

Focus: The Privatisation of the State Education Sector or Reducing Disparities? A Study of the Academy Initiative, England.

**Principal's Sabbatical Report
Term 3 2005**

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Executive Summary

The Blair Government in the United Kingdom has introduced a controversial pilot project to radically shift 'failing schools' under 'Special Measures' to 'successful schools'. These schools are given a complete make-over with new buildings, new equipment and new senior management teams, financed in part by private enterprise. These new Academy schools have been established, generally in the poorest socio-economic areas, to give students the same educational opportunities as those in successful schools. Critics argue that instead of reducing disparities, further inequalities have been created through the provision of millions of pounds to a few select schools, money which would be better spent spread more thinly over all or more schools. Furthermore, they argue that giving control of these state schools to private enterprise is effectively the beginning of the privatization of the state education sector. Conversely, some new research is showing that paucity of social capital (as opposed to a focus on academic achievement) must be overcome if further gains in educational outcomes are to be made. Engagement by schools with the local community, including private enterprise, is the key to reducing disparities.

Introduction

This paper is the product of a Ministry of Education Secondary Principals' Sabbatical undertaken in Term 3 2005. Research involved a literature search plus visits to two Academy schools in London in September 2005. These two schools both located in one of the poorest inner London areas in Southwark, being The Academy @ Peckham, a coeducational secondary school, and Alywin Girls School a single sex secondary school. Interest in this project comes from the writer's own experience as a principal in two lower decile schools (firstly Temuka High School – now Opihi College – and currently Linwood College, a decile 2 school) and wanting to explore alternative methods of school improvement. Access to the Academy schools was facilitated by former Linwood Deputy Principal, Jason Baigent, now working as Deputy Principal at Peckham Academy, London.

This research has raised a number of questions (and as always there are not always easy answers!)

- Should all students have equality of educational opportunity?
- Do Academies give a better deal to students?
- Should private enterprise be involved in state education?
- Do new buildings / new environments make a difference to learning outcomes?

- Should lower decile schools have the same buildings/facilities/high quality staff as higher decile schools?
- Should failing schools be given extra funds to overcome barriers to school improvement?
- How would neighbouring low decile schools feel if another low decile school received extra funds and they didn't?
- In New Zealand would the 'Academy concept' provide the balance to the 'Extending High Standards' initiative?

Literature Search

What are Academy Schools?

Academies are the British Government's targeted response to certain 'failing' schools, particularly in inner cities, and to rising demand for school places. They replaced the Fresh Start initiative, Labour's original plan for poorly performing schools. Under Fresh Start, a 'failing school' was closed and reopened on the same site with new staff. The academy initiative closes 'failing' schools and brings in a sponsor with up to £2 million private finance to contribute to the costs and management of a new school. Between £10 - 20 million are spent on new buildings, new staff and new programmes.

Potential sponsors and local education authorities (LEAs) are encouraged to contact the Department for Education and Skills (DfES) with proposals for academies, which then undergo feasibility studies, including community consultation.

The private investors can name the school and nominate a majority of the members of the governing board. The financial risks of academies remain with the public sector as all future costs (including capital overspend, salaries, overheads) are borne by the state.

The first three academies opened in September 2002. There are now 17 academies open, with a further 40 in development, rising to 200 by 2010. Most of the existing schools are in cities. However, the government is keen to extend the initiative to schools outside cities.

Sponsors of the 17 academies include the Vardy Foundation, Amey plc, the Church of England and the Corporation of London. According to the DfES, the likely benefactors for the next group of academies include Dixons, UBS, West Bromwich Albion Football Club, Rod Aldridge of Capita and Roger de Haan of Saga Holidays. (See www.teachers.org.uk/ National Union of Teachers website).

Academies are set up as charitable companies, limited by guarantee. They are independent of the LEA, giving them greater freedom than other state schools to set pay rates for teachers and to design the curriculum. Teachers in academy schools are not required to be registered with the General Teaching Council.

Academies are specialist schools and, like other specialist schools, can select up to 10 percent of pupils on aptitude. Specialisms offered by the existing academies include ICT, business and enterprise, and sport.

A Controversial Initiative

The Academy initiative has produced many strong reactions from different interest groups. Education Secretary Ruth Kelly has strongly defended academies: 'For these children, nothing has worked for them before, absolutely nothing. They've been trapped in a cycle of failure, and the city academies programme is the chance for a new energy, to bring a new purpose to an area, as well as the new capital buildings and injections of money' (See Department for Education and Skills website www.standards.dfes.gov.uk/academies/). Even those who have been critical of much of the government's education agenda have supported the principle of putting money where it is needed most: the depressed hearts of old towns and cities.

The critics of academies (for example see National Union of Teachers website <http://www.teachers.org.uk/>) argue that they are the wrong prescription for struggling inner city schools, which need community-wide solutions to educational under-achievement. As Fiona Millar put it, 'There are 3,500 secondary schools in this country, many of which have children with complex, disadvantaged home lives. How will putting £5 billion into 200 of them over the next five years help the pupils in all the rest?' Trade unions have been highly sceptical of the initiative, describing it as 'privatisation by stealth' (NASUWT), which will 'benefit the many at the expense of the few' (NUT) and is 'not in the long-term interest of the provision of state education free to all (ATL). Unions representing school support staff, including Unison, GMB and the T&G, have also expressed concern about the impact of academies on staff terms and conditions and local accountability. The Local Government Association has highlighted the reduction of local democratic accountability and the need for integrated education services. The Education and Skills Select Committee in a March 2005 report called for the programme to be put on hold until it had been properly evaluated.

Whilst it is too early to evaluate the success of the academy initiative, the NUT has drawn up some criteria of success against which current and future academies can be judged. Measuring the success of a school is a complex equation requiring many factors to be taken into account. NUT says that these factors could include:

Educational Attainment and Inequalities: *Has the school raised standards for pupils, including those from lower socio-economic groups?*

Curriculum: *Are pupils receiving a balanced and informed curriculum?*

Workforce: *Are terms and conditions for staff satisfactory and comparable to other state schools?*

Governance: *Are governors of the school accountable to parents and teachers, and to the broader community?*

Funding: *Is the school transparently funded and financially secure?*

Community: *Is the school contributing to improved educational outcomes for the whole community of schools in a local area?*

Preliminary observations on the above by NUT include:

Educational Attainment and Inequality

- DfES figures show that overall the existing academies have doubled their GCSE pass rate (in comparison to predecessor schools) to 24% - although the intake is not necessarily the same as predecessor schools. Data published in January 2005 showed that five of 11 academies studied had not improved their GCSE performance. A DfES-commissioned report by PriceWaterhouseCoopers, published in June 2005, confirmed these findings and reported that it was too early to assess the impact of academies on raising educational attainment.
- Selection policies have been controversial as some academies have been accused of only taking pupils from the top of the ability 'bands'.
- Research at York University found that some of the academies have high rates of exclusion and low rates of pupils eligible for free school meals compared to predecessor schools, suggesting that other local schools are picking up a disproportionate share of disadvantaged pupils.
- The DfES has commissioned PriceWaterhouseCoopers (PWC) to undertake annual monitoring reports on academy schools. Its first report, sent to the DfES in 2003, found that in similar schools abroad (such as Charter Schools in the US) improvements in educational outcomes had been modest, and that there was a danger of creating a two-tier school system in which the middle classes benefited from the better schools.
- An OfSTED report in May 2005 found the Unity City Academy to be 'failing'. Bexley Business Academy also received a critical report from Ofsted. Two other academies – in Haringey and Brent – have experienced high levels of turnover in senior management.

Curriculum

- Academies can opt out of some aspects of the National Curriculum. For example, one academy does not teach the National Curriculum on Fridays, opting to provide specialist business training for pupils.
- Faith groups are involved in sponsoring five of the 17 existing academies and in many of those proposed for development. Controversy has surrounded the alleged teaching of creationism at the Kings Academy, although the school insists that creationism is not part of its science curriculum.

Workforce

- Teachers transferring to an academy from a pre-existing school have their terms and conditions protected, but new teachers do not have to be employed on the same basis. Academy schools are not bound by national agreements. They get no more money for staff than other schools, but can alter pay differentials. The 2004 PWC monitoring report reported that the combination of transfer staff with protected terms and conditions and new staff without was creating tension in some schools.
- Support staff at academies are removed from LEA-based negotiations on pay and conditions, leaving them vulnerable to reduced terms and conditions.

Governance

- Sponsors nominate the majority of the governing body, with a minimum requirement for one parent governor, one staff governor and one representative from the local education authority. The PWC report published in June 2005 found that some academy governing bodies did not currently have staff and parent representatives, although there was an intention for these groups to be included on the governing body or subcommittees at some stage in the future.

Funding

- Sponsors have contributed less than the originally envisaged 20 percent to the cost of the schools, as their contribution has been capped at £2 million per school, whilst building costs have far exceeded the original budget of £10m per school. The average capital cost of the 17 academies is £25m (excluding land costs) – equivalent to £21,000 per school place. For a standard secondary school building the government spends around £14,000 per place. Staff at academy schools interviewed by PWC for its 2004 report reported that some of the new buildings were not ‘fit for purpose’ with inadequate staff work places and poor classroom layout.
- In some schools, the private contribution has not yet been forthcoming. A Times Educational Supplement (TES) investigation in summer 2004 into the accounts of 12 academies found that half had yet to receive the full £2 million pledged by the sponsors. Benefactors are bound by legal agreements specifying when the money will be paid, but details of these agreements are not publicly available for reasons of commercial confidentiality.
- Concerns have been raised that academies are giving contracts to companies in which their private sector sponsors have major interests. The TES reported in August 2004 that the West London Academy in Ealing paid £180,964 for training and personnel services to businesses and a charity with major connections to Alec Reed of Reed Executive, the school’s sponsor. Kings Academy in Middlesbrough paid £290,214 to organisations and individuals with connections to sponsor Peter Vardy for marketing, recruitment and educational advice. In both cases the work was not put out to tender, although all state schools are expected to get at least three quotations before purchasing services.
- Some of the schools have run into financial difficulties. The Unity City Academy in Middlesbrough has a projected deficit of £1 million and has had to make redundancies.

Community

- New academies are located in deprived areas, aiming to tackle long-term educational underachievement in these areas.
- However there are fears that they will destabilise overall educational provision in an area, or push problems into neighbouring schools.
- Existing academies are heavily over-subscribed and there are fears that they will destabilise the capacity of neighbouring schools to deliver a mixed intake – possibly spreading selective practices more widely.
- At the local level, parents and trade unions have been working together to resist plans to create new academies. Local campaigns have led to the postponement of plans to create academies in Conisborough, Doncaster and at the McEntee School in Waltham Forest.

Supporters of academies dismiss concerns as over-stated or as the teething problems of any new initiative. A key architect of the academy initiative is Andrew Adonis, formerly Prime Minister Tony Blair's policy advisor on education. Now a junior minister in the Education Department, he says that the academy schools programme is at an early stage. Its full impact on educational outcomes in some of the poorest parts of England is as yet unknown. The government argues that radical prescriptions are needed to improve life chances in areas that have failed successive generations (see www.standards.dfes.gov.uk/academies/). Peter Crook, Principal of Peckham Academy says that the criticism of failing Unity Academy is unfair as many of its problems can be attributed to the enormity of the task of combining two failing schools in unsuitable and unfinished buildings, combined with tension with the sponsor.

New Buildings Needed

There appears to be an international problem concerning a lack of government investment in infrastructure in state education over many years. In Britain the government has responded to this crisis in part by offering public-private partnerships through the Academy programme. In Australia, the media in 2006 has carried a number of stories of public school buildings in such disrepair that teachers have had to carry out basic maintenance (Sydney Morning Herald 6 July 2006). Professor Brian Caldwell has received international coverage with his claim in his new book *Reimagining Educational Leadership* (see also Sydney Morning Herald 5 July 2006) that successive New South Wales governments have neglected their responsibility for maintaining schools to reasonable standards and he attributed the dramatic shift to private schools (an increase from 25% in 1985 to 40% in 2005) to this government neglect. The President of the Australian Secondary Principals Association, Andrew Blair, in an interview with *The Australian* newspaper on 5 July 2006 believes that 10% of government high schools are not meeting quality standards and should be closed.

Professor Caldwell advocates a similar programme to the Academy model as illustrated by his monograph with Jack Keating to the Australian Council of Deans in 2004 entitled *Adding Value to Public Education: An examination of the Possibilities of Public-Private Partnerships*. Education Professor Geoff Riordan at the University of Technology, Sydney, also writing in the Sydney Morning Herald (6 July 2006) agrees that there is a major issue surrounding funding public schools but argues though that additional private funds should not be invested directly with individual schools but be donated to an education foundation that was administered by both government and business representatives to support public schools. This funding Professor Riordan argues should be additional funding not a replacement of existing government funding.

Professor Riordan makes two further statements: firstly that public education is critical to a society wherein all people have the opportunity to develop their educational and vocational potential; and secondly that hopefully we might enter a new era where wealthy individuals may be inspired by the likes of Bill Gates and

Warren Buffett to give their money to worthwhile causes, rather than invest in them for further profit.

Social Capital and School Improvement

John West-Burnham and George Otero (2004) argue that while school improvement has had a demonstrable impact on school standards, there is a case for arguing that results at national levels are 'plateauing' and significant improvements are increasingly difficult to secure. These authors cite research which states that lower socio-economic areas are more likely to suffer from a 'paucity of social capital' – effectively a lack of networks, trust, engagement, communication, shared values, aspirations and interconnectedness. To overcome the plateauing effect of school improvement then requires a transformation within the local community including a change from an emphasis on schools as an institution to schools as an agency within the local community. In other words, schools must create social capital within their communities through networking, engagement, communication, sharing values and aspirations as above. The Academy concept is a significant step towards this through financial sponsorship with the community. However, more than just financial connectedness is required to create 'social capital'.

Sandra Dean (2000) describes this creation of social capital in the transformation of her low decile school in Toronto, Canada in her book *Hearts and Minds: A Public School Miracle*. Raising academic standards from 'worst to best' (P 210) required a range of different strategies all of which centred on community involvement. Working in partnership with local businesses through such initiatives as work experience, mentoring, shared reading, resource enhancement, community days etc certainly created community 'buy in' and engagement.

Individual Case Studies

The Academy @ Peckham Formerly known as Warwick Park High School, Peckham Academy gained its new Academy status in 2003 after a number of years being rated as needing 'Special Measures' by the government watchdog OfSTED.

OfSTED in its latest review of the school (January 2006) describes it as follows: The Academy at Peckham is a new technologically advanced school in the London Borough of Southwark. The academy opened in September 2003 on the site of the predecessor school and is now in phase three of an extensive renovation and building programme. The academy has specialist status in business and enterprise and the performing arts. The sixth form, known as The Academy College, was opened to Year 12 in September 2004 and has 130 students on roll. It offers a suitable range of vocational and academic courses at different levels of accreditation. Some excellent specialist facilities support a wide range of courses including those of industry standard in hospitality and catering, motor vehicle engineering and hairdressing. The academy is much larger than most secondary schools. It is a very popular choice with pupils and parents and is now admitting 240 pupils each year and will grow to a maximum of 1450 pupils including a sixth form of 250. The academy serves one of the most socially deprived boroughs in the country. Two thirds of the pupils are

entitled to free school meals, a much higher number than is usual. Just over half of the pupils are from black African or Caribbean heritage with around one in five pupils of white British heritage. There are almost twice as many boys as girls. Nearly one third of the pupils are identified as having learning difficulties and/or disabilities and forty nine pupils have a statement of special educational need, a proportion that is more than double the national average. Just under half of the pupils do not have English as a mother tongue. The academy has a specialist unit for pupils with dyslexia. The average skill levels of pupils entering Year 7 is very low. Almost one in ten pupils is identified as vulnerable by the academy because they are refugees, are in care, or are on the child protection register. The academy has largely met the challenge of teacher recruitment by investing in staff development.

The school sponsor is Lord Harris of Peckham who made his fortune in carpet retail in the Peckham area.

A new principal, Peter Crook, was appointed to oversee the new school. He brought with him experience as principal in two previous schools combined with experience as an educational consultant. He returned to public service attracted by the opportunities that new Academy schools offer students, staff and local community.

Some of the changes implemented at Peckham Academy include a whole new senior management team; new staff; new buildings, new technology equipment; new Sixth Form College for senior students; vocational specialisms (see above OfSTED report); a focus on foundation skills in literacy, numeracy and science at Key Stage 3; four 80 minute lessons per day; monthly staff professional development; £2000 extra pay to teaching staff over and above the national award in return for attendance at five extra professional development days per year; and a new pastoral and behaviour management system. As well, the sponsor, Lord Harris contributed an extra £50,000 to outfit the whole school in new uniforms.

The senior management point to the following results as evidence of the success of the Academy scheme.

In 2002/3 (last year of Warwick Park) the application to Year 7 was 64 students (for 180 places).

In 2005/6 the Academy received over 1000 applications for 240 places.

Key Stage 3 Results (SATS) –Year 9 testing in March

	Percentages of students achieving Level 5 and above			
	2003 (Warwick Park)	2004	2005	2006
English	32%	35%	46%	Unknown
Maths	46%	49%	48%	53%
Science	31%	30%	32%	37%

Added Value in KS3 – compared with Autumn Package predictions and actual scores achieved the Academy gained a score of 101.8 – rated in top quartile nationally –

showing that although actual results were low compared to other schools, most students achieved 1-2 grades higher than predicted at the end of Key Stage 3 (the highest national percentile rating)

GCSE Results

	5 or more A*-C grades	5 or more A*-G grades	1 or more A*-G grades
2004	12%	87%	95%
2005	22%	90%	98%
2006 (Predicted)	35%	94%	99%

Again value added shows a general rise in predictions – showing students achieving 1 – 2 grades better than predicted against attainment at Key Stage 3.

Although league table data shows some improvement in student outcomes, the school believes that it takes a number of years to overcome ingrained failure and it points to an excellent OfSTED report compared to three years ago. Staff who were appointed from the former Warrick Park High School say that there is no comparison with the old school – student attitudes and behaviour, and school atmosphere now being tremendously improved. Parental satisfaction surveys (latest December 2005) show that there is 92% overall satisfaction of the school by the parents who responded.

Aylwin Girls School Aylwin Girls School has just entered the Academy programme in 2006, also sponsored by Lord Harris of Peckham, and also located in Southwark. It has a similar student profile to Peckham Academy but with higher examination pass rates and not under ‘Special Measures’. Unlike Peckham there has not been a change of principal as a consequence of the change to Academy status. Principal, Catharine Loxton, hopes to spend most of her new money on improved facilities and equipment for students. She sees the Academy concept at her school involving less spectacular change than those at Peckham Academy. The extra funds will be spent on modernising buildings and providing much needed resources.

Summary / Conclusions

The United Kingdom government is to be congratulated on its ‘radical prescription’ to raise the education standards of some of the poorest communities in Great Britain. Plagued by endemic and systemic failure over many generations, these communities have been unable to develop to their educational and vocational potential. The Academy concept has certainly given these communities hope, and the chance of equal educational opportunity.

The Academy concept is also one practical way of addressing the international problem of inadequately funded and resourced schools infrastructure. Partnership with private enterprise enables state schools to have enhanced facilities and resources which enable them to better prepare their students for the 21st Century.

An independent survey of the effectiveness of Academy schools by PriceWaterhouseCoopers in 2005 found that GCSE examination pass rates had doubled compared to predecessor schools, and although it is too early to determine the overall effectiveness of the Academy concept, these are promising beginnings.

Some new research has questioned the ability of schools to continually improve and makes the claim that significant improvements are increasingly difficult to secure. This research points to a new area of focus: schools in lower socio-economic areas must work with their local communities to overcome a 'paucity of social capital' – which could be defined as a lack of effective networks, trust, engagement, communication, shared values, aspirations and interconnectedness. In other words, schools must work with other agencies to create social capital within their communities through networking, engagement, communication, sharing values and aspirations as above, if they are to achieve further gains in school standards and academic results. Although an 'Academy' concept is a significant step towards reducing disparities through financial sponsorship with the community, more than just financial connectedness is required to create 'social capital'.

The UK government and the private sponsors have correctly identified effective leadership as a key element in the transformation of failing schools, and have made this factor a necessary prerequisite to the distribution of extra funds through the Academy scheme. In this way the concept is more likely to succeed. Further success depends on the employment of effective staff and the extensive engagement with the local community, driven by effective leadership.

There is no doubt that the Academy concept has given hope, equality of educational opportunity and improved academic outcomes to very poor communities. Given that the public purse is of limited quantity, the notion of private – public partnership to provide a top quality state education system is a sensible one. Active encouragement and facilitation of these partnerships by the government would enable more students in lower socio-economic communities to enjoy the same facilities and opportunities as students in high decile schools. The dilemma is therefore not whether the Academy concept is valid but how to adapt the concept so that more students and communities can benefit.

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