

30th October 2017

Cost of Academy Conversion from 1 January 2018

Dear Headteachers and Chairs of Governors

I am writing to inform you of a change in how the legal and property services cost of academy conversion will be charged to maintained schools from 1 January 2018.

You will know that government Education Services Grant (ESG) has been removed from 1st September 2017. This funding enabled Essex County Council to pay the costs of the structural changes through conversion including legal and property fees incurred by ECC for their part of the conversion process for a maintained school. By the way of an indication, this was at a cost of £135,000 in the previous financial year.

The Council received a Grant of £50,000 in April from the DfE for academy conversion costs in 2017/18, which is not sufficient to fund the increasing volume of academy conversions in Essex. Consequently, the implementation of a financial contribution from the schools undertaking conversion is now required in order to secure both the capacity for an efficient conversion process and the management of cost-pressures to the Council.

This decision is not out of kilter with other Local Authorities, a number have been charging since 2015.

The Department for Education's £25,000 conversion grant, which each school receives when an Academy Order is approved, is intended to be a contribution towards the costs associated with converting to an academy. Historically, this grant has been more than enough to cover the costs of the conversion process.

There are two parties involved in any academy conversion process, the school and the Council. We are aware that some schools already use a consultant or management package such as the EES Academy Conversion Support to advise and manage the process for the school. EES for Schools has teamed up with legal specialists Essex Legal Services Ltd to offer a comprehensive academy conversion package to deal with the financial, HR and legal aspects of the academy conversion process on the school's behalf. This package includes the academy conversion legal advice, negotiation and completion of Commercial Transfer Agreement, Funding Agreement, lease/transfer of property, company set-up, property due diligence and Articles of Association (provided by Essex Legal Services Ltd). It does not include the costs of ECC's legal and property costs which we have no option other than to pass the costs on to each school converting from 1 January 2018. Therefore, schools will need to fund the full cost of academy conversion, not just the cost incurred by the school, from the DfE conversion grant allocated to the school.

Any school which has an Academy Order and is already going through conversion, and conversion is concluded by 31 December 2017 **will not** be asked to contribute. If however, a conversion is delayed or deferred, the school will be charged as set out in the costs as set out below:

School Status	Primary/Special Schools (non PFI)	Primary/Special Schools (PFI or complex issues)	Secondary Schools (non PFI)
Voluntary Aided/Foundation	£4,000	£8,000	£7,000
Voluntary Controlled/Community	£6,000	£10,000	£9,000

Where there are significant and complex issues which increase the cost of conversion such as: a caretaker house, private sector nursery or pre-school, sports facilities on site, PFI arrangements, land disputes etc, the higher fee may be payable. The cost to schools will be for the legal and property services required. There is an additional DfE grant of up to £12,000 available for PFI schools to apply to the DfE for, but even this is sometimes not enough to cover the additional costs. All other costs for which ECC must provide such as advice from the Schools Effectiveness Team, Place Planning and School Organisation, will be met from our budget as is currently the position.

Please complete the form attached if your school is planning to convert to academy status from 1 January 2018 onwards. Please provide relevant information, including any specific circumstances which could delay conversion or any barriers to conversion as this detail will inform the level of complexity for the conversion process so that the School Organisation & Place Planning team can advise on the likely timescales and cost of services to your school.

If your school is joining a Multi-Academy Trust with a group of schools, please indicate on the form as there could be economies of scale which could reduce overall costs.

If you require any further information on the academy conversion process please contact academy.conversion@essex.gov.uk. For information on the services to support a school through the academy conversion process please contact Stephen Nunn, Head of Operations EES (Stephen.Nunn@EESforschools.org). If you have any concerns regarding the proposed charge to schools please contact Alison Fiala, Lead School Effectiveness Partner – Primary (Alison.Fiala@essex.gov.uk).

Yours sincerely



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