

*These notes refer to the Academies Act 2010 (c.32)
which received Royal Assent on 27 July 2010*

ACADEMIES ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Conversion of schools into Academies

Section 7: Transfer of school surpluses

25. This section requires that, where the Secretary of State approves a maintained school's application to become an Academy under this Act, the local authority must determine whether the school has a budget surplus, and, if so, the amount of that surplus and transfer that amount to the Academy proprietor.
26. Under existing legislation, surpluses of closing schools remain with the local authority. This includes situations where an existing school is closed to become an Academy. This section requires local authorities to transfer a school's surplus to the Academy proprietor where the school has been successful in its application to the Secretary of State under this Act to become an Academy.
27. A surplus consists of any unspent portion of the school's budget share (made available under section 50 of the School Standards and Framework Act 1998) as well as any unspent portion of any other funding made available to the school by the local authority, including government grants, and includes amounts brought forward from previous financial years.
28. The section provides for the Secretary of State to prescribe in regulations matters in connection with the determination and payment of any surplus, including timings, and for a right to apply for a review of a determination.