Managing the expansion of the academies programme - NAO report

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Summary

- The National Audit Office (NAO) have published a report ("Managing the expansion the Academies Programme") evaluating the implementation of the Schools Academies Programme ("the Programme") since May 2010, and the adequacy of the Government’s funding and oversight framework across the academies sector.
- The NAO found that while the Department for Education (DfE) has delivered a fundamental change in the nature of the Academies Programme through a rapid, ten-fold increase in their number, but it was unprepared for the scale of the financial implications arising from such a rapid expansion. Consequently, it spent an estimated additional £1 billion on the Programme which has led to significant financial pressures within the Department.
- This briefing will be of interest to top-tier local authority cabinet and elected members and officers with responsibilities for education, children’s services and related financial functions.

Briefing in full

The report sets out a number of key facts about the development of academies and the academy sector:

- There are 2,309 academies;
- 11% of all state schools are academies (1 per cent in May 2010);
- 48 per cent (estimated) of all secondary school and 5 per cent (estimated) of all primary pupils attend academies;
- In the two years from April 2010 to March 2012 DfE spent some £8.3 billion funding the Programme, including direct funding to academies.
- It has cost DfE an additional £1.0 billion than budgeted to expand and operate the Programme in that period.
- The proportion of total schools revenue funding going to academies increased from 5% in 2010-11 to 15% in 2011-12.

Key findings and recommendations

- DfE has achieved a major expansion of the Programme, with 2,309 open academies compared to 203 in May 2010. Schools applying to ‘convert’ to academy status have been the main driver of this growth.
But with large variations in take-up, with for example only five per cent of primary pupils attending academies, suggests that DfE needs to continue to develop its approach to generating demand.

While the NAO believed that “uncertainty is inevitable” in forecasting a largely demand-led programme, the Department’s initial failure to anticipate the scale of interest or develop robust cost estimates has meant that in the two years from April 2010 to March 2012, DfE has spent an additional £1 billion on the Programme.

While forecasts of academy numbers and costs have become more robust and it has reduced its additional recurrent cost per open academy by 53 per cent, DfE still expects to overspend in 2012-13.

DfE’s risk-based approach to approving conversions – coupled with the fact that most converters to date have been outstanding and good schools – appears so far to have managed the risk of schools converting with underlying financial or performance issues, or being unable to cope with academy status. Future applications maybe more complex as they will take in schools that are rated as requiring improvement.

DfE is taking steps to address the tension between strong stewardship of public money and a ‘light-touch’ oversight regime, but their effect is not yet clear.

DfE relies on the quality of academies’ financial management and governance to ensure effective and proper use of public money. To date, there have been few investigations into financial mismanagement and governance failure.

There is little routine data showing how schools’ cost bases change when they become academies. Converters have experienced increases in some cost types and decreases in others. Many have seen increases related to the additional responsibilities of academy status, such as back-office costs.

Limitations remain in the data for assessing and comparing value for money in academies. The NAO believe it is too early to conclude whether or not the expansion of the Programme will ultimately deliver better value for money.

The NAO have recommended that the Department for Education should:

- Set out a pathway for how and when it intends to assess the value for money of the Programme, including a baseline position and key information sources.
- State clearly how it intends to monitor and address the issues contributing to the Programme’s additional cost.
- Explore the extent to which academies are experiencing cost increases or savings, and work with the sector to reduce costs and spread good practice.
- Continue working with the sector to emphasise the importance of proper stewardship and compliance while minimising unnecessary burdens.

Implementing the expansion

Forecasting and funding

DfE had initially underestimated both the demand and cost of the expanded Programme, assuming that 200 schools would convert in each of the first four years. In the event 195 schools converted in 2010-11 and 1,103 in 2011-12. Consequently, they found it difficult to create a stable, in year estimates of the required funding, with existing budgets proving insufficient.
By May 2011 it was forecasting a £500 million overspend for 2011-12 and so drew an additional £105 million from a separate contingency fund, redirected around £160 million from previously allocated discretionary budgets which, included £95 million originally allocated to school improvement. The Treasury agreed to provide up to £200 million to meet any remaining overspend. It had already redirected £84 million in 2010-11 to meet similar pressures.

To avoid limiting the scale or pace of expansion, DfE continued to prioritise the Programme by transferring funding from other budgets. In developing 2012-13 budgets it transferred some £400 million, including over £100 million released because of lower-than-expected 16–19 participation, and a similar amount from funds for intervention in underperforming schools. It expects to exceed budgeted Programme cost in 2012-13 and to fund the difference from underspends on other budgets.

DfE does not publish assumptions about longer-term academy numbers or costs. Its spending plans from 2012-13 include a notional figure for academies which assumes no change in annual cost for the next three years. Thus where increased levels of funding are needed, this will have to come from savings within the Programme or transfers from elsewhere in the Department’s budget.

Managing supply and coping with demand

The NAO conducted a survey of open academies to support its report; this suggested that academy converters’ most common reasons for becoming academies were to:

- obtain greater freedom to use their funding as they see fit (78 per cent);
- obtain more funding for front-line education (77 per cent); and,
- be able to innovate in raising educational standards (65 per cent).

Although academy numbers have grown “significantly”, “demand has varied greatly”:

- 48 per cent (estimated) of all secondary school pupils were attending academies, but varied from none in some local authorities to 100 per cent in others;
- 5 per cent (estimated) of primary pupils were attending academies, with only just over half the 600 schools DfE forecast to convert in 2011-12 doing so; and,
- the highest proportion of primary schools that were academies in any local authority area was 55 per cent, with most areas 10 per cent or less.

Going forward DfE is focusing on improving primary school underperformance, particularly in disadvantaged areas by creating over 300 new academies from primary schools. It is also seeking to stimulate the supply of sponsors for primary academies by offering converters or other sponsors an additional £40,000 (in addition to the standard £25,000 conversion grant) to support improvement in a weaker primary school, which it expects will make the sponsor pipeline more predictable.

Since the expansion began, DfE has increased the number of staff working on academies by 133 per cent, from 120 in 2010-11 to 280 in 2011-12 through a combination of temporary staff and transfers from within the Department and its arm’s-length bodies. Despite the challenges, more than 70 per cent of converters responding to the NAO survey rated the Department as ‘quite good’ or ‘very good’ in its handling of various aspects of their conversion.
The Young People’s Learning Agency (YPLA) and Education Funding Agency (EFA) have also faced resourcing challenges to keep pace with the expansion. But despite increasing their extra capacity the YPLA and its successor have been unable to provide “academies with consistently good service, leading to delays in agreeing and issuing funding”.

Assessing and mitigating risk in potential academies

The Department has attempted “to make academy conversion straightforward and non-bureaucratic” by managing the risk to financial and academic performance by tailoring assessment processes to schools’ circumstances, and adopting a phased approach, prioritising ‘outstanding’ and ‘good’ schools. So for instance, schools not assessed as ‘performing well’ can still convert, but only as part of a chain. Schools below the floor standard are normally referred through brokerage to a suitable sponsor or, if partnership arrangements are proposed, an assessment of the partner school’s capacity to assist the school below the floor standard.

Most schools applying to date have been ‘outstanding’ or ‘good’, “and the limited data available on successful applicants since conversion suggests the Department has so far adopted a well-balanced approach to assessing risk”. However, a very small proportion have experienced significant financial or academic decline.

The NAO found that even schools whose most recent overall inspection judgement (which may have been awarded several years earlier) indicates they are high-performing are at risk of decline if subsequent financial or performance issues are not identified and managed.

The cost of the expanding Programme

- The Department’s gross expenditure on the Programme was £2.1 billion in 2010-11 and £6.2 billion in 2011-12.
- Of this £8.3 billion total, £6.4 billion was offset by money recovered from local authorities, or was distributed to schools on the same basis.
- The Department provided a further £0.9 billion directly to 103 academies for whose pupils it does not allocate any funding to local authorities, thus making recovery unnecessary.
- The remainder - an estimated £1.0 billion over the two years from April 2010 to March 2012 – is an additional cost which the Department has had to fund from its main ‘Schools Settlement’ or other budgets.

Main elements of the additional cost

DfE effectively runs two funding systems side by side and must transfer resources from one (for maintained schools via local authorities) to the other (for academies) to reflect changes in the proportion of pupils in each.

The additional £1 billion Programme costs includes an £350 million aggregate difference between what has been paid to academies and what has been recovered from local authorities. This includes:

- £107m because there was no academy recovery funding transfer in 2010-11;
- £105m shortfall in 2011-12 recovery as DfE underestimated how many academies would be open;
Following a local government challenge of the calculation used for the 2011-12 academy transfer, DfE agreed to refund £58m; and,

The remaining £80m is attributed to a number of factors such as differences in pupil data and formulae used to calculate the recovery transfers.

The breakdown of these additional costs:

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<th>Cost description</th>
<th>Includes</th>
<th>Total estimated costs April 2010 to 2012 (£m)</th>
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<tr>
<td>Central Administration Costs</td>
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<td>• Young People’s Learning Agency</td>
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<td>Costs arising from the funding system for academies</td>
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<td>• Residual difference in funding paid to academies and recovered from local authorities</td>
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<td>• Double funding of local authority special education services</td>
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<td></td>
<td>• Local Authority Central Services Equivalent Grant protection (paid to academies)</td>
<td>59</td>
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<tr>
<td>TOTAL ADDITIONAL COSTS</td>
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Annual growth in additional cost

The additional annual cost of the Programme has increased each year as the number of academies has grown “driven chiefly by costs arising from the [dual] funding system”. However, the additional recurrent cost to the Department of each open academy reduced by 53 per cent between 2010-11 and 2011-12; primarily because of the increased the percentage of funding recovered from local authorities and that DfE no longer needs to refund academies’ VAT.

Nonetheless forecasts indicate that the total additional cost of the Programme will grow further in 2012-13, but that the additional recurrent cost per open academy will continue to fall.

The NAO reported that DfE “has recognised the scale of cost growth and its potential impact on the Programme’s longer-term affordability” and intends to introduce a National Funding Formula to fund all schools removing the need for replication and recoupment. In the interim for 2013-14 it intends “to simplify and standardise local authority funding formulae to make replication less complex, and reduce the challenge of estimating and recovering costs”. It also plans to change the...
Financial management, governance and oversight

Academies’ financial management and governance

The NAO stated that “most available information suggests that academies’ financial management and governance are good, although this information is largely self-reported”. Ninety-nine per cent of academies responding to the NAO survey are confident they have sufficient expertise in budgeting and financial management; while 69% assessed their own financial management and governance (in 2011-12) as ‘good’ or ‘outstanding’.

The NAO survey “suggests” to them that most academies are also complying with good practice in financial governance - around half of academies have an Audit Committee, compared to just over a third in 2010. Over 99 per cent have either Internal Audit functions or Responsible Officers to provide financial assurance. However, the proportion of academy Finance Directors with recognised accountancy qualifications has reduced since 2010, from 61% to 34%; though DfE no longer recommends that all academies should have qualified Finance Directors but requires trustees and managers to have the skills, knowledge and experience to run the academy trust.

There have been a few formal investigations into concerns over governance or financial management in academies, mainly in response to whistle-blowers or other local intelligence.

Academies’ financial position and cost base

In 2009/10, around 12 per cent of academies reported cumulative deficits, falling to around 6 per cent in 2010/11 – a similar proportion to the maintained sector. This reduction reflects changes in the profile of schools becoming academies during that period, with 95 per cent of converters having a surplus on conversion.

Some academies have required financial support to address pressures arising after they became academies. In 2011-12, 110 academies were provided with a total of £15 million in financial support, an increase from £7 million in 2010-11.

The NAO found that converters have experienced cost increases in several areas ascribed by the academies themselves to decisions to spend more for higher quality (including senior leadership pay), but attributing others to the requirements of academy status. The most frequently cited is in back-office areas such as finance and accountancy, and administrative staff and services. Although academies can set their own pay and conditions, the NAO found their teaching staff costs are broadly comparable with the maintained sector. The small number of academies reporting changes to these costs in the NAO survey ascribed these mainly to decisions to adjust capacity.

Oversight and assurance

The NAO stated that responses to their survey suggested some tension between academies convertors’ expectations of reduced bureaucracy and their subsequent experience:

- 47% of converters feel less free from bureaucracy than they expected before conversion.
71% reported increases in costs for accountancy/finance staff and services, mainly to meet the demands of the academy compliance and reporting regime.

The proportion of academies which the Office of the Schools Commissioner considers high risk in terms of their academic performance is very small. As at July 2012, the Office was monitoring the academic performance of 166 academies, and classified 30 of these as giving particular cause for concern.

Thirteen per cent of converters are assessed as ‘satisfactory’ or ‘inadequate’ by Ofsted, compared to 49 per cent of sponsored academies. Sponsored academies’ exam performance is also relatively weaker. Both measures reflect the fact that DfE invited schools rated ‘outstanding’ (and later ‘good’) by Ofsted to convert first, whereas sponsored academies have been created from weaker schools.

As at September 2012, sponsors had replaced Principals at 22 academies where the Office of the Schools Commissioner considered poor leadership to have been impeding progress. To date, the Office has served eight ‘pre-warning notices’ and two full ‘warning notices.’

As at October 2012, the EFA classified 37 academies (1.6 per cent) as causing financial concern, with 19 of these having a ‘red’ risk rating. The Office of the Schools Commissioner considered 4 of the 19 to be causing academic concern.

Supporting accountability and choice

The NAO reviewed to what extent academies were transparent in providing comparable information on performance, funding and governance.

From September 2012, DfE has made it compulsory for maintained school and academy websites to contain a range of information on academic performance, admissions and curriculum; but the NAO found that only 80 per cent publish their exam results on their website, with a similar proportion publishing Ofsted reports.

They also found that transparent information on academies’ governance and finances is less consistently available only 16 per cent of academies established before May 2010 publish accounts on their own or their sponsor’s website (which is not a requirement for these early academies). There is no requirement for academies to publish other governance and finance information such as minutes, memoranda and articles of association or funding agreements, and they are exempted from several public-sector transparency requirements. DfE publishes all academy funding agreements on its website, and since November 2012 has also published academy trust annual accounts.

Some information on senior staff salaries is included in academy trust accounts, “but not always in a complete or consistent form”. Only five per cent of academies responding to the NAO survey report that they disclose senior staff salaries separately on their websites.

Available data suggests that, on average, academy senior leaders are paid more than their maintained school counterparts, although the NAO found that it is not clear how far this is due to differences in responsibilities, levels of challenge or school types. In 2011/12, secondary Academy
Principals earned around £6,600 more on average than maintained secondary head teachers. Ten per cent had salaries above the maximum point on the leadership pay scale in their region, compared to 4 per cent of maintained secondary headteachers.

In July 2012, DfE published academy trusts’ first set of ‘Abbreviated Accounts Returns’, setting out detailed income and expenditure from academy trusts’ 2010/11 statutory accounts. These returns are similar to ‘Consistent Financial Reporting’ for maintained schools, but are not directly comparable. The next round covering 2011/12, will present academy figures in a format more comparable with those of maintained schools. They also show data at academy trust, rather than individual academy, level. The figures are therefore a composite of all academies within the trust, each of which may serve a different community in a different part of the country; although the Department has recently started publishing academy-level funding allocations on its website.

Evaluating value for money

In September 2012, DfE published high-level value-for-money principles for academies and maintained schools within its revised Accountability System Statement. It is also developing a more detailed value-for-money framework for academies setting out how financial inputs might be analysed against educational outcomes but does not yet specify baselines, how the Department is comparing data on improvement and costs to support on-going programme implementation, nor when it intends to measure progress. The NAO believe it is too early to conclude on whether the expansion of the Programme will ultimately deliver value for money.

Comments

There will be a report from the House of Commons Public Accounts Committee following this NAO report. Oral evidence was taken from the DfE and others on 3 December 2012, and this comment uses the uncorrected transcript of oral evidence to the Public Accounts Committee.

The costs and benefits of spending an additional £1 billion

The big headline from the NAO report is that the Department for Education spent £1 billion more on expanding the Academies Programme than had budgeted. This was driven by the speed of academy conversion, which has been one of the Department’s own making.

Critics of the Programme have leapt on the NAO’s reluctance to say that the Programme represents value for money. However, it is quite normal for the NAO to leave that judgement until the end of a Programme. No doubt, DfE will point to the NAO’s praise that the tenfold increase in academy numbers since May 2010 is a “significant achievement”. While that might be the case, but what was the opportunity cost of spending an additional £1 billion to keep up with demand?

It is not simply that a £1 billion has been taken from maintained schools school or any other educational and children policy objective. For a start, according to the NAO £350 million remained in local authority system (and it could not determine whether this had been delegated to schools, both maintained and academies, or spent on central services). However, given the cuts in sure start centres, in school sports programmes and child protection this is a very charged and emotional issue. The political choices behind these decisions are not something the NAO would
explicitly comment upon. Even the PAC has said “the decision to change fundamentally the nature of the programme away from one solely directed at struggling schools is up to the Government”.

The MPs around the PAC table know that like Andrew Lansley with his health reforms, Michael Gove wants to reform the schooling landscape in his own political image and do it at speed (learning from the Tony Blair’s experience of public service reform) and do it in a way that it cannot be undone. He most probably views these additional costs as a short-term distraction. This is somewhat evidenced by DfE’s unrepentant response to the report: “we make no apology for the fact that more schools than even we imagined have opted to convert, and no apology for spending money on a programme that is proven to drive up standards and make long term improvements”. Nonetheless, the PAC has warned that “the taxpayer has the right to expect a more considered and controlled approach to public spending”.

In approaching the £1 billion overspend the issues and circumstances around the funding of academies’ support services (see below) has somewhat overshadowed things. Henry Stewart, Co-founder, Local Schools Network, in his evidence to the PAC drew a distinction between the money spent on converting schools to academies and by how much the Programme’s budget was overspent. Given that the vast majority of converter academies were good or outstanding schools, he posed the question “if you had £1 billion in your budget at the DfE, is the best spend of it on the good and outstanding schools, or would it have been better spent on the schools that needed more support?”

At least £294m, if not more, than was previously allocated for school improvement and intervention (aimed at underperforming performing schools) was redirected towards helping to fund the over spend. That is not denied by DfE, and was described by Chris Wormald, DfE’s Permanent Secretary in his evidence to the PAC as a “conscious” decision. The DfE view the academies programme as a school improvement programme. But how does that square with the fact that the vast majority of this redirected funding went to converting highly performing schools?

Rachel Wolf, Director of the New Schools Network, squared this in considering that investing in the “speed and scale [of the programme] as a good thing”. She felt it was important “we move fast” on the conversion programme pointing to evidence from the Swedish ‘free schools’ system showing that it was only after you “saw a real critical mass of new schools appearing that the impact on other schools-improvements in all schools-reality started to come forward”. But had she been giving evidence to the Education Select Committee, and not the PAC, they would have pointed out that (as at May 2012) only 68 converter academies are playing a role in peer-to-peer support.

Are Academies being over-paid?

A significant proportion of the over spend was down to the dual funding system (for maintained and for academy schools). This was for a number of reasons; key among them is that the DfE is finding it difficult to estimate what local authorities are spending on central support and educational services in order to provide academies with the equivalent amount of funding (through the Local Authority Central Services Equivalent Grant).

Chris Wormald saw the £350 million of central services funding that it was not able to recover from local government as “a windfall in the local authorities’ budgets” explained by others arising
because local authorities have changed the way in which such central service costs are calculated and apportioned. But local government people would say that in the past, the central service figures were often inflated because authorities used this category as a sort of catch-all for miscellaneous expenditure; the result of which academies have benefitted from. Now they are more closely aligned and probably also reflect the spending cuts affecting all budget. Meanwhile, DfE is now looking to the development of a new single school funding formula; nonetheless no doubt these arguments will continue rumble on.

Mr Wormald was not able to answer the charge made by the Financial Times (8 June 2012) and here (31 May 2012), put to him by a number of PAC members, that not only are academies getting more funding but that extra funding is incentivising schools to convert, (an incentive, which the Financial Times argues is stronger for schools in affluent areas which do not spend as much on educational support services. He held the view that looking across the sector as a whole DfE “is not over-paying academies” though he accepted that individual schools might have benefitted from the funding arrangements.

Mr Wormald also claimed converters are seeking the extra freedom associated with the status, rather than the money. But this does not quite square with the NAO’s survey with 77% of respondents citing the ability to “obtain more funding” as a reason for becoming academies. This bears out the earlier surveys from the Association of School and College Leaders and the think tank, Reform, who said 78 per cent of schools chose to become an academy in part because of a perception that they would receive additional funding; with 39 per cent saying this was the main reason for their conversion.

**Transparency**

What the PAC wants to get at is the relative costs and performance between maintained and academy schools. Here they are running up against the problem that much of the data being produced (and asked of by DfE) from the two sectors are not comparable. Added to this the NAO have raised concerns about the transparency of individual school academies; it found that for example, much information is only visible at a composite Trust level and not published for individual academy schools. The sector is also exempted from several public sector transparency requirements.

This was ‘leapt on’ by the PAC who have long been concerned about different transparency requirements for different service providers arguing that there should be a level playing field. The MPs pushed DfE officials to justify why academies didn’t routinely publish the minutes of their governor meetings nor their management accounts and budgets on their websites (DfE does now publish budgets on their site). While DfE point out that in the area of financial management individual academies are more transparent than individual maintained schools and, that they are following guidelines for the charities sector, this left the PAC frustrated as to why simple transparency measures could not be complied with or introduced.

There is a fault line between DfE and PAC on these issues; with DfE keen to maintain the line of not imposing what they see unnecessary impositions on academies and Trusts, while the PAC is adamant that there should be school to school comparative transparency, and specifically the ability to compare on a value for money basis the expenditure per pupil in whatever school they attend.
Here, DfE have confused and not made the distinction between the ability of academies to operate independently with the requirement to report on their actions (and performance).

Rachel Wolf who told the Committee that she found that the biggest differences between the successful and the less successful American states in approaching charter schools is how they approach accountability. She explained that states which “consistently have seen systemic improvements, as opposed to just some very good schools” have a “proper quality bar. They really consider who is allowed to set up a school...they have a clear failure rating. They are very clear from the beginning about what you need to do to stay open, and if you do not meet those outcomes, you are closed. They have fixed-term agreements and they are very clear about what success looks like”. She was “not sure that that is always as true with academies and converter academies”.

Do we need an ‘intermediate tier’?

In the past the PAC have raised “serious concerns” about the robustness of the accountability framework for academy schools; and it did not escape their attention that the majority of cases where academies were found to have misused public money were only brought to the Government’s attention through the actions of whistle-blowers. The NAO concludes that while the management and oversight of the programme has been a challenge up to now that task is going to get a lot harder as conversions take place lower down the school league tables.

DfE have undergone a significant restructuring in response Minister’s increased focus on the schools system and the development of both academies and ‘free schools’. In the past two years it has move from being a strategic supervisor to direct involvement in half of all secondary schools. This is just when other Whitehall departments are moving in the opposite direction. As one senior official told the Financial Times, DfE is now “England’s biggest borough council”. But how does this square with Michael Gove’s plans to cut a further 1,000 job at his department, which has already seen a 26% cut – will a smaller department be able to cope? Chris Wormald’s response is yes “until somewhere around a quarter of all schools are academies, which at the current rate of progress - this is not a target or anything other than a mathematical extrapolation - will happen around mid-2015”.

But this leads to the longer term issue and the ‘end game’ how do you ensure value for money, effective oversight and accountability when you try to run some 24,000 schools from Whitehall?

There appears to be little appetite within the current Tory ministerial ranks at DfE for what has been called an ‘intermediate tier’ standing between academies and Whitehall, whether this comes from regional or local schools commissioners or from a new educational watchdog role for top-tier local authorities, thus reducing the pressure on DfE and leaving accountability at a more local level.

Academy and free school cheerleaders see a political or governmental intermediate tier as unnecessary, claiming that it will over time recreate what they consider to have been a failing system. Rachel Wolf sees the concerns behind calls for an ‘intermediate tier’ as a “temporary issue” expecting “that in five years, you will have self-creating middle tiers, which are school chains”. She explained to the Committee that this would mean a chain will “be responsible for the individual schools, and you’d have to hold the chain to account. I think that is just as efficient as
the Government holding local authorities to account, which hold the individual schools to account”. But exactly to whom are school chains accountable? (Ofsted do not for example have the powers to inspect School Chains). And, if you believe that we need chains to fulfil this role, why don’t we need democratic accountable local education authorities?

This is going to get very confusing for parents and local people who will naturally look to the Town Hall when their local school is under-performing. But as the Local Government Association have pointed out even with maintained schools, after a number of years of ever increasing school autonomy, local authorities powers and influence has been eroded. On academies, Michael Gove has made clear to the Education Select Committee that in the case of parental complaints these should be made in the first instance to Ofsted and ultimately to the Education Funding Agency. No mention was made of the role of local authorities.

These seems to have passed Ofsted by in publishing last month, as part of the annual report, its ‘name and shame’ local authority league tables. At the very least you would have expected that results for Academy Trusts to be separated out rather than to imply that all schools (and their performance) were the responsibility of local authorities.

In a move which the PAC chair, Margaret Hodge MP, saw at odds with the messages coming out of DfE, Sir Michael Wilshaw justified blaming local authorities for not intervening more often in under-performing schools, including academies, by pointing to their duty under the 2006 Education and Inspection Act to promote educational standards. Perhaps recognising that the duty is premised by the words “so far as they are capable” he advised that local authorities should inform the Secretary of State if academies underperform; though if they were to follow Michael Gove’s advice then it will be Sir Michael, himself, who receives those letters in the first instance.

Do Academies perform better?

That still leaves the thorny issue of whether academies achieve better educational attainment where we run up against the old problem that much of the evidence to date has been produced by organisations who have firm positions in opposing camps, often not comparing academies and maintained schools on ‘a like for like’ basis. Given that the academy sector is now predominately made up of ‘outstanding’ and ‘good’ schools that is not straightforward.

Ofsted have said that it is “too soon to generalise” about the schools that have converted into academies in the last two years; with only the marked difference they report on is that those sponsored academies who operate as part of school chains perform better than those not in chains.

Chris Wormald told the Committee that his Department was relying upon evidence from the OECD. That report says that education systems in which schools have greater control over curriculum and student assessment do achieve better results. But that did not extend to control over budgets and freedom on teacher recruitment and does not make out school autonomy to be some kind of ‘silver bullet’; while the OCED concluded that (in 2009) UK schools had considerable autonomy already.

In truth the Academy Programme has more to say about what Ministers feel about local authorities and their role in education and schooling, than anything else.
External Links

Managing the expansion of the academies programme (NAO, November 2012)

Uncorrected oral evidence to the Public Accounts Committee on the NAO Report (3 December 2012)

Related briefings

Report of her Majesty’s Chief Inspector of Education, Children’s Services and Skills 2011-12 (December 2012)


Local authority role in education – ISOS final report for Ministerial Advisory Group (July 2012)


The Future Role of Local Authorities in School Improvement – ADCS Report (April 2012)

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