

OPEN

## **Children and Families Committee**

**12 February 2024**

### **Local Authority Costs and Timescales in support of a School converting to an Academy**

---

**Report of: Deborah Woodcock, Executive Director of Children's Services**

**Report Reference No: CF/50/23-24**

**Ward(s) Affected: All**

#### **Purpose of Report**

- 1 This report is a briefing to the Children and Families Committee of a communication that was shared with Cheshire East schools on 22 January 2024 in regards the timescales and costs in relation to Cheshire East Councils (CEC) involvement in the academy conversion of a school.
- 2 The report is connected to the Council's Corporate Plan 2021-25 priority, an open and enabling organisation:
  - (a) ensuring that there is transparency in all aspects of council decision making.
  - (b) supporting a sustainable financial future for the council, through service development, improvement and transformation.

#### **Executive Summary**

- 3 The Executive Director of Children's Services has advised that full cost recovery is required to cover CEC's involvement in the academy conversion of any school.
- 4 Schools received communication in April 2021 advising of charges from mid-May 2021 were £3,000 for a standard conversion or £4,000 where

there were added facilities on site. It was noted that payroll services charged separately for conversion.

- 5 CEC have reviewed the costs and made necessary revisions. Due to the considerable work in ensuring that a conversion is completed in full compliance to agreed legislation, the current anticipated charge per school is likely to be between £5,480 to £10,995, excluding payroll and actuary fees. The CEC charges will be reviewed on an annual basis. Any academy conversions that are complex and require additional support over and above a standard conversion will be discussed on a case-by-case basis.

#### RECOMMENDATIONS

The Children and Families Committee are recommended to note the information shared with schools (see Appendix 1).

### **Background**

- 6 The introduction of the Academies Act in 2010 enabled schools to apply to the Secretary of State to convert to an Academy. The effect of becoming an Academy is to remove the school from the control of the local authority and enables them to become a publicly funded independent state school which is directly funded by the Department of Education. Academies are run by academy trusts which are charitable companies limited by guarantee.
- 7 Schools receive a grant of £25,000 to support their conversion. Schools and governing boards must manage the budget and report to the DfE how the money is spent.
- 8 The LA involvement in the academy conversion process requires contribution from several teams. The cost of each teams involvement in the process must be recovered against the backdrop of LA budget pressures.
- 9 Information regarding the role, key milestones, timescales, key interfaces, costs/charges and risks of each service area was presented at the Childrens and Families Directors Leadership Team meeting and Corporate Leadership Team meeting, December 2023. Following the meetings Deborah Woodcock signed an Officer Decision Record (see Appendix 2).

## **Consultation and Engagement**

- 10 Consultation with LA services involved has taken place in the production of the communication that has been shared with Cheshire East Schools.

## **Reasons for Recommendations**

- 11 The Children and Families Committee are recommended to note the information shared with schools should you receive questions or feedback from schools.
- 12 See Appendix 1 - Information for schools which was emailed to schools on 22 January 2024. The document includes a summary of the timescales and costs.
- 13 The current anticipated charge from CEC per school is likely to be between £5,480 to £10,995, excluding payroll and actuary charges. The payroll and actuary fees are currently £1,045 + VAT and £1,250 + VAT.
- 14 The timescales for completion of the local authority steps vary depending on each school situation. Following a schools academy order it is estimated that the local authority involvement will be a minimum of six months (excluding school holidays), however could be longer depending on the complexity of the conversion. For further information on timescales please refer to Appendix 1.

## **Other Options Considered**

- 15 If the local authority does not charge to recover the full cost of staff time in support of school academy conversions we are absorbing the costs within the council, adding to our pressures as we do not receive any direct funding for this work.

## **Implications and Comments**

### *Monitoring Officer/Legal*

- 16 Under the Local Government Act 2003, the Council can charge for discretionary charges for the services that it provides. Discretionary services are services where the council has the power but is not obliged to provide. The Local Government Act 2000 gave local authorities a general power to promote the economic, social and environmental well-being in local communities. The 2003 Act allows authorities to set the level of the charge for each discretionary service as they think fit within the restriction that the income from charges for each kind of service

must not exceed the costs of its provision nor can the Council charge for services that it mandated to provide or has a legal duty to provide.

- 17 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles. This includes the ability to charge for services.
- 18 Under the current Constitution dated July 2023 at Chapter 2 Part 5 paragraph 33 delegation was given to all Executive Directors to determine a Pricing Strategy that articulates the level of fees or charges payable in respect of any goods or services supplied, work undertaken or the loan or use of plant, equipment or machinery. Therefore as this is a delegated power the Committee will not be asked to approve the charging strategy.
- 19 The Council has a fiduciary duty at all times to the taxpayers and must fulfil its duty in a way that is accountable to local people as to how it spends its public funds.

#### *Section 151 Officer/Finance*

- 20 Finance have contributed and agreed to the communication that was shared with Cheshire East schools.
- 21 Academy conversions do create additional workload across many departments of the Council. Schools receive a grant for conversion costs and many local authorities charge to recover their costs. Previously the council has charged but it has not recovered the costs of all staff time. If we do not charge to recover the cost of staff time we are absorbing the costs within the council, adding to our pressures as we do not receive any direct funding for this work.

#### *Policy*

- 22 The report is connected to the Council's Corporate Plan 2021-25 priority, an open and enabling organisation:
  - (a) ensuring that there is transparency in all aspects of council decision making.
  - (b) supporting a sustainable financial future for the council, through service development, improvement and transformation.

#### *Equality, Diversity and Inclusion*

23 Not applicable.

#### *Human Resources*

24 Human Resources have contributed and agreed to the communication that was shared with Cheshire East schools.

#### *Risk Management*

24 The proposed changes to the costs are required to mitigate the risk that the Council doesn't cover the costs it incurs in the academy conversion process, and therefore subsidises the cost.

#### *Rural Communities*

25 There are no direct implications for rural communities.

#### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

26 There are no direct implications for children and young people.

#### *Public Health*

27 There are no direct implications for public health.

#### *Climate Change*

28 There are no direct implications for climate change.

<b>Access to Information</b>	
Contact Officer:	Joe Carter Education Project Manager <a href="mailto:Joe.carter@cheshireeast.gov.uk">Joe.carter@cheshireeast.gov.uk</a>
Appendices:	Appendix 1: Academy Conversions Information for Schools Appendix 2: ODR 3 Information and charges for schools converting to Academy status 181223

Background  
Papers:

[Convert to an academy: documents for schools - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

[Convert to an academy: guide for schools - Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

[Convert to an academy: documents for schools - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

[Important dates for schools converting to academy status - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

[Academy conversion: support grant forms - GOV.UK \(www.gov.uk\)](http://www.gov.uk)