

Report of the Director of Children's Services to the meeting of the Executive Committee to be held on 11 October 2016.

Subject:

AB

Request to the Executive to consider the introduction of a policy for charging schools for the work associated with Academy Conversions.

Summary statement:

The number of maintained schools in the district converting to academies is rising and capacity for Council services such as Human Resources, Estates and Legal are extremely stretched. As a result, it is proposed that the Authority implements a charging policy.

Michael Jameson
Strategic Director
Childrens Services

Portfolio:

Education, Employment and Skills

Report Contact: Terry Davis
Strategic Manager Employment and Skills
Phone: (01274) 437170
E-mail: terry.davis@bradford.gov.uk

Overview & Scrutiny Area:

Childrens Services

1. SUMMARY

- 1.1 The number of maintained schools in the district converting to academies is rising and capacity for Council services such as HR , Estates and Legal are extremely stretched. As a result, it is proposed that the Authority implements a charging policy.

2. BACKGROUND

- 2.1 Academy Conversions form a key part of the Government's education policy. The Academies Act 2010 gave all maintained schools the opportunity to become academies. There are different circumstances and conditions under which schools become academies, some converting to enjoy greater freedoms and others required to convert with a sponsor in order to address performance concerns. The Government policy is to promote and encourage all schools to take up academy status.
- 2.2 When an academy order is made the Council is required to undertake a significant range of actions including managing property transfers, undertaking staff TUPE consultation and disclosure , dealing with pension and payroll arrangements, school budget matters, establishing new contracts and varying existing school contracts not least in relation to those schools established under PFI arrangements.
- 2.3 The number of academy conversions has risen dramatically over the past 12 months. Whereas in September 2015 there were 4 schools waiting for academy conversions, there are now 30 academy orders in place with schools waiting to convert, with more expected in the future:

| | Schools waiting to convert to Academies | | | | Converted Academies | | |
|-----------|---|-----------|---------|-------|---------------------|-----------|-------|
| | Primary | Secondary | Special | TOTAL | Primary | Secondary | TOTAL |
| Sept 2016 | 24 | 5 | 1 | 30 | 9 | 5 | 14 |
| Sept 2015 | 0 | 4 | 0 | 4 | 1 | 2 | 3 |

- 2.4 The conversion process needs to be resourced appropriately; costs vary case by case depending upon the level of complexity involved in each individual academy conversion particularly in regard to land and property legal issues associated with schools sites which are now community multi purpose sites or whether the conversions form part of a multi academy trust.
- 2.5 This work is placing demand upon in – house services, and with diminishing income to the Council and resources to deal with a growing number of conversion requests, the current situation is not sustainable. It is therefore important for the Council to secure resources needed to manage the conversion process more efficiently and effectively and to manage costs pressures on the Authority of more schools converting to become academies.

3. OTHER CONSIDERATIONS

- 3.1 Academy Trusts and or schools are allocated financial assistance by the DfE to support conversion costs. It is intended that the existing Scheme for Financing Schools would be the framework most suitable for charging schools for work carried out by the Council. DfE position is that where councils do impose charges, these must be reasonable and should not be for services they must provide.
- 3.2 Due to the increasing number of Academy conversions and to enable a policy to be drawn up without delay this report has been drafted urgently and has not been included on the forward plan.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The introduction of a charging policy would enable cost recovery of work associated with Academy Conversions. The current position is that there has not been a charge for this work. However, as conversions increase, and Council resources diminish, it is recommended that the Executive considers introducing a charging policy.
- 4.2 Other Local Authorities have already, or are in the process of introducing charging policies. There are some examples of charging policies which have enabled quicker conversions to take place due to the increased resource this change in policy allows.
- 4.3 There are varied models introduced by different Council's which include
- fixed cost charges with differentiated increases for complex/protracted conversions.
 - charges based on actual cost.
 - a contribution cost to cover the majority of council costs.
 - scales of costs based on a range of factors e.g. phase /size of school or whether a PFI school.
 - whether this is a new academy or a change in sponsor of an existing academy.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 There are risks to the rate of academy conversions if the introduction of this policy is not approved. There are also reputational risks for the Authority in its continued working relationship with the DfE and the RSC. This work essentially represents a "New Burden" and the continuing demand for requests to be facilitated is unsustainable. The introduction of a charging policy would increase the resources available to effect conversions.

6. LEGAL APPRAISAL

- 6.1 The Academies Act 2010 as amended by the Education Act 2011 is the principal legislation governing the establishment of academies and enables any educational institution to apply to the Secretary of State for conversion to an academy.

- 6.2 Amendments to the Act by the Education and Adoptions Act 2016 was intended to enable the Government to intervene more swiftly in failing schools particularly in a new category of school labelled “coasting schools” where such intervention is considered necessary.
- 6.3 The academy conversion process requires the local authority, the school and the academy trust to enter into and agree a number of legal documents to transfer school staff to the employment of the academy trust, to lease the school land including playing fields and to transfer contracts and school assets from the Council to the academy trust.
- 6.4 The Act requires the governing body and the local authority to take all reasonable steps to facilitate the conversion of a school where an academy order is made. Where the Secretary of State is proposing to enter into academy arrangements the duty extends on the local authority to facilitate the making of those arrangements.
- 6.5 The government white paper Educational Excellence Everywhere stated that financial assistance will continue to be available for academy projects, although it did not commit to the level of funding. In addition a MAT Growth Fund is available to support the foundation of new and developing multi- academy trust groups .There is also a new funding system called the Intervention Fund used to attract new sponsors and increase sponsor capacity. There is no separate funding made available for local authorities.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

None.

7.2 SUSTAINABILITY IMPLICATIONS

None.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

None.

7.4 COMMUNITY SAFETY IMPLICATIONS

None.

7.5 HUMAN RIGHTS ACT

None.

7.6 TRADE UNION

None.

7.7 WARD IMPLICATIONS

None.

**7.8 AREA COMMITTEE ACTION PLAN IMPLICATIONS
(for reports to Area Committees only)**

None.

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. OPTIONS

- 9.1 (a) Not to approve the introduction of a charging policy for Academy conversions.

This option would maintain the status quo whereby the Council attempts to absorb the current workload and associated costs . This would place increasing pressure on already stretched internal resources.

- 9.2 (b) To approve the introduction of a charging policy for Academy Conversions.

This option would enable cost recovery and would build capacity within in – house departments.

10. RECOMMENDATIONS

- 10.1 That option b above is approved, to allow the introduction of a charging policy for Academy Conversions.

- 10.2 That the Strategic Director, Children’s Services is instructed to develop and implement a charging policy in consultation with the City Solicitor, the Director of Finance and the Portfolio Holder for Education, Employment and Skills.

11. APPENDICES

- 11.1 None.

12. BACKGROUND DOCUMENTS

- 12.1 None.