

## EXECUTIVE BOARD

30 SEPTEMBER 2020

**Present** Elected Members Councillors Warrington (In the Chair), Bray, Cooney, Fairfoull, Feeley, Gwynne and Ryan  
Chief Executive Steven Pleasant  
Borough Solicitor Sandra Stewart  
Section 151 Officer Kathy Roe

**Also In Attendance:** Richard Hancock, Tim Bowman and Tom Wilkinson

**Apologies for  
Absence** Councillors Kitchen and Wills

### 108 ST GEORGES CHURCH OF ENGLAND PRIMARY SCHOOL HYDE – CONVERSION TO ACADEMY STATUS

Consideration was given to a report of the Executive Member (Lifelong Learning, Equalities, Culture and Heritage) / Assistant Director for Learning, which sought approval for St Georges Church of England Primary School Hyde to convert to Academy Status and approval for the financial and contractual basis of transfer.

Members were advised that the Secretary of State notified the Council that an Order, dated 29 May 2020, had been published, confirming her approval for the conversion of St George's Church of England Voluntary Aided Primary School, Hyde to an Academy.

The School has chosen to convert to Academy status with the Chester Diocesan Academies Trust as a sponsor. St Georges Church of England Primary School was the second school in the Borough to convert with the Chester Diocesan Academies Trust as sponsor.

St George's Church of England Primary School, Hyde had a Planned Admission Number (PAN) of 30 and provided education for boys and girls aged three to eleven.

It was stated that the conversion process was closely prescribed by DfE guidance and standard documentation. The government had the power to enforce a conversion by statutory order if the standard documentation and guidance was not reasonably followed or if the local authority could not agree upon the detail of the conversion.

It was stated that in accordance with The Transfer of Undertakings Protection of Employment Regulations 2006, (TUPE) the employment of staff at St George's Church of England Primary School, Hyde would automatically transfer from the Governing Body to Chester Diocesan Academies Trust on the date of the transfer, currently targeted for 1 October 2020. This meant that individual contracts would be treated as if they had originally been made with the new organisation. The staff were not employed by the Council but the Governing Body as a voluntary aided school, however, the school purchased the services of the Council's HR service who would support this transfer.

Staff would continue to work in the job that they were contracted to carry out, with the school and their contractual terms and conditions were protected as at the date of the transfer. There was an obligation on school to make staff and trade union colleagues aware of any 'measures' that the Academy trust intends to take in connection with the proposed transfer.

Arrangements for the transfer of records and payroll had been agreed to ensure that there was no break in the smooth running of the staffing.

Teaching staff transferring to the Chester Diocesan Academies Trust would continue to access the

teachers' pension fund. Other staff would continue to access the Greater Manchester Local Government Pension Scheme. The Council expects that whilst the Academy continued to be an employer in the Pension Fund, it would allow access to all eligible employees and not create a two tier workforce.

It was explained that non-teaching or support staff were eligible to be members of the Local Government Pension Scheme. Chester Diocesan Academies Trust would continue to offer this to staff who transfer. However the Council had to decide how the liabilities would transfer. The Local Government Pension Scheme was a funded scheme. Whilst the scheme was funded, if the liabilities of the scheme exceeded the assets, then each employer would be responsible for a section of the overall deficit. The rates that an employer had to pay were calculated by reference to the deficit on the part of the scheme for which they were responsible.

There were two options for the Council as Administering Authority for the Greater Manchester Pension Fund and the Academy with respect to the future management of the fund:

- (a) **Pooled with the Council** - Under this arrangement the Council and the Academy would pay the same contribution rate going forward. This included an allowance to cover certain 'pension strain' costs incurred by either employer (e.g. by ill health retirements). The pool contribution rate was based on the combined assets and liabilities of all employers in the pool (the Council has by far the largest share) and therefore the Council would meet the bulk of any additional costs due to membership experience at the Academy (such as high-pay growth).
- (b) **Academy to be set up as a 'stand-alone' employer in GMPF** — From 1 October 2020 the Academy would pay a contribution rate based on its own membership and the funding position of its own section of GMPF. From 1 October 2020 ill-health early retirement costs would be met by a GMPF insurance arrangement, but the Academy would remain responsible for meeting any non-ill-health early retirement costs.

Under both options the amount of assets transferred from the Council's section of GMPF to the Academy's section of GMPF was set using standard factors issued by the Government Actuary's Department ('GAD'). Typically this resulted in the Academy having a funding deficit at the point of transfer, however this was largely irrelevant under the pooling approach.

The pension arrangements had determined that they wish to be set up as a standalone employer in GMPF and would not had the benefit of pooling arrangements.

With regards to the financial implications, as Academies were funded directly from central government, the Council would see a reduction in the amount of revenue income it receives through the Dedicated Schools Grant and capital funding for repair and maintenance of buildings.

Schools had been trading with the Council for a wide range of infrastructure and support services, including HR, ICT, Finance, Legal and Educational services. In common with all schools, Academies would not be obliged to purchase services from the Council. In addition, as more resources were paid directly to Academies, the Council loses some of the economies of scale which it had previously enjoyed.

The School had been allocated an estimated delegated budget of £1,096,977. School would also receive an element of the DSG based on estimated nursery pupil numbers and this would be adjusted to reflect actual numbers on the three pupil census that were carried out during the financial year, their current estimated funding is £62,224. The school was currently projecting a full year out turn balance of approximately £83,807 at the end of March 2021.

The School paid £3,046 in Business Rates per annum, as a voluntary aided schools this already included Business Rate Relief so would continue at this rate once the school converted to Academy status.

The costs shown in the table had already been recharged to the School for the full financial year in 2020/21. As the School was converting on 1 October 2020 affected council services would need to re-negotiate new service level agreements with the Academy.

<b>Description of Service</b>	<b>Annual Cost 2020/21</b>
Access Education Budget Planning software	£500
Data Pack	£298
Education Welfare	£1,200
FSM Eligibility Checking service	£350
Governor Clerking	£1,200
Governor Training	£960
Health and Safety	£1,091
Human Resources	£2,448
Legal Services	£550
Pest Control	£285
Recruitment & Payroll	£3,677
School Crossing Patrol	£6,510
Schools Finance Support Team	£3,470
SIMS Licence	£976
SIMS Support Team	£2,300
Tameside Safeguarding Children Partnership contribution	£597
Trade Union	£1,365
Trade Waste Services	£1,421
<b>Totals</b>	<b>£29,198</b>

There could therefore be a corresponding reduction of revenue funding received by the Council for the services no longer required from 2021/22 onwards.

**AGREED**

**That the Executive Member for Lifelong Learning, Equalities, Culture and Heritage be recommended to approve:**

- (a) **the Borough Solicitor or her nominated representative be authorised to enter into the Commercial Transfer Agreement, in the form set out in Appendix 2, on the principle that risk and liability does not transfer back to the Council and in respect of which the funds and reserves to manage the risks/liabilities will transfer to the Academy and consequently the Council should be in no worse position because of the transfer.**
- (b) **the pension arrangements be agreed so that the academy is set up as a standalone employer in GMPF as set out in the report at paragraph 5.9(b).**
- (c) **delegation of authority to the Assistant Executive Director, Finance or their nominated representative to execute any necessary Greater Manchester Pension Fund for Transferee Admission Bodies documentation**

**CHAIR**