

## RECORD OF EXECUTIVE DECISION

Tuesday, 18 June 2013

**Decision No:** (CAB 13/14 10650)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	CHILDREN'S SERVICES
SUBJECT:	CONVERSION OF THE CITY'S THREE PFI SCHOOLS TO ACADEMY STATUS
AUTHOR:	James Howells

### THE DECISION

To note and accept the risks associated with the conversion of Cantell, Redbridge and Woodlands (the three PFI schools) to academy status.

### REASONS FOR THE DECISION

This report is being brought forward to members to enable the academy transfers to proceed, having due regard to the changes to the management of the contractual and financial risks to the Council that will be a direct result of the transfer.

### DETAILS OF ANY ALTERNATIVE OPTIONS

1. The Council have debated this issue with the DfE for several months. However, ultimately the DfE has indicated that it is not willing to change its current position and deviate from the standard wording of the PFI academy conversion documents, believing that by virtue of the DfE's ability to control the Academy, the Council would be sufficiently indirectly protected. The Council could continue to challenge this. However, doing so would need to be considered against the backdrop that attempts thus far to get the DfE to change its position have proved fruitless and that the chances of events taking such a course as to actually trigger a termination and the Council becoming obliged to pay the associated termination sum are practically very slim. As such, there seems little point in pursuing this further.
2. The Council's independent legal advice is clear that the Secretary of State could insist on forcing these conversions through. The Council's only right of challenge would be by a judicial review to establish that the Secretary of State had acted unreasonably in insisting on these transfers on such terms despite our concerns. Notwithstanding the significant costs involved nor the other practical consequences of so doing, it is not possible to predict with any certainty how successful such a challenge would be.

**OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

**CONFLICTS OF INTEREST**

None.

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 18<sup>th</sup> June 2013

Decision Maker:  
The Cabinet Member for Children's  
Services

Proper Officer:  
Judy Cordell

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*