
I Can't Believe What is Happening to the English Education System

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ABSTRACT The author, a former headteacher and now a county councillor, argues that the structural changes to the education system put in place in the first weeks of the new government in the summer of 2010 will exacerbate the gap between the highest and lowest achieving schools, will destabilise the state-funded education system, will expose it to marketisation and partial privatisation and will diminish local democratic accountability. It is a policy which is divisive, unfair and costly, driven by a narrow-minded ideology which pays little attention to evidence and professional experience.

Experienced educationalists and education historians have been looking on in disbelief at what has been happening to the structure of state education in England since May 2010. Are we really seeing the beginning of the end of free public education coordinated through the local democratic process? Have we now really accepted that competition and the market-place are the main way to drive up standards?

Within weeks of coming into power, the Coalition Government rushed through Parliament a wide-ranging bill to shake up the structure of education in England. The opportunity for existing schools to convert to academy status built on the previous government's efforts to raise standards in the poorest areas by the creation of academies but completely distorted it by offering this conversion to schools currently classed as 'outstanding'. Alongside that came the eye-catching proposals for 'free schools', to be set up by groups of parents, teachers, voluntary bodies, charities or faith groups, independent of local authorities.

Sixteen months on from the new government, the educational landscape is changing: there are now 1070 academies open in England, of which 274 are sponsored academies. Eight hundred are convertor academies and a further 665 have applied to convert. Some 458 primary schools have applied or converted. Sixty per cent of secondary schools have not applied to become academies –

1918 schools. In 70% of local authorities the majority of secondary schools have not applied. Ninety-seven per cent of primary schools – 15,198 – have not applied. In September 2011, 24 free schools, which are automatically ‘academies’, opened their doors to a disproportionate fanfare of publicity.

The Rush to Academy Status and the Financial Consequences

The policy of encouraging schools to convert to academy status has turned out to be far more expensive than anticipated. In recognition of the extra responsibilities taken on by a school leaving local authority (LA) oversight, each converting academy receives from the Young People’s Learning Agency (YPLA) an extra grant, ‘LACSEG’ (Local Authority Central Spend Equivalent Grant). The mechanism for calculating LACSEG was devised in a hurry and without any perceptible consultation with local authorities or professional associations. It derives from two funding streams:

(1) The first is the Dedicated Schools Grant (DSG). This is the ring-fenced sum allocated to an LA to spend directly on pupils. The vast majority of that, typically 90%, is distributed to schools via a formula agreed within the Schools Forum, providing each school with its Individual Schools Budget (ISB) which it is free to spend as it wishes. The remainder of the DSG is held back, with the agreement of the Schools Forum, so that the LA can provide services to individual pupils whose needs are so extreme that they could not be met from within the school’s normal ISB. The incidence of these cases is not amenable to a formula. The LACSEG procedure allows a converting academy to have a pro rata share of those set-aside sums, irrespective of whether they have the kind of pupils that may need that extra support. The policy of encouraging outstanding and good schools to convert to academies has inevitably transferred funding towards schools and pupils least likely to need it and away from those who are more likely to need it. *This directly contradicts the Government’s published commitment to fairness and ‘passionate concern’ (Michael Gove) for the most vulnerable.* Even within one LA there are wide extremes of wealth and poverty. In Cambridgeshire, for example, there are in the wealthy south of the county some of the highest-performing comprehensive schools in the country, yet there are three areas of Cambridgeshire where the poverty level is in the bottom decile nationally and student performance is low. The same applies in more urban contexts, e.g. Brent, where the north of the borough is leafy suburbia and contrasts starkly with the south. The removal of the centrally held DSG exacerbates the gap within an LA. However, this element of the LACSEG is relatively small, usually accounting for about 5% of the overall LACSEG grant to academies.

(2) It is the second component which has caused the greatest difficulty. Councils carry out a range of functions (adult social care, children’s social care, transport, road maintenance, trading standards, etc.), including the provision of education. To fund this they raise council tax and receive a general grant from the Department for Communities and Local Government (DCLG). This grant is

not ring-fenced; the LA decides what it needs to spend to carry out its functions. The expenditure for Children's and Young People's Services is recorded on the S251 return made to the Department for Education (DfE). The functions recorded on the S251 return are much wider than school-related. They bring together the previous section 52 (school-specific activity) and a proportion of the former Personal Social Services (PSS) returns. For example, a proportion of the money used for the organisation of children's social services is included and this has no relationship with school-based provision. A further complication is that the LACSEG figure is based on the 2010-11 S251 statement but recouped from the 2011-12 budget, which is lower because of the general reduction in DCLG funding. The LACSEG formula gives converting academies a pro rata share of this money based on a simplistic per pupil divisor and is therefore completely wrong and grossly over-estimates the LACSEG for academies. Academies receive further grants for pupils with learning needs that fall short of a full statement of Special Educational Needs (SEN). These pupils are defined as being on Action or Action Plus. This element of funding is relatively minor and has not been considered in this article as it broadly follows need.

The outcome of these two sources of funding, together with certain direct grants made to converting academies (£25,000 set-up costs, payment of insurance, etc.) has meant that academies receive in their LACSEG grant far more than they need to replace the services they are no longer getting from the Local Authority.

The 'bonus' element of the LACSEG grant amounts to between 60% and 75%. To take a specific example: a large secondary school in Surrey explained on its website that by becoming an academy, the school would get a LACSEG grant of £625,000. It claimed that it would cost the school £60,000 to buy in the services no longer provided by the LA. After challenge, it revised that figure to £180,000, which still left it with a net bonus of £445,000, i.e. 71% of the LACSEG grant. The exact percentage varies from academy to academy according to local circumstances. The main variable is school size. The largest schools, especially those with sixth forms (whose pupils count for LACSEG purposes even though their revenue funding does not come through the DSG), have the highest 'bonus'.

The existence of this 'bonus' is not a secret. It quickly became apparent during the summer of 2010 after the Academies Act was passed. This is what explains the unexpected 'success' of the academy policy. Heads and governors have quite blatantly and openly told parents and staff that they are converting to academy status because they can't afford not to. A few dress it up with warm words about 'greater freedoms' but there is very little evidence of how new academies propose to use those new freedoms. Indeed, many have explicitly said that they will not, for example, change the salary and conditions of staff, nor will they change the school day or term lengths, nor will they vary the curriculum significantly because the national curricular demands are stringent for league table purposes.

So, the crux of the problem is the over-funding of academies. This over-funding directly contradicts the Government's statement that 'it is clear that there should be no financial advantage or disadvantage for a school converting to academy status' (Consultation on School Funding 2011-2012, paragraph 73). Fortunately, this is a short-term problem as, from 2013, there will be a new national funding formula for schools and LAs. This will provide a clearer definition of roles and will ensure that funding for maintained schools and academies will be equitable.

Paragraph 2.4 of the Consultation on school funding reform, which took place from July to October 2011, states: 'It is a fundamental principle for the government that Academies are funded on a *fair and equitable* basis in relation to maintained schools and that any school wishing to convert to an academy is neither put off *nor incentivised* by the financial consequences'. The present method of calculating LACSEG fails because it has been directly incentivising schools to convert to academies.

Recouping the Funding Shortfall

Last year the DfE agreed with the DCLG to top-slice the general grant to councils for 2011-12 by £148 million to offset the cost of LACSEG. This top-slice was applied across all councils with an education role, *whether or not they had any academies*. The justification for this crude and simplistic approach was that it was impossible to predict where academy conversion would take place. It was also announced that this top-slice would rise to £265 million in 2012-13. It was left to LAs to decide whether to apply this cut to education or to diffuse it across the wider range of council services.

The unfairness of this rightly provoked a sense of outrage in local government circles and a judicial review was initiated. But now it has become clear that the £148 million falls far short of what is needed to balance the books. The excessive LACSEG and the consequential flood of applications for conversion has left the DfE with a shortfall of between £212 million and £227 million. If the estimates of the continuing rate of academy conversions are correct, in 2012-13 the shortfall will be between £315 million and £415 million. Taking the worst-case scenario for both years, the total overspend for the two-year period 2011-13 could be as much as £642 million. In a time of national financial crisis, it is impossible to justify spending this amount of money on a minority of schools, predominantly the most favoured.

How can the Government recoup this shortfall? It is considering either increasing the general top-slice on all councils (with education responsibilities), which would further enrage many councils, or taking funding specifically from councils according to the number of schools that have converted. A simpler solution would be to recoup the money from those who have actually benefited from the flawed process, i.e. the schools that have become academies. If there were to be a reduction graduated by size, e.g. 60% for schools with 1000 pupils or more, 50% to schools with 500-999 pupils, 40% to schools with fewer than

500 pupils, this would still leave practically all schools with a small net bonus but it will give them a better guide as to how to organise their budgets when they are substantially reduced from 2013. To leave them with their present excessively generous LACSEG might lead them to introduce wasteful procedures or make superfluous appointments which they would have to cut painfully in two years time.

Free Schools: a wasteful and potentially dangerous development

Michael Gove, inspired by what he has seen in Sweden and North America, believes that there would be a greater sense of market-place and competition if people could set up their own schools. This, he claims, would drive up standards. The evidence from both countries on which Mr Gove bases his vision is mixed: although some individual free schools have done well, it appears that the overall standard in the areas in which the free schools are located has not risen.

Setting up and building a new school currently takes between three and five years from the time that a local authority identifies the need for extra places. The unwieldy and expensive competition process, invented unhelpfully by the last government, takes a year and then it takes a further two years to design and build a primary school and about four years for a secondary school.

The work involved is massively complex: identifying and purchasing a site, getting planning permission, designing buildings that meet the demanding bureaucratic requirements of health and safety and disability access, procuring the equipment and fittings, recruiting the staff, planning the phased entry of pupils – these are just some of the pressures that cannot be avoided.

The process could of course be short-circuited by cutting out the competition, ignoring planning requirements or by using existing buildings. The Government proposed at one stage that local councils should exempt certain premises from 'change of use' approval, including offices, warehouses, disused hospitals, shops and factories. This would have meant that schools could have been opened in unsuitable locations without giving local residents the chance to point out, for example, that traffic congestion might be intolerable. The democratic unacceptability of this was strongly argued by local authorities and in the end they settled for a presumption of permission to change the use of premises for a free school.

Opening a new school is not a job for well-meaning amateurs. It requires experience and expertise on top of 'vision'. The entrepreneurs are already lining up to offer their services but these will be expensive.

With Free Schools, School Admissions will become even more Complex and Frustrating

Assuming that these 'free schools' will have their own admission rules, the scramble for places in schools, already made stressful by previous governments' obsession with parental preference, will turn into a nightmare if there is no local body with the overriding authority to organise it. Most of the new schools will be small and will have the superficial attractiveness of novelty. They will have more applicants than places and so selection criteria will be needed. How otherwise can the parents who have set them up be sure that their own children will actually get a place?

Social Division will be Exacerbated and Inequality Increased

The greatest pressure for 'free schools' is coming from middle-class parents who have been brainwashed by the right-wing press into thinking that state education is failing their children. Nothing is farther from the truth. The vast majority of parents, when asked confidentially for their opinion on the schools their own children attend, give a very high satisfaction rating (over 90% are either extremely satisfied, very satisfied or satisfied with the school their children attend (DCSF Research Report RW041: Survey of Parents in England 2008). When asked about schools in general, they are much less positive, mainly because they read the bad news stories that sell newspapers.

Parents who want to protect their children from mixing at schools with 'undesirable elements', with different religious, racial or political views and with lower academic aspirations, will be the first in the queue. This will drain out of the state comprehensive sector the very parents and pupils who provide much of the impetus that makes comprehensive schools successful. To get an idea of what might happen, we only have to look at the harmful effect on children segregated at age 11 by examination results, compared with children of similar ability educated in balanced comprehensive schools.

The 'bog standard comprehensive', a term disgracefully coined by Alistair Campbell for New Labour, will sink even further into the bog. The idea that the competition provided by the new schools will force poor schools to raise their game is absurd. All schools are now measured in so much detail that they scarcely need any greater incentive to work even harder. Gove claims that poor schools will wither and disappear. That reveals his callous indifference to the young people who are actually in these 'withering schools'. The 'Pupil Premium', cited by Gove as the answer to this problem, will have to be massive and extremely well targeted to make any difference.

Twenty-four free schools opened in September 2011 and nine of these have a strong religious component. The publicity given to 24 schools (out of a national total of some 23,000) was totally disproportionate to their importance. The capital funding allocated to them is said to be in the region of £120 million at a time when mainstream schools are short of places or in desperate need of

repairs. The Government gave a grant of £500,000 to the New Schools Network (without putting this out to tender).

The Educational Advantages are Problematic

The pre-election propaganda claimed that the free schools in Sweden and the USA have been a success. Other evidence suggests that this is by no means as clear-cut as the proponents would claim. Teachers and educational administrators from Sweden seem to be going off the idea. Ann-Christin Larsson told the *Times Educational Supplement* (26 March 2010: 'Swedish Warning: do not repeat our free school errors') that 'it was decided when free schools were invented that there would be more competition between schools, that it would create more pedagogical renewal and be more cost-effective. But the schools have not created any new pedagogical ideas. The new schools have not been cost-effective and there have been huge planning problems'.

If the new schools are set up in a hurry in unsuitable buildings, the effect on learning could be negative. If pupils in new schools have limited or no access to expensive facilities such as gymnasias, science laboratories, technology workshops and playing fields, their curriculum could shrink and many of the positive curricular developments of the last 30 years put in jeopardy.

The schools' power to ignore the National Curriculum is specious. Pupils will still have to take the exams based on the National Curriculum and pursuit of ever-improving exam results will inevitably reduce the freedom to innovate. It is frankly absurd that free schools, academies formed from outstanding schools and academies born from failing schools should be notionally able to ignore the National Curriculum while the remaining schools still have to follow it. The whole purpose of the National Curriculum, as created in the 1980s, was to bring greater consistency and reliability to teaching standards and content across the country.

The idea that you can provide a broad curriculum in a small secondary school demonstrates the inexperience of the advocates of this idea if the school is funded according to the local formula. It is generally recognised that a secondary school needs four forms of entry, giving a five-year roll of about 600, to be able to provide a wide curriculum. If the curriculum is more restricted to the much-vaunted 'grammar school diet', a smaller school might be possible, but recruiting staff with the appropriate subject expertise would be a problem if there are not enough classes to offer a full-time timetable for the teacher.

This Development is Professionally Dangerous for Teachers

Free schools will not have to follow national pay scales. Everybody assumes that this will mean that they can attract the best teachers by paying them more. But if the free schools are going to be funded on the same basis as other schools, extra pay can be achieved only by making classes larger or by cutting back on equipment, facilities and books, thereby reducing the educational outcomes for

pupils. The greater likelihood is that pay will be lower and that the hard-won improvements in conditions of service for teachers, such as the guaranteed preparation time during the school day and limitations on providing cover, will be put at risk. The role of the teaching unions and associations will become immeasurably more difficult as they try to support or defend their members in schools which have torn up the agreements that protect teachers.

These Proposals are Politically Contradictory and Democratically Deficient

The free schools concept is being sold to the public as 'giving power to the people' and removing the control of education from local government. Yet it is obvious that the new schools must be held to account. They are being funded by taxpayers and there must be public accountability. This will be exercised by central government and the agencies it sets up to carry out its work. The claim of devolving power and freedom to local people is illusory. It amounts to centralisation on a massive scale. If things go wrong, as inevitably they will at some stage, to whom do the disenchanted turn for help and redress? At the moment, parents can contact their local councillors and local authority officials so that action can be taken.

In a market-place economy, when you are dissatisfied, you move your patronage to another provider. If you are dissatisfied with the quality of bread you get from Sainsbury's, you try Tesco and perhaps Waitrose. A child's education requires stability and continuity. 'Shopping around' would harm the educational experience of children. Parents who have had to move to another part of the country because of a change of job know what an upheaval that can be.

The current system of local authority oversight of schools has its problems but it does at least have the merit of being democratically accountable. The governors of schools are drawn from a range of interests – parents, teachers, non-teaching staff, LA nominees – and the local authority can give back-up and training. Behind all that are the elected councillors who can be challenged and, if necessary, thrown out via the ballot box. If the governance and oversight of the new schools is vested only in the providers, the position of the parents is weakened.

The Free School system also becomes vulnerable to extremists and activist cranks. Gove tells us that the Department for Education will weed out those with a 'dark agenda', so there is another central bureaucracy to pay for. How will they distinguish between what is obviously dark and what may become dark once established? And then there is the threat of entrepreneurs setting up schools to make a profit. Gove says that this is not envisaged 'at the moment'; Nick Clegg rules it out absolutely. Who will win that argument?

Waiting for a Free School is Psychologically Unsettling for Pupils

As already indicated above, the creation of free schools will take time. Children will be aware that their parents are so dissatisfied with the school they are attending that they are planning to break away and form their own school. This will undermine the confidence that pupils have in their teachers and make relationships with the school very difficult. It adds an unnecessary complication to children's perception of themselves, their peers and their teachers. If their current school is not good enough for them, what is wrong with the teachers and why is it good enough for the children whose parents are not planning to move them away? These are issues that young people should not need to face. It will cause unproductive anxiety.

The Whole Project is Financially Disastrous

On top of all the serious misgivings and reservations outlined above, the cost of creating a range of new providers is sheer economic folly, especially at a time of the most severe financial pressure we have known for decades. If we assume that the overall expenditure on education is to remain static, the changes have to be contained within the funds available. The Building Schools for the Future (BSF) programme, which so many schools had been planning for and looking forward to, was suspended, possibly to provide the capital needed for new schools. That in itself caused massive resentment but it is as nothing compared to the impact of the Gove proposals on the *revenue* funding of schools.

The majority of new schools will be small – that is part of their alleged attraction. Small schools are very uneconomical. If new schools are set up where there is no demand for extra places, they will draw pupils out of existing schools, which will also become less viable.

Whatever the shortcomings of the last Labour administration may or may not have been, the increase of funding for the running of schools has produced levels of staffing, particularly of teaching assistants and administrative support staff, undreamt of in the Thatcher and Major era. Expectations have risen: new teaching methods have been devised on the assumption of support from non-teaching assistants and access to high quality IT equipment. All this could be put in jeopardy if money is wasted in producing more small, unviable schools and creating spare capacity in existing schools.

Then there are the predators waiting to jump in. For-profit companies can make their returns only by squeezing provision. The capacity for making economies through better procurement is very limited since schools and local authorities have worked hard on this in the 30 years since local financial management was introduced. Children's education is too precious to be exposed to the rigours of the market-place.

If the educational and social arguments were strong and if the country was going through a sustained period of plenty, there might be a case for a limited experiment in alternative provision. At this particular time of national

stringency, the Gove policy is desperately inappropriate. It is putting the education of all pupils, those in the free schools and those remaining within the local authority family, at serious risk.

Gove's 'Transforming' Vision

In his speeches prior to the 2010 election, Gove claimed that he wanted to transform the education system irreversibly for the better. What he has been doing with great energy and determination, and in the face of well-argued opposition from right across the educational spectrum, could put back public education by decades.

In the late nineteenth century education was provided by foundation grammar schools, technical schools, commercial schools, churches of various denominations, charities and a multiplicity of private concerns. The 1902 Education Act (passed by the Conservatives) set up local education authorities in order to provide better coordination of educational provision and even up the life chances of those who had previously only been able to access elementary education. The supreme irony of the present situation is that it is now a Conservative policy to dismantle and diminish the role of the local authorities and to recreate the diverse provision they were set up to rationalise and improve.

The Coalition Government trumpets Freedom and Fairness as its guiding principles. They are admirable in theory but in practice there need to be restraints on freedom to protect fairness. The Gove plan offers a prospect of provision that will be erratic, inadequately regulated, unfair, inefficient and costly. The nation's young people deserve better.

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