

## **Local Authorities making payments in relation to PFI Academies**

Some doubts have been raised about whether local authorities can legally make payments in relation to PFI academies. The Academies Act 2010 allows local authorities to contribute to the expenses of academies whether in money or in kind (since this does not amount to “maintaining” the school).

The relevant parts of section 6 of the Act are as follows:

(2) The local authority must cease to maintain the school on the date (“the conversion date”) on which the school, or a school that replaces it, opens as an academy (“the academy”).

(2A) Subsection (2) does not prohibit the local authority from providing financial or other assistance in respect of the academy, including by:

- (a) making payments in respect of some (but not all) of the expenses of maintaining the academy;
- (b) providing premises, goods or services for the academy; or
- (c) making premises, goods or services available to be used for the purposes of the academy.