> process for staff transfers, Secretary of State considers applications
- **Step 3.** New Governance documents for the school ( based on DfE model) finalised, academy registered at Companies House, leasing arrangements for land finalised, TUPE process completed, GB complete required consultation process, funding agreement completed and submitted to secretary of state for approval.
- **Step 4.** CRB checks completed, new financial systems and contracts in place, academy registrations with exam bodies undertaken. Opening.

The Act requires Schools to consult such persons as the GB thinks appropriate. The consultation must be on the question of whether the school should be converted into an academy. It is for the GB to determine who should be consulted but the non statutory guidance from DfE states that schools should consider involving local groups or bodies with strong links to the school.

In the joint statement the 7 schools set out a collective set of principles that they would work to namely:

- a comprehensive education for all utilising the new academy freedoms.
- remaining as schools for the local community, retaining their existing admissions criteria for over subscriptions, and the pan-London process.
- recruiting and maintaining high quality staff, retaining national and local terms and conditions for current and future new staff.
- Retaining the existing school day and setting the school year within the local context.
- Commitment to continued collaboration amongst the schools and with other partners.

The schools have also proposed some policies<sup>3</sup> that would be adopted post conversion, subject to Governing Body approval:

- **Admissions:** Retain current Published Admission Year Number for Year 7; retain current admission policy / over subscription criteria
- **Governance:** Local Authority to appoint one Governor; staff governors to continue to have teaching and support staff representation
- **HR:** Retain current Terms and Conditions for new staff (i.e. STPCD / Burgundy Book for teachers, Local T&C for support); no restructure as part of conversion (although GB will monitor workload for support staff regarding academy operation); no desire to alter pay date (although this depends on payroll conversion)
- **School day / year:** Retain the current school day; continue to set the school year in the local context
- **School name:** Retain current school name
- **Collaboration:** Continue to collaborate with cluster primary schools, with other high schools / FE colleges (including through the Collegiate) and with the Local Authority

At present the 7 schools are stating they are investigating academy status with possible conversion before September 2011. Current estimates suggest that by the first week in March each school Governing Body will have decided to apply (i.e. Step 1 above). Each Governing Body have indicated a wish to pass a resolution by late May (step 2) to make the formal application to DfE in order to complete the statutory TUPE consultation in time for a proposed conversion by September 2011.

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<sup>2</sup> Transfer of Undertakings (Protection of Employment) Regulations 2006

<sup>3</sup> Proposed at Meeting Schools, LA, Trades Unions 10 Feb 2011

### **3. Key implications for Harrow as a Local Authority**

Given that one of the key policy drivers behind the 2010 act was to “free academies from Local authority control” it is not surprising that neither the Act nor the accompanying guidance sees a significant role for the LA in academy transfer approaches. There is no veto and relatively little real influence afforded the Local Authority. However, whatever the decision of the respective Governing Bodies, the local authority is committed to working in partnership with all of Harrow’s High Schools to deliver high quality education for local young people.

The Education Bill 2011 proposes further changes to the relationship between schools and local authorities and as the Bill passes through Parliament it will become clearer what impact these proposals will have. It is clear that school improvement will be delivered differently in the future and the Council has already made a decision to set up the Harrow School Improvement Partnership, which will be led by participating schools.

#### **A: SOME KEY EDUCATION SERVICE POLICY IMPLICATIONS**

##### **3.1 Admissions:**

Whilst academies are not subject to the statutory admissions requirement, the current model funding agreement states that the Academy Trust will act in accordance with the statutory School Admissions Code and the School Admissions Appeals Code and ensure that an Independent Appeal Panel is trained to act in accordance with these and to comply with the law on admissions as it applies to maintained schools. The Academy Trust is also required, under the current model funding agreement, to take part in any mandatory admissions forum and have regard to its advice and to participate in co-ordinated admission arrangements operated by the local authority and the local fair access protocol.

Any pupils already on the roll at the point of conversion will transfer automatically and places offered to children at the predecessor school will be binding. The Local Authority must include academy admission arrangements in its report to the Schools Adjudicator.

Whilst the local authority cannot direct an academy to admit a particular pupil, it can apply to the Secretary of State to direct that an Academy Trust admits a named pupil.

##### **3.2 Exclusions:**

Academies are not subject to statutory requirements in relation to exclusions, however the current model funding agreement does provide that the Academy Trust shall comply with the law on exclusions as if it was a maintained school.

If invited to do so by the Local Authority, the Academy Trust shall enter into an agreement which has the effect of allowing payment to flow between the Academy Trust and the Local Authority following a permanent exclusion or admission of a permanently excluded pupil. This applies in the same way as it would apply to a maintained school.

##### **3.3 Special Educational Needs:**

The current model funding arrangements require that academies must comply with all duties imposed on maintained schools in Part 4 of the Education Act 1996 - duty to have regard to code of practice, duties in relation to pupils with SEN, duty to advise parents that

special educational provision is being made and duty to admit a child where the school is named in the statement.

The Academy Trust must ensure that their prospectus includes details of arrangements for the admission of disabled pupils and the steps taken to prevent disabled pupils from being treated less favourably and the facilities provided to assist access to the academy by disabled pupils. The Academy Trust must ensure that pupils with SEN are admitted on an equal basis with others in accordance with its admissions policy.

Where the Local Authority proposes to name an academy in a statement of SEN, it must give the Academy Trust written notice. The Academy Trust must consent to being named, except where admitting a child would be incompatible with the provision of efficient education for other children and where no reasonable steps may be made to secure compatibility.

## **B: OTHER MAJOR IMPLICATIONS**

### **3.4 Finance**

The following summary gives only an overview of what is a complex and fast-changing position around the funding of academies and impact on Local Authorities.

Academies are funded directly from central government. On conversion an academy will continue to receive its current budget plus additional funding to take account of the new responsibilities which they take on from the Local Authority. The amount of additional funding that the high schools will receive is yet to be finalised but is expected to be between £300k to £550k, depending on the size of the school.

This funding is to provide for the additional duties and responsibilities which academies have to undertake including:

- Admissions (DSG funded)
- Asset management
- Employer responsibilities including trade union duties & CRB checks.
- Premature retirement & redundancies
- Governor statutory duties
- Financial duties including external auditors and actuarial reports
- Eligibility for Free School Meals (DSG funded)
- Education Welfare Service
- School Improvement
- Performance Management & Data Quality
- Music Service
- Pupil support including clothing grants (DSG funded)
- Other statutory services for example Health & Safety

To finance the new funding to academies the DfE is taking funding from local authorities. As part of the Spending Review announced in December 2010 the Dept for Communities & Local Government top sliced formula grant from every Local Authority based on an estimate of the number of schools they believed would convert to academy status nationally. For Harrow in 2011/12 this totalled £614k and the subsequent reduction in grant was factored into the 2011/12 budget. A further clawback of £484k is expected in 2012/13 which has been built into the Medium Term Financial Strategy.

In addition the DfE will clawback a proportion of centrally retained Dedicated Schools Grant (DSG). This is currently estimated at £21 per pupil, which is the lowest rate nationally and compares to the outer London average of £143 per pupil. The low rate reflects the high level of existing delegation to schools. The estimated clawback, based on the schools considering conversion would be £160k. It is hoped to minimise the impact of this loss of funding by offering an SLA (service level agreement) for the admissions service to the newly converted academies.

The DfE did propose a further clawback of DSG in respect of some special educational needs services however in recognition of the adverse impact that this clawback was having on those services the DfE announced on 9<sup>th</sup> February that there would be no clawback in respect of SEN funding in 2011/12. No assurances have been provided though for 2012/13 onwards.

The additional funding that academies receive is forecast to reduce between the 2010/11 and 2011/12 academic years. The full extent of the reduction is yet to be confirmed. Schools that convert during the 2010-11 academic year will receive protection which limits the reduction in their top up funding to 10%. Schools that convert on or after 1<sup>st</sup> September do not receive protection and will just receive funding at the lower 2011/12 rate. This could incentivise schools to seek to transfer before 1<sup>st</sup> September 2011.

The funding of academies is currently under national review and is expected to change significantly for 2012/13 onwards.

No details for **capital funding** of academies have been confirmed by the DfE but a review is underway.

### **3.5 Land and Property**

The freehold land for current community schools is usually owned by the Local Authority. The conversion process requires that the school land is transferred to the Academy Trust and guidance suggests that in the case of a community school this will usually be by way of the grant of a 125 year lease to the Academy Trust, with the Local Authority retaining its freehold interest in the land. No consideration, whether by way of a premium or rent, is payable by the Academy Trust for the grant of the lease.

The government clearly envisages ongoing community use of academy premises and this is expressly acknowledged in the model funding agreement to be entered into between DfE and the Academy Trust, which requires the academy 'to be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community'.

Generally, the government encourages the Academy Trust and the local authority to agree the arrangements for the land transfer between themselves, so there may be scope for negotiation on certain issues. The Local Authority will need to make a decision on what land should be transferred, based on the definition of school premises in the Act and what terms to take account of individual site issues. Where agreement cannot be reached the Secretary of State may ultimately make a scheme compelling the local authority to transfer the land.

Work on investigating title is underway; this is likely to raise issues around joint use, community use, building conditions, shared/hub kitchen use etc. These will need to be considered, negotiated and resolved on a site by site basis.

### **3.6 Staffing**

The Transfer Agreement makes clear that the TUPE regulations apply to all conversions. As such staff employed transfer to the new trust employer on their existing terms and conditions. Both the Local Authority and the Academy Trust have obligations in relation to consultation under the TUPE regulations.

Teachers' levels of pay and conditions of service are a matter for the Academy Trust, save that it must act in accordance with Secretary of State's guidance in relation to maximum salaries. Teaching staff must still be either qualified teachers or otherwise eligible to do specified work in accordance with the Education (Specified Work and Registration) (England) Regulations 2003.

Until all schools have determined to investigate academy status the work on verifying employee data for the purposes of TUPE will not commence. It is expected that this request will come in before the middle of March.

During February, a meeting was held between representatives of Trades Unions, schools and the local authority to open a dialogue about issues of interest and concern.

Surgeries for staff are being offered in each of the seven schools, held jointly by the schools' HR consultant and a Local Authority HR adviser.

Depending on decision made about service level agreements, there may be staffing implications in relation to staff employed in Local Authority directorates who provide services to the schools. Consideration will be given to whether TUPE applies to these staff as the project moves forward.

### **3.7 Traded services/ Service Level Agreements ( SLAs)**

In 2010/11 schools were offered 26 SLAs for provision of Local Authority services in return for payment out of the schools' budget. These include building maintenance, governor services, financial and legal services, payroll and HR advice. For some of these 'traded services' the loss of contracts with the academies would question their ongoing viability, for others there would be a much lesser impact. In context, in 2010/11 schools SLAs generated £4.6m of income for the Local Authority, the schools considering conversion equate to nearly £2m of this sum.

The Local Authority is undertaking a full review of services provided and charges made. The Local Authority may wish to consider offering the schools the opportunity to take up SLAs under the terms originally offered for 2011-12. This will allow breathing space from a possible September 2011 transfer date to April 2012 to determine actual need and negotiate further. Services offered to schools must be on a cost recovery basis. Current SLAs are offered on a cost recovery basis, however in some cases not all costs are recovered eg. Fixed asset costs such as accommodation. A decision needs to be made on how these fixed asset costs should be split and depending on this decision; it is likely that some services will have to increase their charges to ensure they are recovering full costs. In addition there may be additional costs associated with providing the service to an academy eg. additional insurance premiums and licence costs. Some services may not be able to continue once the schools convert, either because it is not legally permissible, financially viable or because the expertise required will fundamentally change.



There are a number of “new” traded service areas, created by resources currently spent by the Local Authority transferring to academies with the responsibility to deliver them. These services can be provided by the Local Authority under an SLA and include:

- Assessment of free school meals
- Licences and subscriptions
- Asset management ( including landlord maintenance )
- Education welfare service and pupil support
- Clothing grants
- CRB checks
- Financial statutory duties ( internal audit, pension administration, accounting etc )

It is worth recognising that there are certain statutory duties that the Local Authority retains and that do not transfer to a new academy. The Local Authority is required to continue to provide them free of charge. The financial and service impact of academy transfer will need to be worked through. These services include:

- Home to school transport( including SEN)
- Ed psych, SEN statementing and assessment
- Monitoring of SEN provision
- Non attendance prosecutions
- Pupil referrals units/ education otherwise
- Individual SEN resources for pupils with rare conditions needing expensive tailored packages.

### **3.8 Third party contracts**

Many schools purchase services through Local Authority wide corporate contracts to achieve economies of scale from amalgamated procurement. As part of the conversion process all of these contracts need to be identified, reviewed, novated or amended as necessary.

The Local Authority is required to assign all contracts which are capable of assignment without the consent of other parties. In cases where consent is required, the Local Authority must use its reasonable endeavours to obtain consent. Where contracts cannot be assigned the Local Authority will need to consider terminating those arrangements.

Historic liabilities remain the responsibility of the Local Authority and future liabilities are the responsibility of the Academy Trust.

These contracts are currently being identified, mapped and a view will need to be taken (preferably jointly with the schools) on how best their benefits should be assigned.

### **3.9 Other Corporate implications**

The Academy Trust will be responsible for making arrangements for the insurance of the academy. The DfE guidance states that insurance cover is likely to be higher for academies than maintained schools and for a large secondary school is likely to be about £90,000.

For buildings and business interruption, the Local Authority may have an insurable interest. However, the Local Authority is unlikely to have an insurable interest in employer’s liability, contents and motor insurance. The extent to which a Local Authority could arrange insurance on behalf of academies, if any, is being investigated.

There are a range of other issues connected to such issues as data management and data/system transfer that are not expanded upon here. They are however included in the programme plan for the potential transfers.

There will also be a number of questions arising about impact of transfer out on a range of policies. These will be flagged and dealt with as part of a FAQ type approach where they are of relatively low level of importance or impact and escalated to the appropriate level for decision making where their impact is more significant.

#### **4. Actions, key decisions and a top level timescale**

A programme team has been formed to oversee and lead work across the Council. This team will report into members and chief officers on a regular basis and can provide updates, briefings or answers to particular questions as required.

The Team will oversee and coordinate a number of strands of themed activity (communication and consultation, finance, land issues, staffing, SLAs, third party contracts, data and information transfer and corporate implications). It will act as liaison point with the schools seeking to transfer and their representatives. The team is currently working up a detailed project plan but the anticipated headline timetable is as set out below.

Whether Governing bodies decide to proceed will depend on them weighing up a number of factors. In particular as set out above:

- Any liabilities being taken on by the new charitable company
- Clarity on their responsibilities as an employer
- How the finances work for them under the funding agreement
- Issues around land, buildings, contracts and capital projects.

Any significant “surprises” in these areas or a considerable expression of unease with the proposals during consultation will raise question marks about the desirability of proceeding. Clarity on a number of those issues will only emerge for schools and the Council as the work progresses. There are at this stage therefore no certainties.

For Governing Bodies (assuming they in the next few weeks all decide to go through stage 1) the key timetabling issues will be around consultation, staff and property transfers, a formal decision to seek academy status, then the constitutional, due diligence and start up phase.

For the Council the required work to meet the schools timetable, a Cabinet decision on the principles of land transfer in April, and working through the implications of any schools transferring as set out in this paper will be the key issues.

An **assumed timetable** therefore would be:

##### **February**

- More schools reach **step 1**...GB decision to investigate
- Council starts work on land title, staffing, financing, SLAs , Contracts,
- Council and Schools representative work on range of issues including consultation

##### **March**

- Project work ongoing.
- All 7 schools get to **step 1**

- Likely consultation period harmonised for all interested schools 7<sup>th</sup> March to 4<sup>th</sup> April
- SLA packages finalised for 2010/11
- Report to Education Consultative Forum 1<sup>st</sup> March
- Meeting with Headteachers 2<sup>nd</sup> March
- Meeting with all governors

#### **April**

- Project work ongoing ( including TUPE due diligence and handover of title reports on land )
- Cabinet decision on how to handle land transfers and any other in principle decision required to be made at that level
- Report to Licensing and General Purposes Committee regarding pensions provision

#### **May**

- All governing Bodies need to consider consultation feedback and pass resolutions on whether to enter a funding agreement with DfE. **Step 2**
- Project work ongoing

#### **June**

- Project work ongoing
- TUPE transfer consultation and active dialogue
- All Third party contracts mapped, SLA positions determined

#### **July**

- Schools enter funding agreements with DfE **Step 3**
- All project work geared towards a mid July completion. **Step 4**

#### **August**

- New academies and relationships commence

### **Financial Implications**

The financial implications are covered in section 3.4 above.

### **Performance Issues**

Responsibility for school improvement and attainment transfers to the academy on conversion. However, the LA will retain some responsibility for overall performance in the local area and will need to work in partnership with all local schools to achieve this. This is an important element of the negotiations which have begun with the 7 schools.

### **Environmental Impact**

Although there is no direct environmental impact from this report, it should be noted that Schools account for 62% of the Council's CRC emissions with an estimated cost to the council of £300k for 2011/12. Responsibility for carbon reduction targets following academy conversion is being investigated.

### **Risk Management Implications**

This is an emerging issue and the risk register is being updated. The risks for the Council of conversion to academy status are multiple and will require careful management. The report above identifies some of the key risks for the LA and these will continue to be reviewed and updated.

### **Equalities implications**

Equalities implications are being considered as part of the programme of work. The potential conversion to academies will be subject to an Equalities Impact Assessment.

**Corporate Priorities**  
Supporting vulnerable people.

### **Section 3 - Statutory Officer Clearance**

Name: Emma Stabler	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 8 March 2011		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 9 March 2011		

### **Section 4 – Performance Officer Clearance**

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director Partnership, Development and Performance
Date: 8 March 2011		

### **Section 5 – Environmental Impact Officer Clearance**

Name: John Edwards	<input checked="" type="checkbox"/>	on behalf of the Divisional Director (Environmental Services)
Date: 10 March 2011		

### **Section 6 - Contact Details and Background Papers**

**Contact:**

Alex Bailey / David Harrington – Project Team 020 8420 5248

**Background Papers:**

The Academies Act 2010

<http://www.legislation.gov.uk/ukpga/2010/32/contents>

Department for Education Academies Guidance

<http://www.education.gov.uk/schools/leadership/typesofschools/academies>

**Call-In Waived by the  
Chairman of Overview and  
Scrutiny Committee**

**NOT APPLICABLE**

## Appendix B

### REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	7 April 2011
<b>Subject:</b>	Potential Conversion of Harrow's High Schools to Academy Status – Land and Assets Issues
<b>Key Decision:</b>	Yes (impacts upon more than 2 wards)
<b>Responsible Officers:</b>	Catherine Doran, Corporate Director Children's Services Andrew Trehern, Corporate Director Place Shaping
<b>Portfolio Holder:</b>	Councillor Brian Gate, Portfolio Holder for Schools and Colleges Councillor Thaya Idaikkadar, Portfolio Holder for Property and Major Contracts
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	None

### **Section 1 – Summary and Recommendations**

This report updates Cabinet on issues related to the potential transfer of 7 of Harrow's High Schools to Academy status since the previous cabinet report. It also seeks delegated authority (in the event that the Governing Body of any of those schools determines to enter a funding agreement with the Secretary of State and become an Academy) to complete any requisite transfers of land and enter a transfer agreement with the schools concerned.

#### **Recommendations:**

Cabinet is recommended to agree:

In the event of a decision of the Governing Body of any of the High Schools listed in this report agreeing with the Secretary of State to transfer to an Academy, Cabinet agrees the following:

1. The transfer of the individual school premises to the school on a long lease;
2. The Council to enter into a transfer agreement with the school in relation to assets, third party contracts, staffing and information transfer;
3. To grant delegated authority to the Corporate Director of Place Shaping in consultation with the Portfolio Holder for Property and Major Contracts to determine the terms of the land transfer based on the model lease issued by the DfE, including the extent of the school premises and licences for land outside of the lease arrangements;
4. Delegate authority to the Corporate Director of Children's Services in consultation with the Portfolio Holder for Schools and Colleges to determine the terms of the transfer agreement.
5. That the Council should offer services under Service Level Agreements (SLAs) to any transferring school. The terms upon which such services are provided to any such school are to be determined by the relevant Director for the service in question.

#### **Reason: (For recommendation)**

The reasons for the recommendations are set out in greater detail in the report. In essence, some or all of the Governing Bodies of the named High Schools may, during the month of May 2011, decide to become Academies and enter formal funding agreements with the Secretary of State. Given that those schools are currently indicating that, if they proceed, they will look to complete transfer before the end of the summer term, Cabinet is being asked to give approval to land and asset transfer, required under the Council's constitution and the Academies Act 2010, conditional upon the decisions of those Governing Bodies. This would enable officers and any schools so transferring to undertake the considerable amount of work that would be required, in the timescales envisaged, with the necessary Cabinet authority.

Recommendation 5 (SLAs) simply authorises officers to negotiate the **terms upon which any services are provided** to any transferring school.

## **Section 2 – Report**

### **Introduction**

At its meeting on 17th March, Cabinet considered a paper from the Director of Children's services setting out a number of issues and implications relating to the possible transfer of certain Harrow High schools to Academy status under the Academies Act 2010. Cabinet agreed that paper and the report set out the process that any school considering transferring status would need to follow. A likely timetable of activities was also set out in the paper. That report also identified that a further decision would be required by Cabinet to enable the Council to enter land and commercial transfer agreements with any schools that decided to become Academies.

### **Background**

The Governing Bodies of 7 High Schools (namely Bentley Wood, Canons, Harrow High, Hatch End, Nower Hill, Park and Rooks Heath) have now formally determined to investigate a transfer to Academy status. The next formal decision that those Governing Bodies will take will be whether or not to transfer to Academy status. It is likely these decisions will be taken by the schools on different dates during the month of May 2011. As described in the previous Cabinet report, in the event that any of those schools do decide to transfer a considerable amount of work will be required by the Local Authority and the schools in question to facilitate a smooth transfer prior to the end of the Summer term.

At the date of drafting this report, each of the schools has commenced the required consultation process, running from 7<sup>th</sup> March to 4<sup>th</sup> April. Harrow Council is using its best endeavours to ensure a wide civic debate on this important issue, ensuring that parents, pupils and communities are encouraged to have their say and have access to a wide variety of resources and views on the issue. Officers and members have attended public meetings for all governors, held conversations with concerned staff and their representatives, as well as with the schools concerned, to make clear the process and the various responsibilities that exist. The Council's website and Communications activities have also been used to encourage widespread involvement across communities. Members, MPs, staff, community organisations and the Youth Parliament have all been sent copies of, or provided with access to, the consultation documents and encouraged to respond. It is currently anticipated that each school will collate responses that are specific to their own decision. One school may collect and collate generic response to the Academy issue and then provide those to all the other schools as well. Governing Bodies will want to carefully consider the product of the consultation in making their decisions. The ultimate decision however is one for the Governing Bodies concerned.

All schools have stated that if they decide to transfer, it will be prior to the start of the Autumn term 2011. Council officers have carried out preliminary work on the basis that transfer of 7 schools may happen. It has been a careful balancing act between doing just enough work to enable deadlines to be met if schools decide to go forward, without over committing resources on issues that may not be needed if Governing Bodies decide not to proceed. As set out in the previous Cabinet report, officers have been developing co-ordinated work streams on:

- Consultation and communications e.g. ensuring Harrow communities are aware of the consultation process
- Staffing and pensions e.g. ensuring correct data is held on workforce issues before any possible TUPE transfer consultation processes started



- Land and property e.g. investigating title and understanding any particular issues for individual schools around shared use, community use, playing fields, building conditions, etc.
- Finance e.g. modelling what likely financial implications are of transfer of all or some of the schools
- Service Level Agreements e.g. clarifying what any Academy might wish to 'buy back' from the Local Authority, and investigating how best to organise and offer new services. The Council has the power to provide a range of services to any new Academy school under S.1. of the Local Authorities (Goods and Services) Act 1970.
- Third party contracts e.g. identifying the contracts that exist, that need renegotiation, novation or termination and re-letting
- Data and information transfer issue e.g. identifying protocols for effective and lawful transfer of a range of sensitive data
- Broader corporate implications for the Council e.g. working through what some of the broader policy and organisational impacts might be if a significant number of schools decided to transfer

Briefings have been provided to all members of the Council on this important issue and a small project team has been established to manage the Local Authority work involved.

### **Land and asset issues**

In the event that any school does decide to become an Academy, the Academies Act (and related guidance) requires the Local Authority, the transferring school and the new Academy Trust to enter a transfer agreement. The Department for Education (DfE) has provided a model document which covers issues such as transfer of non-land assets, contracts, staff and information as well as issues around warranties and indemnities expected in the transfer of a sizeable going concern. Where any new Academy 'buys back' services from Harrow Council the terms of supply of those services will be enshrined in a legally binding Service Level Agreement.

The DfE has also provided a model 125 year lease to transfer the school premises, as defined by the Act. The act requires the Local Authority to transfer any land and buildings used exclusively by the school. In the event that the school and the Local Authority cannot agree on the terms of the lease, including the extent of the school premises, the Secretary of State has power to compel the transfer of land. Legal Services are currently preparing site constraints reports in respect of all the schools which will be used to decide on the land to be transferred in consultation with the schools.

For the purpose of clarity, should any of the Governing Bodies decide not to transfer, then the authority given by Cabinet will be voided and those schools remain community maintained schools as at present.

In order to enable officers to progress with the necessary work and negotiations, Cabinet authority is sought prior to the schools making final decisions. It is proposed that delegated authority is given to officers in consultation with relevant portfolio holders to deal with site specific issues arising on a school-by-school basis. By way of illustration, the type of local level land issues anticipated to arise for each school might include shared land use, community uses, access ways, how to deal with any caretakers houses, licences to use off site playing fields and dealing with any restrictive covenants on the land.

## **Financial Implications**

There are a range of financial implications and risks to the Council should the schools decide to convert to Academy status.

The transfer of the seven school premises on a long lease would remove these assets from the Council's balance sheet. The responsibility for maintaining the premises would also transfer including the liability for any back log maintenance.

Following conversion, non-teaching staff would continue to be members of Harrow's Local Government Pension Scheme. The impact on the pension scheme is being determined and will be considered by Licensing and General Purposes Committee on 11 April 2011. All liabilities in respect of the Teachers' Pension Agency would transfer to Academies.

Currently the Council provides services to the seven schools through a range of service level agreements that earned the Council income totalling £1.6m in 2010/11. The Academies have stated their intention to continue to purchase these services in 2010/11 where possible, however there may be circumstances where services can not be provided and going forward there is no certainty that the Academies will not transfer to alternative providers. If schools were to cease purchasing Council services there is a potential loss of income which will have budget implications for the Council, especially where the Council employ staff to provide these services.

Only schools with a deficit less than £100k are able to apply for Academy status and if a school has a deficit at the time of conversion this would transfer to the new school. On conversion an Academy will cease to receive its school budget from the Council but will instead receive funding directly from central government. The Council has three months in which to finalise the school balances that will transfer to the Academy. The Council has to ensure that all contracts and liabilities that relate to the schools are transferred to the new Academies as any liabilities arising after 3 months would fall on the Council. A number of schools have loans in respect of energy efficiency measures that would need to be considered as part of the conversion.

Each school is eligible for £25k funding from the DfE to support the cost of conversion however there is no additional funding to assist the Council with conversion costs. The project management cost of conversion is currently estimated at £50k and this expenditure can be funded from the 2009/10 unspent carry forward. Costs will be recovered from the schools where possible and other conversion costs will be managed within existing budgets where possible.

## **Performance Issues**

Responsibility for school improvement and attainment transfers to the Academy on conversion. However, the local authority will retain some responsibility for overall performance in the local area and will need to work in partnership with all local schools to achieve this. This is an important element of the negotiations that have begun with the 7 schools concerned.

## **Environmental Impact**

There are no specific environmental impacts regarding the transfer of the schools to the individual Academies. From the date of transfer the schools will be responsible for the

management of the site which the Council would hope that they would continue on a responsible environmental basis.

### **Risk Management Implications**

The programme of work around Academies has been structured using sound project management approaches including the identification and management of key risks and issues. The reason for seeking this conditional agreement and delegated authority is to reduce the risk to the envisaged timetable inherent in waiting until June Cabinet as set out in the report. Full project documentation including an up-to-date risk register are maintained by the project team.

### **Equalities implications**

There are potential equalities implications in terms of service provision once schools have become Academies ( in issues such as admissions, exclusions and special needs for example ) as well as the potential equalities implications in relation to any staff transfer . The Council and schools are working together closely to ensure that equality issues are identified and that Governing Bodies are made aware of these before making a final decision.

**Corporate Priorities:** supporting vulnerable people

### **Section 3 - Statutory Officer Clearance**

Name: Emma Stabler	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 24.03.11		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 24.03.11		

### **Section 4 – Performance Officer Clearance**

Name: David Harrington	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Partnership, Development and Performance
Date: 24.03.11		

## Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker

on behalf of the  
Divisional Director  
(Environmental Services)

Date: 24.03.11

## Section 6 - Contact Details and Background Papers

**Contact:** Academies Project team: 020 8420 5248

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**Background Papers:** Cabinet report – March 2011

**Call-In Waived by the  
Chairman of Overview and  
Scrutiny Committee**

**NOT APPLICABLE**

*[Call-In applies]*