

CLOSURE OF MIDDLETON PRIMARY SCHOOL AS A MAINTAINED SCHOOL AND ITS RE-OPENING AS AN ACADEMY, ACADEMY TRANSFER AGREEMENT AND LEASE OF PREMISES

Councillor Lynne Ayres, Cabinet Member for Education, Skills and University

February 2018

Cabinet portfolio holder:	Councillor Lynne Ayres, Cabinet Member for Education, Skills and University
Responsible Director:	Wendi Ogle-Welbourn, Executive Director People and Communities Cambridgeshire County Council and Peterborough City Council
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan: KEY/07AUG17/03
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

R E C O M M E N D A T I O N S

The Cabinet Member is recommended:

1. To approve the closure of Middleton Primary School as a maintained school and it's re-opening as an academy and authorise the execution and completion of a Commercial Transfer Agreement (CTA) between Peterborough City Council, the Governing Body of Middleton Primary School and Peterborough Keys Academies Trust;
2. To authorise the grant of a 125 year lease of the land and buildings occupied by the school known as Middleton Primary School (including the pre-school), at a peppercorn rent to Peterborough Keys Academies Trust;
3. To authorise entering into Deeds of Novation with Peterborough Keys Academies Trust and the Governing Body of Middleton Primary School, for the following contract to be novated from the Governing Body of Middleton Primary School to the Peterborough Keys Academies Trust:
 - a) Service Level Agreement: Specialist Mainstream Resource Hub between (1) Peterborough City Council (2) Governing Body of Middleton Primary School

1. SUMMARY OF MAIN ISSUES

- 1.1 It is the Government's intention for schools to become academies.
- 1.2 As part of the conversion to an academy, Department for Education guidance specifies that the land held by the Local Authority is to be leased to the academy on a 125 year lease for a peppercorn rent. Local Authorities also enter into a Commercial Transfer Agreement ("CTA") as part of the conversion, to set out the respective obligations of the parties in relation to the conversion (including in relation to the transfer of assets, contracts and liabilities).
- 1.3 The Academy Trust will be responsible for the operation of the academy upon conversion and will be the employer of school staff. The Council employees in respect of the school will therefore transfer from the Council to the Academy Trust under the Transfer of Undertakings (Protection of Employment) Regulations 2006. The prescribed consultation meetings with staff and trade unions have taken place. The respective liabilities of the Council and the Academy Trust in relation to those employees are dealt with within the CTA.
- 1.5 The part of the site currently occupied by the pre-school will continue to be used to run services as it is subject to claw-back provisions safeguarding the area for this use. The lease will contain a provision to protect claw-back and the early years provision.

2. PURPOSE OF THIS REPORT

- 2.1 This decision is proposed in accordance with the delegations for Councillor Ayres, Cabinet Member for Education, Skills and University exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of her portfolio at paragraph (a).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. DETAILS OF DECISION REQUIRED

- 4.1 The decision maker is asked to:
- 4.1.1 Approve the closure of Middleton Primary School which is currently a maintained school and its re-opening as an academy, and authorise the execution and completion of a Commercial Transfer Agreement between Peterborough City Council, the Governing Body of the school and Peterborough Keys Academies Trust
- 4.1.2 Authorise the grant of a 125 year lease of the land and buildings occupied by the school and known as Middleton Primary School, (including the pre-school), to Peterborough Keys Academies Trust;
- 4.1.3 Authorise entering into Deeds of Novation with Peterborough Keys Academies Trust and the Governing Body of Middleton Primary School, for the following contract to be novated from the Governing Body of Middleton Primary School to Peterborough Keys Academies Trust:
- a) Service Level Agreement: Specialist Mainstream Resource Hub between

(1) Peterborough City Council (2) Governing Body of Middleton Primary School.

5. CONSULTATION

- 5.1 The consultation process started on 7th February 2017. The Governing Body of the school wrote to parents and staff providing information and inviting questions and comments. Meetings have been held with parents, staff and trade unions. The prescribed consultation required under the Transfer of Undertakings (Protection of Employment) Regulations 2006 has taken place.
- 5.2 The relevant Ward Councillors were notified of the conversion process in November 2017.

6. ANTICIPATED OUTCOMES

- 6.1 The anticipated outcome is that Middleton Primary School will close as a maintained school and re-open as an academy operated by the Trust. The land and buildings currently occupied by Middleton Primary School (including the pre-school) will be leased to the Academy Trust, and the staff, assets and contracts relating to the school will be transferred to the Academy Trust to enable it to operate the academy from the conversion date (currently anticipated to be 01 April 2018).

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The Council is obliged under the Academies Act 2010 to cease maintaining a school on the date it opens as an academy. The DfE expect Local Authorities to co-operate with the academy conversion process, once approved by the Secretary of State for Education.
- 7.2 The Council's consent is not required for a school to convert to an academy and if the Council does not cooperate with the conversion process and negotiate and enter into lease arrangements and a CTA, the Secretary of State has the power to make transfer schemes under the Academies Act 2010 in relation to property, land, rights and liabilities (including rights and liabilities in relation to staff) which would be binding on the Council. It is therefore preferable for the Council to reach agreement with the Governing Body of the school and the Academy Trust and enter into the lease arrangements and CTA in respect of these matters, rather than be subject to transfer schemes made by the Secretary of State.
- 7.3 The proposed lease to the Academy Trust includes the land currently occupied and used for the purposes of the school (including the pre-school). The lease will contain a provision to protect clawback and the early years provision.
- 7.5 The CTA sets out the respective obligations of the Governing Body of the school, the Council and the Academy Trust arising from the academy conversion in relation to employees, contracts and assets (other than land), and the liabilities of each of the parties in that regard.
- 7.6 The Governing Body of the school is obliged, under the proposed terms of the CTA, to assign and/or novate contracts it has entered into for the purpose of operating the School, to the Trust. The Governing Body of the school has a contract with the Council in respect of a specialist mainstream resource hub, and recommendation 3 requests authority to enter into Deeds of Novation to enable the Governing Body of the school

to novate this contract to Peterborough Keys Academies Trust.

- 7.7 There is a charge of £5,000 from the Council for every school converting into an academy to contribute towards the associated costs.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Refuse the closure of Middleton Primary School as a maintained school and the transfer to academy status: Once the school has been accepted for academy status by the Secretary of State, the Council is required to support the decision. Failure to cooperate could result in the Secretary of State making transfer schemes which would be binding on the Council.
- 8.2 Not to transfer the premises: This option was rejected because the Department for Education guidance specifies that the land held by the Local Authority is to be leased to the academy on a 125 year lease for a peppercorn rent and failure to follow the guidance and cooperate could result in the Secretary of State making a transfer scheme in relation to the land.
- 8.3 Sell the site to the Trust: This option was rejected because there is no requirement for the Trust to buy land (for which no funding has been made available) and the Council would prefer to retain ownership.
- 8.4 Not entering into deeds of novation to enable the Governing Body of the school to novate the specialist mainstream resource hub contract to the Trust: This option was rejected, as this would result in the Council not having the proper documentation in place with the Trust in respect of the specialist mainstream resource hub located at the school.
- 8.5 Not to transfer the pre-school: This option was rejected due to the location within the school building for the delivery of the pre-school services.

9. IMPLICATIONS

- 9.1 Property
The land and buildings will remain under the ownership of the Council but the Academy Trust will have full control of them (subject to the lease arrangement regarding the pre-school), as tenant, for a 125 year period, unless the lease is terminated early for any reason.
- 9.2 Finance
The Academy Trust will receive its funding direct from the Department for Education. Government funding for Peterborough schools will be reduced proportionately.
- 9.3 Admissions
The Academy Trust will be its own admissions authority and will determine its own admissions arrangements. Places will continue to be allocated via the co-ordinated admissions scheme.
- 9.4 Legal
9.4.1 As detailed within paragraph 7.1 of this report, the Council is obliged under the Academies Act 2010 to cease maintaining a school on the date it opens as an Academy. Paragraph 7.2 of this report sets out the implications if the Council fails to cooperate.

9.4.2 The Deeds of Novation, within recommendations 3, do not involve a change of contractor, and therefore, the reference in the Council's Contract Rules for a credit check to be carried out and for reference to have been made to the assignment/novation in the tender documents, do not arise.

9.5 Equalities

There are no equalities implications arising from this decision.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

10.1 None.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

11.1 None.