

Report – Policy & Resources Committee

Report of Urgent Action Taken: City of London Academies Trust – Expansion by the Transfer of the Two Co-Sponsored Academy Trusts

To be presented on Thursday, 21st May 2020

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY OF ACTION TAKEN

1. The City of London Corporation (CoLC) became an academy sponsor with the opening of City of London Academy, Southwark in 2003 (sole sponsored), followed by the City of London Academy Islington (COLAI) opening in 2008 (co-sponsored by City, University of London (City University)) and The City Academy, Hackney (TCAH) opening in 2009 (co-sponsored by KPMG). In 2016 the Court of Common Council resolved to change the governance of the City of London Academies, Southwark (as the Trust was then named) such that it would become the legal vehicle for all subsequent CoLC sponsored academies. The company was renamed “The City of London Academies Trust” (CoLAT). The CoLC now sponsors ten academies with only TCAH and COLAI operating outside of CoLAT.
2. On 2 December 2019 and 22 January 2020 the Governing Bodies of COLAI and TCAH respectively resolved to support the proposal for their academies to join the CoLAT, and for the academies’ joint sponsors to enter into formal discussions to that end. In each instance the proposals were supported by the respective co-sponsors. Both the London Borough of Hackney and the London Borough of Islington were also supportive. In addition, the Regional Schools Commissioner (RSC), whose consent is required, approved these academies joining CoLAT.
3. On 16 January 2020 the Education Board resolved that the Town Clerk be authorised, in consultation with the Chairman and Deputy Chairman of that Committee, to provide the CoLC’s written consent to the expansion of CoLAT by the transfer of TCAH and COLAI, subject to the Town Clerk being satisfied of the outcome of the Due Diligence exercise in each case. At its meeting on 11 March 2020, the CoLAT Board gave its approval for TCAH and the COLAI to transfer to CoLAT.
4. Given the clear intention of both co-sponsors that they will continue to provide an equivalent level of assistance to that which they do currently, and the broader benefits to the schools from the support and expertise of being part of CoLAT, there was a strong argument to support the consolidation of the undertakings within CoLAT. There were clear advantages in the delivery of education and in operating through one legal entity, achieved through economies of scale, consolidation of expertise and support, and mitigation of risk. In delivering on our educational vision the new arrangements will enable more targeted and cohesive support to the academy trust itself and its schools.

5. Having regard to the anticipated timetable for the transfers of TCAH and COLAI (by September 2020), and the endorsement of the proposals by key stakeholders, discussions/negotiations with the RSC and the Department for Education (DfE) needed to commence. The process for transfer of both academy trust undertakings (which will include assets and liabilities) would then involve - new Supplementary Funding Agreements for each academy school under the CoLAT Master Funding Agreement (which may also require amendment); the novation of leases; transfer agreements between the parties in respect of assets and liabilities; and necessary staff consultations for Transfer of Undertakings (Protection of Employment) (TUPE), etc. The TCAH and COLAI companies would also need to be dissolved at the appropriate time.
6. All free schools are funded directly by the Education and Skills Funding Agency and there would be no financial liability to the CoLC from the proposed transfers as the schools would become part of CoLAT, a separate legal entity.
7. The existing TCAH and CoLAI companies will be dissolved. Existing company members and Directors'/Trustees'/Governors' roles within those companies will cease. The extent to which those individuals will continue to have a role within CoLAT is a matter for agreement. The extent to which the previous co-sponsors will have an involvement in the governance of the schools, or otherwise in the governance of CoLAT, will also need to be agreed with the co-sponsors in advance of any transfer. Changes may be required to CoLAT's governance, or otherwise formally agreed separately between the parties.
8. External professional advice was likely to be required. Consistent with the previous approach adopted in reviewing academy trust governance, a view was taken that it would be prudent for CoLC to lead in obtaining such advice and to share it with other parties in a collaborative way. This would help ensure that the CoLC's interests and educational vision are protected.
9. Urgency procedures were followed to approve the transfer of TCAH, and COLAI to CoLAT, therefore ensuring that the three academy trusts could continue the discussions and negotiations as outlined in paragraph 5, with an aim that arrangements will be in place by September 2020. It was noted that a request of £20k funding for legal and professional services had been withdrawn as the cost was to be met by the Department of Community & Children's Services budget. Authority was also granted to the Town Clerk, in consultation with the Deputy Chairman of both Policy and Resources Committee and the Education Board, to take any decisions or steps required to give effect to this decision.

RECOMMENDATION

10. We **recommend** that the action taken be noted.

All of which we submit to the judgement of this Honourable Court.

DATED this 1st April 2020.

SIGNED on behalf of the Committee.

Deputy Catherine McGuinness
Chair, Policy & Resources Committee