

NORTH YORKSHIRE COUNCIL
CHILDREN AND YOUNG PEOPLE'S SERVICE
CORPORATE DIRECTOR MEETING WITH EXECUTIVE MEMBERS

23 January 2024

ACADEMY CONVERSION FEES

1.0 PURPOSE OF REPORT

- 1.1. To seek Executive Member approval for the proposed increase in the Academy conversion charge for the 2024/25 financial year in accordance with the Corporate fees and charges policy

2.0 BACKGROUND

- 2.1 The Council applies a standard charge for each academy conversion. This charge is common within many other LAs and recognises the significant input of officer time required to undertake work in relation to academy conversions and the absence of any specific additional funding stream to support this activity within LAs (unlike within the academy sector itself),
- 2.2. The charge was set at £6,245 for the 2023/24 academic year, which was a 6% increase on the figure charged in the previous financial year. The charge only applies to voluntary converters in accordance with legislative requirements.
- 2.3 For context regarding the volume of cases there were three voluntary conversions in 2021/22, ten cases in 2022/23 and there have been six to date in 2023/24.
- 2.4 The charge recoups a sum for the input from various departments across the Council to facilitate the academy conversion process. This charge is levied from Academy Trusts. The charge, and allocation of funds within the organisation, is administered within the Strategic Planning and Finance teams in the Children and Young People's Service (CYPS), in accordance with an agreed apportionment schedule. Responsibility for determining the appropriate rate of uplift has been assigned to CYPS.
- 2.5 The origin of the charging rate in 2018 was benchmarked using knowledge of the amounts being charged by other Local Authorities, together with an estimation of the amount of time each internal service would spend on a 'typical' conversion.

3. CORPORATE POLICY BACKGROUND

- 3.1. The main expectations of the Corporate fees and charges policy are as follows :-
 - Unless limited by Statute, fees and charges must be uplifted by the relevant inflation that the fees and charges relate to (finance would calculate the inflation rate specific to the relevant cost base)
 - There must be a review of opportunities to introduce new fees and charges
 - Fees and charges must be at full cost recovery including corporate and departmental overheads (unless limited by Statute as above)
 - If it is not possible to charge/ uplift to a minimum of full cost recovery, then the service should be discontinued
 - There must be clear benchmarking of fees and charges against other local authorities/ providers/ competitors that evidences why the recommended fees and charges are proposed

4.0 PROPOSED INCREASE FOR THE 2024/25 FINANCIAL YEAR

- 4.1. The assessment of officers is that the relevant inflation factor to apply would be 6% - reflecting the provisions that have been made across most staffing budgets for pay award inflation for 2024/25.
- 4.2. Whilst there has, in previous years, been some challenge from individual trusts, it is the case that academies receive grant funding allocations from the DfE to facilitate the academy conversion process, and officers cannot see any substantive grounds as to why the Council would not apply the increase in line with inflation.
- 4.3. As stated above the current charge is £6,245. It is proposed to increase this charge by 6% to £6,620. The charge would be applicable in cases where an academy order is issued from 1 April 2024 onwards. Schools will be notified in writing once the new charge is agreed.

5.0 RECOMMENDATION

- 5.1. The Executive Member for Education, Learning and Skills is asked to agree that the academy conversion charge should be uplifted to £6,620 for the financial year 2024/25.

Stuart Carlton

CORPORATE DIRECTOR – CHILDREN AND YOUNG PEOPLE’S SERVICE.

Report prepared by Andrew Dixon, Strategic Planning Manager

Action AgreedExecutive Member

Date:

Action RequestedCorporate Director

Date: