

# Portfolio Holder Decision

## Charging schools for academy conversions

<b>Portfolio Holder</b>	<b>Portfolio Holder for Education</b>
<b>Date of decision</b>	<b>14 June 2024</b>
	<b>Signed</b>

### 1. Decision taken

That the Portfolio Holder for Education:

- 1.1 Approves the partial recouping of the Local Authority's costs in relation to the academy conversion process, through the charging of a fee of up to an estimated £7,750 to each converting school.
- 1.2 Delegates approval of the final charge to the Executive Director for Children and Young People.
- 1.3 Agrees that this fee is reviewed annually with the decision on any changes delegated to the Executive Director for Children and Young People.

### 2. Reasons for decisions

- 2.1 This proposal was agreed by Education Services Senior Leadership Team (05/03/24), the Commercial Delivery Group (22/4/24) and Corporate Board (29/4/25).
- 2.2 The Academies Act 2010 gives all maintained schools the opportunity to become academies. Of the 121 Warwickshire schools that have become academies, 90 chose to do so and sought voluntary conversion. The other 31 schools were sponsored (or 'forced') conversions initiated by the Department for Education (DfE).
- 2.3 The 90 voluntary academy conversions since 2010 have occurred gradually, at an average of seven conversions per year varying from a maximum of 12 in 2011 and 2018 and only one in 2016.
- 2.4 Schools are given a DfE grant of £25,000 to meet professional costs incurred by the conversion process. From September 2024, schools will only receive this grant if they apply to convert as a group of at least four schools.
- 2.5 There are a number of departments within the Council directly involved in converting a maintained school to an academy. The workload associated with each academy conversion varies according to the complexity of the conversion. It is a significant task to ensure that the academy transfer process is undertaken in a reasonable timescale, as well as ensuring that WCC liabilities are transferred appropriately.

- 2.6 The Council currently receives no funding for this work but has a statutory duty to comply with Academies legislation.
- 2.7 There are currently 110 maintained Warwickshire schools, of which approximately half are Voluntary Controlled or Voluntary Aided schools.
- 2.8 Portfolio Holders have authority “To approve the introduction of charges for services or changes to charges for services” (Constitution, page 41).

### 3. Background information

#### 3.1 Overview of the work undertaken by the LA:

Department	Responsibility	Indicative internal cost (final costs to be determined)
WCC Legal Services	To act on behalf of WCC during the academy transfer process. Legal Services will be responsible for acting on behalf of WCC in preparation of the Commercial Transfer Agreement and Land Ownership Transfer Agreement (Lease).	<ul style="list-style-type: none"> <li>• CTA – £1750</li> <li>• Lease<sup>1</sup> – £1750</li> <li>• Project liaison and administration - £500</li> </ul>
WCC HR Services	The transfer of contracts of employment, historic terms and conditions, supporting staff and trade union meetings and payroll transfers to comply with TUPE regulations.	£1000 <sup>2</sup>
WCC Finance	<ul style="list-style-type: none"> <li>• Assist in the closure of old school accounts and determining the final schools balance</li> <li>• Ensure required closure processes are completed, e.g. bank accounts, purchase cards, petty cash and outstanding income</li> <li>• Managing the finance related processes for the LA when transacting with schools / Academies / DfE</li> <li>• Verification of any financial aspects of transfer negotiations.</li> </ul>	£1000
Project Coordination	Co-ordination of the conversion process which includes initial DfE response, school meetings and liaison with the DfE, external solicitors, Council officers and trust representatives.	£1000
Pensions and Payroll	Liaison with school and trust to transfer pensions and payroll arrangements, including managing any queries.	£750 <sup>2</sup>
Total		£7,750

<sup>1</sup> these costs would not usually be incurred for Foundation schools

<sup>2</sup> these costs would not usually be incurred for Voluntary Aided or Foundation schools

3.2 On the basis of the table above, it is proposed that converting schools be charged the following fees:

- Community and Voluntary Controlled Schools - £7,750\*
- Voluntary Aided Schools – £6,000\* (usually no requirement for HR-related expenses)
- Foundation Schools - £4,250\* (usually no requirement for Lease agreement or HR-related expenses).

No fee would be charged to schools that become sponsored academies (i.e., as a result of a “forced” conversion by the DfE).

The fees would not be repaid to schools should the conversion be cancelled or postponed after receipt of the academy order.

Of the nine LAs that border Warwickshire, seven already levy a similar fee. Details of these are provided as a Background Paper.

\* final level of fees still to be determined then agreed by Executive Director for Children and Young People

## 4. Financial Implications

4.1 **If all the remaining Warwickshire maintained schools choose to convert to academy status at a similar rate to that experienced so far, the proposal would generate total additional revenue of £746,500 over the next 16 years. Estimated average of £46,500 per year.** This is dependent on several factors including any future national policy to encourage or mandate academy conversion.

4.2 Fees received will be allocated to each internal service in line with the table on page 5.

## 5. Environmental Implications

None

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<b>Executive Director</b>	Executive Director for Children and Young People
<b>Portfolio Holder</b>	Portfolio Holder for Education

<b>Urgent matter?</b>	No
<b>Confidential or exempt?</b>	No
<b>Is the decision contrary to the budget and policy framework?</b>	No

## List of background papers

1. Conversion Fees currently charged by Neighbouring LAs

## Members and officers consulted and informed

Portfolio Holder – Councillor Kam Kaur

Corporate Board – 29/04/2024

Legal – Peter Endall, Senior Solicitor, Caroline Gutteridge, Legal Service Manager  
- Commercial & Regulatory

Governance Legal Team -

Finance –

Equality – Hannah Laurence

Democratic Services – Nicole Conway

Councillors –

Local Member(s):