

Record of decision taken under delegated powers by a council officer



Title:	Increase of Charges for the Costs of Conversion for Maintained Schools to become an Academy School
Divisions Affected:	All
Key Decision:	Yes
Reason Key:	Affects two or more Divisions in Surrey
Decision taken under delegation by virtue of:	Scheme of Delegation Part 3 – Specific Delegation to Officers CFL44

Summary

For schools converting to academy status, local authorities must either bear the full cost of the work they undertake by law to facilitate transfers of status, or charge the converting school the costs, which they are entitled to do.

The charging for academy conversion costs was set in July 2019 at £6,000 for a community or voluntary controlled school, £5,000 for a voluntary aided school (which does not require HR service input); and £4,000 for foundation or trust schools (which do not require human resource and less property service input). The charging was based on an average cost at the time. The charges were levied for any new school formally requesting to convert to academy status from 1 September 2019 (upon receipt of approval from the DfE). Cabinet decision was made on 16 July 2019.

From 1 November 2024, the terms and conditions for the DfE Academy conversion Support Grant, normally £25,000 per school, will be updated. It will be paid only to trusts approved to convert as part of a group of 3 or more schools joining the same multi academy trust. Special and alternative provision schools (also known as pupil referral units, or PRUs) will continue to be eligible to receive it as part of a single-school conversion process.

The costs for academy conversions have not been reviewed annually as intended and the costs now often exceed the level originally set in 2019.

Conversions have become far more complex over time especially reaching agreements with academy trusts, with challenges about: site ownership; rents; condition matters; future liabilities; etc. This has led to much more legal work, that is externalised, for leases and commercial transfer agreements (CTA). This has also made it more difficult to achieve conversions in the anticipated time.

National Audit Office review of publicly available information suggested, nationally the charges by local authorities to schools range from £2,500 to £20,000 per school.¹ Publicly available information in the table below shows a range of charges across the country and across different types of councils, unitary and county councils.

Local Authority	Lower Charge £	Upper Charge £	Approximate Date
Brighton & Hove	12,000	12,000	Oct-18
Cheshire East Council	5,480	10,995	Feb-24
East Sussex CC	10,000	12,000	Oct-24
North Yorkshire	6,620	6,620	Jan-24
Oldham	10,000	10,000	2022
Oxford CC	6,000	6,000	Mar-24
RB Greenwich	15,000	15,000	Sep-24
Somerset CC	10,625	10,625	Jan-24
Warwickshire CC	4,250	7,750	May-24
West Sussex CC	9,000	9,000	Apr-24

In determining new charges to schools, to cover some of the costs to SCC for the work being undertaken, consideration of the following areas has been made: staffing costs dedicated to academy conversions; the average number of conversions per year, and a weighting for different status of schools. A simple conversion without protracted negotiations, the average legal cost for a CTA and Lease is £2,500 to £3,000 per agreement, whereas legal fees have reached over £16,000 for two schools recently.

The Council will be increasing charges to £12,000 for a community and voluntary controlled school, £6,000 for a voluntary aided school; £6,000 for foundation schools. In addition, excessive legal cost to the Council, that is above £6,000, will be passed to the school.

Decision made

Decision made:

It was AGREED that:

1. A charge of £12,000 for a community or voluntary controlled school, £6,000 for a voluntary aided school (which does not require HR service input); and £6,000 for foundation schools.
2. Excessive Legal costs above £6,000 will be passed to the school.

¹ Converting maintained schools to academies February 2018 <https://www.nao.org.uk/wp-content/uploads/2018/02/Converting-maintained-schools-to-academies.pdf>

3. Charges to be levied for any new school formally requesting to convert to academy status (upon receipt of approval from the DfE) from 1 November 2024.

Reasons for Decision:

The increased charge is to cover the costs to the Council for the work being undertaken. The new charges will cover staffing costs dedicated to academy conversions; an average number of conversions per year, the average cost for a CTA and Lease, and a weighting for different status of schools.

Decision taken by:	Rachael Wardell Executive Director – Children, Families and Lifelong Learning
Decision taken on:	25 October 2024
To be implemented on:	1 November 2024

Alternative options considered

None

Summary of any financial implications

As set out in the summary above, these costs have not been reviewed since 2019. The recommendation for revised costs are based on the ambition to cover the costs to SCC for the work being undertaken when maintained schools convert to academies.

Declarations of conflicts of interest

None

Consultation/Process Followed

Consultation was undertaken with Diocesan bodies between the 3rd to 17th September 2024.
One reply was received from Guildford Diocese Board of Education.

Background Documents

Cabinet report on 16 July 2019

<https://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=120&MId=6328&Ver=4>

Exem

No