

Cheshire East Council
Westfields
Middlewich Road
Sandbach, Cheshire
CW11 1HZ

Date: 22 January 2024

Dear Colleagues,

RE: Academy Conversion Information for Maintained Schools and Trusts

I am writing on behalf of the local authority to advise of an update to the charging process for local authority involvement with the academy conversion process.

Background

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.

The information provided is for the benefit of schools and trusts when considering academisation and is for information only. The document provides estimated timescales and costs from local authority involvement in the process and is an update to prior correspondence to schools, April 2021.

In addition, when considering academisation, please refer to the government website and seek your own professional advice.

Local Authority Involvement

Cheshire East Council (CEC) request that you notify the local authority of your intention to convert, at the latest when you make your application. There are several processes the local authority either lead on or contribute towards, examples include:

- transferring the employment of the staff of the school(s) from the local authority to the academy trust in accordance with the Transfer of Undertakings (TUPE).
- negotiating a commercial transfer agreement to transfer the responsibility of all the administration, including employment of personnel and pension obligations, maintenance of the school and insurance to the Academy Trust, and for the transfer of assets and contracts of the school(s) from the local authority to the academy trust.

- arranging for the academy trust to have use of the land and buildings of the school(s), usually either by way of a 125-year lease with the local authority or the transfer of the freehold of the land, as applicable.

In addition to the above, due to the constitution of the council, Childrens and Family Committee approval is sought for any academisations of schools as they are considered a significant decision in terms of the effects of the decision on communities living or working in an area comprising one ward or electoral divisions.

If your school purchases services via the Cheshire East School Services (ChESS) Hub, the way in which you pay for these services will change. Please ask your Bursar to email ChessHub@cheshireeast.gov.uk

Local Authority Estimated Timescales and Costs

Timescales and costs 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 if, for example, your school has:

- a private finance initiative (PFI) contract.
- a deficit with a recovery plan agreed with the local authority.
- major building works financed by the local authority.

Like all local authorities, CEC has financial pressures and needs to ensure full cost recovery on the services we provide. In April 2021 CEC advised that 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.

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 is likely to be between £5,480 to £10,995, excluding payroll and actuary charges. The 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. The charges from CEC cover the costs from a range of services including:

- Cheshire East School Services (ChESS); completing final determination and adjustments to school's ChESS Hub account.
- Finance; calculation and agreement of the final balance, and number of pre and post conversion checks.
- Education Human Resources (HR); advisor to school and representative of the LA during TUPE consultation. Costs apply where schools have not already bought the Education HR consultancy service package.
- Legal; lead on completion of Commercial Transfer Agreement (CTA) and land transaction, lead for employment matters including advice on TUPE clauses.
- Property Services; negotiation of heads of terms, site inspections, instructing legal, completion of Officer Decision Record for Lease.
- School Governance; collation of data for the DfE and update of records.
- Single point of contact project management; liaise with all parties to support the planned conversion date, including completion of the report to the Children & Families Committee, managing process until sign off and CTA and Lease finalised.

In addition to the charges from CEC services, there are also fees from Cheshire West and Chester Council in relation to the Cheshire Pension Fund and Recruitment and Pay. These are currently:

- Actuary fee; setting up new academy in the fund and calculating opening balance position. The current actuarial fee is £1,250 +VAT. This cost is reviewed every three years. Actuarial fees will also be incurred if you require an actuarial report (FRS17) for the inclusion of pension costs in your accounts. Please contact the Fund for current charges.

- Recruitment and Pay, Transactional Services, off-boarding costs; producing reports for the new payroll provider to ensure all staff paid in a timely manner. The current off-boarding package is £1,045 + VAT.

Local Authority Contacts

The single point of contact for CE LA is Joe Carter, Joe.carter@cheshireeast.gov.uk Additional LA contacts for example HR, Legal, will be provided once the process has commenced.

Government Guidance

Please note there could be other guidance on the government website that is useful.

If you are the headteacher or chair of governors of a local-authority-maintained school converting to an academy, you must complete the steps outlined in the DfE guide [Convert to an academy: guide for schools - Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/convert-to-an-academy-guide-for-schools) and refer to [Convert to an academy: documents for schools - GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/convert-to-an-academy-documents-for-schools) for key documents and any updates to these. Schools should also refer to [Important dates for schools converting to academy status - GOV.UK \(www.gov.uk\)](http://www.gov.uk/guidance/important-dates-for-schools-converting-to-academy-status) which include key actions for schools to complete and key dates.

Schools can use the 'Academy financial support grant claim form' to claim the £25,000 support grant to spend on the conversion process and the 'Academy financial support grant certificate' form to report to the Department for Education project lead:

- how much of the support grant you have spent on converting to an academy
- whether you are carrying a portion of the grant over into your academy's budget

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

The grant has a number of conditions, including that it may only be used for the following purposes, as set out in condition 1.

- a. obtaining legal advice in respect of the conversion process;
- b. the costs of software licence transfers;
- c. HR/TUPE advice;
- d. re-branding costs; and
- e. expenses incurred in setting up of the Academy Trust.

Regards,



Claire Williamson
Director of Education, Strong Start and Integration
Cheshire East Council