

COUNCIL MEETING – 18 APRIL 2013

Recommendation to Council from the Executive meeting held on 18 March 2013

E/12/163 **Options for Resolving Current Delays in Academy Conversions caused by Disputed Liabilities for Pension Payments**

The Executive considered a report from the Executive Member for Children's Services that considered the options for resolving current delays in Academy conversions caused by disputed liabilities for pension payments.

Reason for decision: To enable those schools to be able to sign their commercial transfer agreements and convert to academy status without further delay and so that there is an agreed approach with schools to dealing with future instances.

RESOLVED

1. **to make a commitment to share the liability for pensions arrears arising in schools in the manner outlined in the report and to that end agrees to:**
 - a. **cap the liability of schools at 3% of the individual school's budget (ISB);**
 - b. **meet the liability for compound interest imposed by the Teachers Pension Agency in respect of any arrears (Option 1 in the report);**
 - c. **allow schools to borrow the remaining sum owed in the form of a licensed deficit to the extent permitted by the school financial regulations, provided that any amount borrowed is repaid within 3 years.**
2. **to authorise the Director of Children's Services, in consultation with the Section 151 Officer and the Executive member for Children's Services, to undertake the work required to implement this decision.**

RECOMMENDED to Council

1. ***that there is no provision in the Council's Revenue Budget for 2012/13 to cover the costs of making this commitment and accordingly agrees to set aside £600,000 out of the contingency budget to meet the Council's liability. This can be accommodated within the current forecast outturn position.***