

meeting **PENSIONS ADMINISTRATION SUB - COMMITTEE**

date **3 FEBRUARY 2011** agenda item number **4**

## **REPORT OF THE SERVICE DIRECTOR (HUMAN RESOURCES)**

### **ACADEMY STATUS AND IMPLICATIONS FOR THE ADMINISTRATION OF THE LOCAL GOVERNMENT PENSION SCHEME**

#### **1. Purpose of the Report**

- 1.1 The purpose of this report is to inform the Pensions Administration Sub-Committee of the increasing number of schools converting to academy status, and the implications for administration of the LGPS.

#### **2. Information and Advice**

- 2.1 Academies are publicly funded independent local schools catering for all abilities which are established by sponsors from business, faith or voluntary groups working with partners from the local community. Academies were originally introduced in the year 2000 to target schools that were deemed to be failing and where underperformance had become entrenched.
- 2.2 Following the general election on 6 May 2010, the coalition Government introduced the Academies Bill which received Royal Assent on 27<sup>th</sup> July 2010. The resulting Act extended the academies programme and was a key change in national academies policy which had previously focused on the worse performing secondary schools. From 1<sup>st</sup> September 2010, schools rated as outstanding by Ofsted were able to open as academies, subject to approval by the Secretary of State for Education. On 17<sup>th</sup> November 2010, the Secretary of State announced an extension to the policy and introduced a route by which all schools could ultimately convert to academy status.
- 2.3 Nationally, there are now in excess of 400 academies open in England, over half of which have opened since September 2010. Within Nottinghamshire, the following schools have converted to Academy status:

<b>Academy Name</b>	<b>Predecessor School</b>	<b>Opened</b>
Djanogly City Academy	Djanogly City Technology College <sup>1</sup>	September 2003
The Samworth Church Academy	Sherwood Hall School and Sixth Form College	September 2008
Nottingham Academy	Greenwood Dale School and Elliot Durham School <sup>1</sup>	September 2009
Nottingham University Samworth Academy	William Sharp School <sup>1</sup>	September 2009
The Bulwell Academy	The River Leen School and Henry Mellish School <sup>1</sup>	September 2009
Barnby Road Academy Primary and Nursery school	Barnby Road Primary and Nursery school	September 2010
George Spencer Academy and Technology College	George Spencer Foundation School and Technology College	September 2010
Redhill Academy	Redhill School	December 2010

<sup>1</sup> former Nottingham City Council maintained schools.

- 2.4 In addition, there are a number of schools within Nottinghamshire that have currently registered an interest in becoming an academy.
- 2.5 The Government, whilst not directing schools, has made clear that it would like to see all schools eventually become academies. Therefore, there is every likelihood that the number of maintained schools converting to academy status will continue to rise.
- 2.6 The increasing number of schools becoming academies has implications for the administration of the fund and the work of the Pensions Office on an on-going basis. As Academies are required under the Pension Regulations to become scheme employers, it is necessary to ensure they are separately identified within the pensions administration system and the financial accounting system for fund valuation and FRS17 purposes.
- 2.7 Historically, Academies will have been local authority maintained schools paying employer contribution rates consistent with the schools within that authority's geographical boundary. As Academies become

scheme employers in their own right, individual employer contribution rates are required to be established to reflect the academy's individual circumstances at creation, and then on an on-going basis at each fund triennial valuation.

- 2.8 As a scheme employer, an Academy would be required to undertake responsibilities that historically would have been the responsibility of the local authority as the employer. These include the assessment of member eligibility to join the scheme, notification of staff members starting or leaving the scheme, reporting changes in member personal details and the provision of pay details and contractual changes. In addition, they would also need to pay over to the Fund on a monthly basis, employer and employee contributions, and complete and provide appropriate year end returns, all of which will require reconciliation within the Pensions Office. It should be further noted that due to the increase in the number of Academies becoming employers in the fund, more individuals are involved in the provision of such information from an employer perspective. This is leading to an increase in demand for training and support from employers, which is being provided by the Client Liaison Team within the Pensions Office.

### **3. Statutory and Policy Implications**

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service and where such implications are material they have been described in the text of the report.

### **4. Recommendation**

- 4.1 The Pensions Administration Sub - Committee is recommended to note the contents of the report.

**M TOWARD**  
**SERVICE DIRECTOR (HUMAN RESOURCES)**

**Background Papers Available for Inspection**  
Nil

**Electoral Division(s) and Member(s) Affected**  
All