



THE PEGASUS ACADEMY TRUST

Executive Headteachers:
Mr M J Roberts & Ms L D Sampson



WHITEHORSE MANOR
INFANT SCHOOL



ECCLESBOURNE
PRIMARY SCHOOL



WHITEHORSE MANOR
JUNIOR SCHOOL



BEULAH INFANT &
NURSERY SCHOOL

Cllr. John Wentworth
C/o Croydon Town Hall,
Katharine Street,
Croydon,
CR0 1NX

18th March 2015

Dear Councillor Wentworth

Re: Croydon Academies LGPS pension contributions

I am writing to you on behalf of the undersigned 24 Academies to request an urgent meeting to discuss and revisit the Pensions sub-committee decision of 3rd September 2013 regarding the way that Academies contributions are dealt with by the Pensions Committee in Croydon. At this meeting (minutes A29/13) the Pensions Committee decided to seek to recover pension deficits from Academies over a 15 year period.

We consider that the decision the Pensions Committee took was based on a misinterpretation and therefore misunderstanding of the guaranteed duration of funding Academies receive and we wish to discuss this with you. As a consequence of the Pensions Committee's misinterpretation of the funding agreement that Academies enter into with the Secretary of State it has adopted a pensions' strategy and policy in relation to Academies which treats them unfairly when compared with maintained schools. As a consequence, we believe, Croydon's Academies are being financially disadvantaged. This decision may prove an impediment to school improvement within the borough as it could result in a shrinking number of potential academy sponsors prepared to work with underperforming schools given that there is a financial disincentive to do so. We would particularly like to discuss:

- a) The thinking behind the briefing note for the sub-committee prepared by the Executive Director of Corporate Resources and Customer Services and signed by Nigel Cook, Head of Pensions and Treasury. We would like to know why they advised such a punitive approach to recovering the Academies' pension deficit when there was a guarantee given by the DfE (which came into force in July 2013) that it would meet the outstanding LGPS liabilities should an Academy have to close;
- b) Why the Pensions Committee has chosen to accept the 'Share of Fund' approach from the delegated actuary. We understand that the technical aspects of this approach severely disadvantage schools that have converted to Academies and we believe that this decision is costing Croydon Academies hundreds of thousands of pounds each year – money that we cannot spend on the education of the children at our schools;
- c) We understand the calculation approach adopted by the actuary has been made without any actual data. Can you confirm that this is the case? If it is the case, was the Pensions Committee briefed of the impact that this calculation would have on Academies?
- d) Whether a proper equalities impact assessment was carried out before the Pensions Committee adopted its policy and strategy in relation to its treatment of Academies. The consequence of the Pensions Committee adopting its present policy is that children in Croydon Academies are being disadvantaged when compared with children in other types of Croydon schools in the fund. This is because the shorter recovery period for paying the pension deficit as applied to Academies (and not

to other maintained schools) means higher costs for Academies - meaning less money is available for school improvement. Did the Pensions Committee have access to this information having been properly briefed on the risks by officers?

- e) Whether it is true that Academies are uniquely being asked to pay lump sums compared to all other types of employers. We have evidence that contribution rates for maintained schools have not changed but that part of the existing rate is now being labelled as a contribution towards pension deficits.

We would appreciate an early response to our request for a meeting as we believe that the Pensions Committee's strategy and policy is becoming harder and harder to justify – especially given that the Pensions Committee has the discretion to be able to treat Academies in the same way as maintained schools by stipulating the same deficit recovery period as that afforded to them.

Yours faithfully

Jolyon Roberts
Executive Headteacher
Pegasus Academy Trust

Mark Ducker
Executive Principal
STEP Academy Trust

Stephen Beck
St James' the Great
RC Primary and Nursery School

Ros Sandell
Executive Headteacher
Fairchildes Academy
Community Trust

Gordon Smith
Principal
Riddlesdown Collegiate

Andy Crofts
Executive Principal, Archbishop
Lanfranc Academy and Principal,
The Quest Academy

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