



## Academies under the Labour Government

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This note provides an account of the academies programme under the last Labour Government, and outlines key reports and evaluations of the programme.

Academies during this period were independent schools, established and managed by sponsors, and mostly funded by central government rather than through local authorities. No fees were paid by parents.

The academies programme was a major part of the Labour education strategy to improve educational standards, particularly in disadvantaged communities and areas of poor educational performance. The programme built on the City Technology Colleges initiative introduced by the Conservative Government in the 1980s. Initially sponsors were required to provide significant contributions to the capital costs of academies but the requirements were changed, and abolished for universities and high-performing schools sponsoring academies.

There was much debate about the effect of academies on educational performance during this period. The Labour Government stressed that, in general, standards in academies were rising at a faster rate than the national average. However, critics questioned whether academy status in itself accounts for success, and stressed that some academies had serious shortcomings. Concerns were also raised about the influence of sponsors, and about accountability.

The rapid expansion of the academies programme, with all schools invited to become academies, has been a defining feature of education policy under the Conservative-Liberal Democrat Government. The Library standard note [Free schools and academies: frequently asked questions](#), SN/SP/7059, provides information on the academies programme as it now exists, as well as the free schools programme.

The note relates to England only.

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## **1 Introduction and quick overview**

### **1.1 What were academies under the Labour Government?**

Academies during this period were independent schools, established and managed by sponsors, and largely funded by the central government rather than through local authorities. No fees were paid by parents. The academies programme was a major part of the Labour Government's strategy to improve educational standards in secondary schools, particularly in disadvantaged communities and areas of poor educational performance.

The first academies opened in 2002. Academies developed out of previous Conservative Governments' City Technology Colleges (CTCs) established in the mid-1980s, and City Academy programmes. The *Learning and Skills Act 2000* made provision for the creation of city academies, subsequently renamed academies under the *Education Act 2002*. The 2002

Act permitted academies to be set up in any area, not just in urban areas.<sup>1</sup> CTCs were the first state schools to be free from local authority control.

Section 482 of the *Education Act 1996*, as amended, made provision for the Secretary of State to enter into agreements for the setting up of academies. An academy could be established under the competition procedures laid down in section 7 of the *Education and Inspections Act 2006* when a local authority identifies a need for a new school.

Academies have to operate in accordance with the funding agreement between the individual academy and the Secretary of State. All academies had a specialism in one or more areas.<sup>2</sup>

During this period, all academies were all-ability schools; however, like other state-funded schools with a specialism, they could admit up to 10% of pupils each year on the basis of their aptitude for the specialism concerned, as can maintained schools that have a specialism(s). The admission arrangements for each academy were agreed with the Secretary of State as a condition of the funding agreement, and all academies were required to comply with the *School Admissions Code*. Generally speaking, academies were oversubscribed: on average academies had about three applications per place.

Academies had access to support and expertise from their sponsors or sponsoring organisations and from governors, which can result in new and innovative approaches to governance. Academies had flexibility in relation to staff pay and conditions. Head teachers salaries at academies were reported to be between £18,000 and £32,000 more than the average for local authority maintained schools.<sup>3</sup>

Academies were inspected by Ofsted. Of the 30 academies inspected by Ofsted in 2008/09, five were rated outstanding, 12 were rated good, eight were judged to be satisfactory and another five inadequate – three of these required significant improvement and two were made subject to special measures.<sup>4</sup>

As charitable companies, academies were required to prepare and file annual accounts with the Charity Commission. They were also required to prepare an annual report for the Charity Commissioners.

## 1.2 Summary of how academies differed from other maintained schools

A written answer to a Parliamentary Question from 2007 set out the freedoms that academies had that were not available to local authority maintained schools:

**Mr. Laws:** To ask the Secretary of State for Children, Schools and Families what freedoms are available to academies which are not automatically available to local authority schools; and if he will make a statement. [149861]

**Jim Knight:** Academies have a range of freedoms which are not automatically available to local authority schools.

These freedoms include:

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<sup>1</sup> Background on how the Government's policy on city academies developed was provided in [Library Research Paper 01/107](#) (pp 42 to 47)

<sup>2</sup> Section 482(2)(b) of the *Education Act 1996*

<sup>3</sup> *Do academy schools really work?*, *Prospect*, 24 February 2010, Issue 168

<sup>4</sup> *Annual Report of HM Chief Inspector of Education, Children's Services and Skills*, November 2009, p33

Freedom to establish their own pay and conditions system for staff, with the exception of those who transfer from the predecessor school under the Transfer of Undertakings and Protection of Employment Regulations.

A greater degree of flexibility in their curriculum provision than community schools. Following the Secretary of State's statement on 10 July 2007, all future Academies will follow the National Curriculum programmes of study in the core subjects: English, Science, Maths and ICT. However Academies do not have to follow the National Curriculum disapplication procedures.

Greater flexibility over the size and composition of governing bodies. Academy governance is not prescribed in regulations, but the Department does insist on parental and local authority representation in all cases: all Academies must have one elected parent and one governor appointed by the local authority. Beyond this, Academies are free to determine their own governance arrangements.

Freedom over the length of school days and the number of sessions taught. This allows Academies to tailor the school day to target underachievement and raise standards as effectively as possible.<sup>5</sup>

## 2 Key developments in Labour policy on academies

The last Labour Government was committed to opening 400 academies, and had a target for 200 academies to be open by 2010. By March 2010 there were 203 academies open in 83 local authorities, and a further 100 were planned to open in 2010.<sup>6</sup> Although Labour wanted to expand the programme, it did not want all schools to become academies; Ministers stressed that academisation could not be the solution for all secondary schools.<sup>7</sup>

Labour Ministers expected all academies that had been open for three or more years to have more than 30% of pupils achieving at least five GCSEs grades A\* to C including English and Mathematics by 2011, or be making very strong progress towards achieving that aim.<sup>8</sup>

Guidance on academies was contained in a publication issued by the then Department for Education and Skills (DfES) in May 2007 entitled *400 academies - Prospectus for Sponsors and Local Authorities*. The guidance stressed that sponsors could come from a wide range of backgrounds: individual philanthropists, business, charities, educational foundations, faith groups and universities. The Government also welcomed the participation of local authorities in academies as partners and/or co-sponsors.

Initially, academies were established to replace poorly-performing schools but subsequently the programme included new schools in areas that need extra school places. The Government's *Prospectus for Sponsors and Local Authorities* explained that generally the Government was prepared to consider any secondary school where fewer than 30% of pupils gained five or more GCSEs at grades A\* – C (including English and Maths) as a potential academy project. In addition, local authorities were to consider an academy as an option for dealing with a school in special measures, or subject to an improvement notice, whatever its results. Academies were permitted irrespective of attainment following changes introduced under the *Education and Inspections Act 2006*. This Act introduced the requirement for

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<sup>5</sup> HC Deb 17 July 2007 c287W

<sup>6</sup> HC Deb 8 March 2010 c15

<sup>7</sup> HC Deb 8 March 2010 c16

<sup>8</sup> HC Deb 18 January 2010 c 137W

'school competitions' for most new and replacement schools. The purpose of the competitions was to ensure that new schools exhibited the highest standards and quality, and met as fully as possible the diversity of pupil needs and parental preferences within each locality. Competitions were decided by the relevant local authority, unless the local authority itself entered a proposal in the competition, in which case the competition was decided by the independent Schools Adjudicator. Local authorities were also expected to consider the scope for establishing academies when considering their plans for rebuilding or renewing schools under the Building Schools for the Future (BSF) programme.

High-performing independent schools could also be considered for academy status where they could demonstrate they could increase the supply of good-quality school places serving diverse communities.

## 2.1 Sponsorship, funding and the curriculum

The Labour Government stressed that the independent status of academies was crucial in enabling them to succeed. As noted earlier, sponsors could include individual philanthropists, business, charities, educational foundations, faith groups and universities. The last Labour administration also enabled local authorities to be academy partners and/or co-sponsors.<sup>9</sup>

When the academy programme was launched in 2000, sponsors were required to provide 10% of the capital costs of a new building up to a maximum of £2 million; however, the arrangements on sponsorship were later changed. Sponsors were permitted to establish an endowment fund rather than contribute to capital costs.<sup>10</sup> On 10 July 2007 the then Secretary of State for Children, Schools and Families, Ed Balls, announced that the sponsorship requirement would be abolished for high-performing schools and colleges and universities (see page 6-7).

A written answer to a PQ on 15 December 2009 commented on the types of sponsorship:

**Paul Holmes:** To ask the Secretary of State for Children, Schools and Families whether a final date for full payment of sponsorship funding is agreed between his Department and the sponsor of each academy school. [306374]

**Mr. Coaker:** There are two types of sponsorship payments for Academies: traditional procurement and the endowment model. For traditional procurement Academies sponsorship payments are a contribution to the capital cost of constructing Academy buildings. Under this model, the timing of the receipt of cash sponsorship varies from academy to academy and is agreed as part of the Funding Agreement between the Department and the academy.

With the endowment model, sponsors establish an endowment fund which generates revenue for the Academy Company to use to counteract the impact of deprivation on the communities they serve. Under this model, receipts to the Academy Trust are made once the academy has opened, and usually over a period of five years. This is also agreed as part of the Funding Agreement between the Department and the academy.

In some instances, under both models, the Department has provided sponsors with some flexibility over the timing of payments made. These are considered

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<sup>9</sup> HC Deb 15 November 2007 c409W; HC Deb 16 July 2007 c93W; and HC Deb 26 July 2007 c1378W

<sup>10</sup> HC Deb 21 January 2008 cc 1707-8W

on a case by case basis but we would expect sponsors to pay the amounts pledged.<sup>11</sup>

Information on the endowment model was given in a DfES document *400 Academies - Prospectus for Sponsors and Local Authorities*.

An answer to a PQ in June 2007 noted that sponsors' donations contributing to capital costs were normally made over the lifetime of the building costs of the project.<sup>12</sup>

Some commentators argued that a disproportionate amount of government funds made available for capital expenditure on schools was being directed to academies.<sup>13</sup> A report by the National Audit Office (see section 3.1) gave detailed information on capital funding for academies since the programme started. It observed that most academies were new buildings, and that academies had cost more to build than other schools. The report explained the reasons for the costs, and noted that although the Department worked to keep the capital costs for each academy within the budget set at the outset, nevertheless, 17 out of the first 26 academies, for which construction of new buildings had started (or contracts let), exceeded their budget. The report highlighted the need for robust cost control.

As with maintained schools, recurrent funding for academies was primarily based on pupil numbers; however, critics of the programme pointed out that academies received extra 'start-up funding'.<sup>14</sup>

Under the programme as originally introduced, academies were not required to teach to the National Curriculum: their curriculum had to be broad and balanced, and they were required to teach the core subjects and carry out Key Stage 3 assessments in English, Maths and Science. However, from summer 2007 all new academies were required to follow National Curriculum English, Maths, Science and ICT.

In a statement to the House of Commons on 10 July 2007, the then Secretary of State for Children, Schools and Families, Ed Balls, emphasised local authority involvement in the programme, and announced that the requirement to provide £2 million sponsorship for an academy would be abolished for universities and high-performing schools and colleges. He also announced changes to the curriculum for new academies:

Our academies programme is driving radical transformation in weak and failing schools in disadvantaged communities. All academies now actively collaborate with schools and colleges in their area, just as all schools should co-operate with academies. Currently, all academies replacing local authority schools proceed with local authority endorsement at the feasibility stage, and at the funding agreement stage we already have a duty to consult local authorities and we take their concerns fully into account.

Results in academies are improving faster than they are in other schools. Truancy rates are down. Increasingly, inner-city local authorities such as Hackney, Manchester, Birmingham and Sheffield are putting new academies at the centre of their local school strategies. The test of whether an organisation can be a potential sponsor should not be its bank balance, but whether it can demonstrate leadership, innovation, and commitment to act in the public

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<sup>11</sup> HC Deb 15 December 2009 c 1060-1W

<sup>12</sup> HC Deb 14 June 2007 cc1185-6W

<sup>13</sup> "Academies are sucking up state school funds", *Sunday Telegraph*, 5 August 2007

<sup>14</sup> "Do academy schools really work?", *Prospect*, 24 February 2010, Issue 168

interest; so, from today, I am abolishing the current requirement for universities and high-performing schools and colleges to provide £2 million before they can sponsor an academy. Many universities are already engaged with academies. I now want every university actively to engage with academies.

At the heart of the innovation in the curriculum that academies make possible is flexibility, which we will maintain for all new academies—built on the platform of the core national curriculum that, as with most existing academies, all new academies will follow in English, maths, science, and information and communications technology. Academies have told me that they make the greatest impact on standards when they are a central part of the local community. They already have a duty to collaborate with all other schools in their area and are inspected by Ofsted against that. In addition, we have now removed their VAT costs on their buildings when their facilities are used by the wider community.

It is my belief that, as we move towards our target of 200 academies by 2010—rising thereafter to 400—we should accelerate the pace of the academies programme over the next few years, with a much greater role for universities. This afternoon, the Minister with responsibility for schools and academies, Lord Adonis, who is making a statement in the other place, is announcing that funding agreements are being signed off for the following new academies: the Brunel academy in Bristol, the John Cabot academy in Gloucestershire, the Shireland collegiate academy in Sandwell, the George Salter collegiate academy in Sandwell, and St. Michael and All Angels Church of England Academy in Southwark. I can also tell the House that on the basis of today's announcement abolishing the £2 million entry fee, the following nine universities have expressed an interest in sponsoring new academies: University college London; Imperial college; the University of Nottingham; the University of Manchester; Queen Mary, University of London; Aston University; the University of Central England; the University of Wolverhampton; and the University of the West of England.<sup>15</sup>

The then DCSF together with the then Department for Innovation, Universities and Skills produced a prospectus for universities wishing to take part in the programme, *Academies, Trust and Higher Education; Prospectus*. A written answer to a PQ on 25 November 2008 noted that 48 universities were involved in the academy programme.<sup>16</sup>

A separate prospectus was published in 2008 for schools, sixth forms and further education colleges: *Academies and Trusts: Opportunities for Schools, Sixth-Form and FE Colleges Prospectus*.

A prospectus for independent schools wanting to become involved in the academy programme was published in 2007: *Academies and Independent Schools: Prospectus*. It set out the case for sponsoring or supporting an academy, and explained how a successful independent day-school might itself become an academy in order to broaden its intake and spread educational opportunity to all local children where there was a need for more high-quality school places.

Concern was expressed about the role of sponsors in education. Some commentators pointed out that in return for a relatively small amount of funding sponsors acquired influence over schools, particularly over the curriculum and ethos of the school. The matter was raised

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<sup>15</sup> [HC Deb 10 July 2007, cc1321-2](#)

<sup>16</sup> [HC Deb 25 November 2009 c1414W](#)

particularly in relation to faith-based sponsorship. The issue of accountability was also raised.<sup>17</sup>

The 2007 National Audit Office report examined the financial and non-financial contributions sponsors made to academies. The report noted that academy principals considered that the best sponsors were those who were closely involved in the academy, but without being intrusive. They found sponsors with experience of sponsoring other schools especially helpful. Many sponsors were found to have made big contributions in three main areas:

- in the setting up of academies, establishing the vision and specialisation; some had paid particular attention to the building project and had pressed for design aspects outside normal standards;
- to the governance of the academy, by nominating high quality people within their sponsor's quota on the governing body. Some sponsors of multiple academies have set up federations, linking them in governance and other aspects such as shared services and procurement; and
- on curriculum and increasing the opportunities for pupils; some sponsors help to plan the curriculum and set targets, and a larger number offer opportunities for staff and students and the chance to build partnerships between the academy and businesses, and the arts and educational organisations.<sup>18</sup>

On the issue of the impact faith-based sponsors might have on the curriculum, the NAO pointed out that Ofsted had not highlighted problems with the teaching of inappropriate material.<sup>19</sup>

## **2.2 Revised process for selecting sponsors (April 2010)**

The Labour Government wanted successful schools to lead improvement in challenging schools, and to enable local authorities to select potential sponsors from a pool of providers who had been accredited because they had the track record and capacity to secure improvements.<sup>20</sup> On 1 April 2010 the Labour Government introduced a new process for selecting sponsors for academies, building on an accreditation system. Information on the accreditation system was set out in the DCSF [Guidance on becoming an accredited school provider or an accredited school group in the secondary phase](#).

## **2.3 New powers to establish academies**

The [Children, Schools and Families Act 2010](#), which received Royal Assent on 8 April 2010, provided greater powers for maintained school governing bodies to set up academies and to provide advice and assistance to academies (in the same way as they could to the governing bodies of maintained schools).

## **2.4 Young People's Learning Agency**

The [Apprenticeships, Skills, Children and Learners Act 2009](#) set up a new body – the Young People's Learning Agency (YPLA). Amongst other things, its remit included carrying out certain functions in relation to academies in place of the then Secretary of State for Children,

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<sup>17</sup> e.g. *TES magazine*, 27 November 2009, p15

<sup>18</sup> [The Academies Programme, National Audit Office, HC 254 Session 2006-2007](#), February 2007, paragraph 3.34

<sup>19</sup> *ibid.*, paragraph 3.35

<sup>20</sup> *200<sup>th</sup> academy opens a year early as Ministers set out new plans to open up the programme to new sponsors*, DCSF Press Notice, 7 September 2009



Schools and Families. The proposed change was controversial.<sup>21</sup> The new agency was established in April 2010, and remained open until March 2012, when its functions were transferred to the [Education Funding Agency](#).

### 3 Reports and Evaluations

A considerable body of research accumulated on academies during this period, including official reports and Government-commissioned evaluations. The following highlights the findings of some of these. It is not, and is not intended to be, a comprehensive account of the many publications on the subject, although it should give a flavour of the main issues raised.

The Labour Government said that, in general, standards in academies were rising at a faster rate than the national average.<sup>22</sup> Statistics on pupil in-take and pupil performance at academies established in this period are provided in Library Standard Note [SN/SG/4719](#).

#### 3.1 National Audit Office Report 2007

In February 2007, the National Audit Office (NAO) examined whether the academies programme was able to meet its objectives and deliver value for money. The study focused in particular on: capital costs and running costs of academies; new academy buildings; academic performance of academies; academies' contributions to tackling social deprivation; and management of the programme.<sup>23</sup> The NAO Press Notice on the report summarised the findings as follows:

Most academies have made good progress in improving GCSE results, and the programme is on track to deliver good value for money. Performance is rising faster than in other types of schools although results in English and maths are low. Academies have cost more to build than other schools, but most academy buildings are high quality.

These are some of the main findings in today's NAO report to Parliament, which concludes that if the trends in raising attainment continue, the Academies programme will meet its objective of raising attainment in deprived areas.

The full impact of the first academies will not be known for several years because all pupils who have taken GCSEs in academies have spent time in other secondary schools. Evidence so far indicates that performance is improving compared with the predecessor schools. Most academies' results remain well below the national average, but good progress is being made towards that target. Academies are raising the achievements of pupils from deprived backgrounds. Taking account of pupils' personal circumstances and prior attainment, academies are performing substantially better than other schools. Overall performance in English and maths is low, but the position improved with the 2006 GCSE results. Academies are also improving pupil attendance faster than other schools.

Most academies are not achieving good results at advanced level. This reflects in part a lack of priority given to sixth forms in academies' early years, the small size of most academy sixth forms and predecessor schools' historically low attainment. The report concludes that while there can be a good case for having a sixth form, the grounds

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<sup>21</sup> e.g. see [Quango to control all academies](#), TES, 6 February 2009, p5

<sup>22</sup> [HC Deb 26 June 2009 c1181W](#)

<sup>23</sup> [The Academies Programme](#), National Audit Office, HC 254 Session 2006-2007, February 2007

need to be solid and address the potential risk of lowering the standards of post-16 education in the area.

One of the Academies programme's three objectives is to drive up standards by raising achievement across the local area, but there has so far been little collaboration between academies and neighbouring schools. The Department expects new academies' first priorities to be improving education and standards, but as academies become better established themselves they need to step up collaboration so that their benefits are more widely spread in the communities in which they are located.

Two thirds (17 out of 26) of the first academy buildings have suffered cost overruns averaging £3 million (the other nine were within their original budgets), and academies have cost an average of £24 million (£27 million for those that are entire new buildings) which makes them more expensive than other secondary schools. It is difficult to make direct comparisons with other new schools owing to differences in location, school size, site constraints and age range of pupils. Most academy buildings have been better designed and built, compared with a group of other new schools.

Today's report also states that the Department and HM Treasury need to agree on an appropriate way to enable academies to raise community usage above the 10 per cent threshold allowed under the regulations governing eligibility for VAT relief.<sup>24</sup>

### **3.2 Public Accounts Committee Report 2007**

In October 2007 the Public Accounts Committee published a report that examined the progress of the academies programme and whether it was on track to achieve its objectives.<sup>25</sup> It concluded that it was too early to give an overall verdict on the success of the academy programme. Although it found that GCSE performance of academies had increased faster than that of other schools, achievements in literacy and numeracy were lower than in other secondary schools. Some of the key findings were:

- The average capital cost of the first new-build academies was £27 million, compared with between £20-22 million for other new secondary schools.
- Exclusions of pupils are higher on average from academies than other schools.
- Although there are signs of progress being made, such as improvements at GCSE and key stage 3 levels, achievements in literacy and numeracy levels are lower than other secondary schools and it is too early to tell whether rising attainment is sustainable.

The Committee also concluded that academies needed to collaborate more with other secondary schools, and that lessons needed to be learned from completed academy projects in terms of improving project management and reducing cost overruns.

The Labour Government's response to the report was published in December 2007.<sup>26</sup>

### **3.3 DCSF/Prime Minister's Delivery Unit Internal Review**

In November 2007, the Secretary of State for Children, Schools and Families ordered a review of academies to be carried out by the DCSF and the Prime Minister's Delivery Unit

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<sup>24</sup> [The Academies Programme](#), NAO Press Notice, 23 February 2007

<sup>25</sup> [HC 402 of 2006/7](#)

<sup>26</sup> [Cm 7276](#)

(PMDU).<sup>27, 28</sup> A written answer on 16 January 2008 made it clear that the review would be confidential and would not be published.<sup>29</sup>

An article in the *Financial Times* on 1 February 2008 said that the review had showed that the academy programme was meeting its objectives.<sup>30</sup>

### 3.4 PricewaterhouseCoopers' Evaluations: Final Report, November 2008

In February 2003, PricewaterhouseCoopers LLP (PwC) was commissioned by the then Department for Education and Skills to conduct an independent five-year evaluation of the academies programme. The reports were published on the then [DCSF academies website](#).

The *Fifth Annual Report*, the final report in the series, was published in November 2008. The report found that academies were meeting the needs of a wide range of pupils according to a number of different criteria. The picture that emerged was one of positive overall progress in securing improvements in performance, although the scale of progress was not uniform across all measures of achievement. Many academies performed better than the national average for progress from Key Stage 2 to GCSE. This was, however, less true for progress from Key Stage 2 to Key Stage 3. The evaluation found considerable diversity across individual academies in the levels and improvements achieved against many performance measures. The diversity across individual academies suggested that, rather than a simple uniform 'academy effect', there had been a more complex and varied process of change taking place. The report also highlighted the positive impact of strong leadership, sponsors and their increasing popularity with parents.

There had been suggestions that academies might be improving standards by selecting their intake. Concern was also expressed that children from poor backgrounds might find it more difficult to gain places at academies as pupil examination performance in academies improves.<sup>31</sup> The PwC report observed that there were still perceptions of a lack of transparency and accountability in admissions, and noted that there were cases of admissions procedures that did not reflect funding agreements. (However, it should be noted that the report was published before the strengthened [Schools Admissions Code 2010](#) was issued.)

The PwC report found that academies had higher proportions of pupils who are eligible for Free School Meals (FSM), pupils with English as an Additional Language (EAL), and pupils with Special Educational Needs (SEN) compared to the national average and other schools in similar circumstances. It also noted, however, that there were marked differences between academies. As a group, academies consistently reported levels of permanent exclusions above the national average, although the evaluation report noted that there was considerable variation across the sample. The report found that permanent exclusions as a percentage of the school population were higher than the national average of 0.22% in 16 out of 24 academies.

The PricewaterhouseCoopers report made the following observations on academies' independence and their relationship with local authorities:

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<sup>27</sup> e.g. *Academies review*, Times, 14 November 2007, p2

<sup>28</sup> HC Deb 28 November 2007 c532W

<sup>29</sup> HC Deb 16 January 2008 cv1339-40W

<sup>30</sup> *Academy schools win clean bill of health*, Financial Times, 1 February 2008, p4

<sup>31</sup> *Middle classes move in on city academies*, Daily Telegraph, 20 July 2007, p8

12. Independence provides the Academies in our sample with the freedom to work outside the management and scrutiny of the Local Authority. There is, however, a trend towards greater involvement. Local Authorities are now encouraged to include plans for Academies as part of their secondary provision (in line with the broader School Diversity programme), and it is increasingly common for Local Authorities to act as joint sponsors of Academies.

13. Academies are not required to participate in Local Authority strategic planning of services for children and young people. They are, however, encouraged to do so and we found evidence of increasing collaboration with neighbouring primary schools (e.g. through sharing resources and expertise associated with their specialism) and secondary schools (e.g. through the provision of the 14-19 curriculum). Partly this reflects the increasing maturity of the Academies in question, partly national education policy changes.

14. Academies have flexibility in relation to staff pay and conditions, something to which principals and sponsors attach considerable weight. Academies have used this flexibility to offer incentives as part of salary packages, to modify their staffing structures and pay arrangements, and to extend their days and offer additional teaching sessions. Whilst some areas of flexibility have been negotiated with the Unions, some Academies do not appear to recognise Unions for the purposes of pay negotiations. Furthermore, Academies employ more teachers without qualified teacher status (QTS) (12%) than Local Authority (LA) maintained schools (5%), despite the fact that the funding agreements for our sample all require teachers to have QTS.

The report concluded that there was insufficient evidence to make a definitive judgement about the academies as a model for school improvement. However, it said that there was a clear message from the evidence that certain aspects of the programme were helpful:

- the ability to be flexible in a range of areas, including staffing, pay and conditions, diversity of sponsorship and governance models;
- increased resources from sponsors, giving the potential to provide increased diversity and choice to meet the needs of pupils within their local communities;
- the additional expertise brought by sponsors and governors, now expanded with the inclusion of new types of partnerships;
- state of the art school buildings;
- the potential for increased choice and diversity with the emergence of different types of Academies: there is increasing diversity in curriculum provision, specialism and ethos (including faith, environment, vocational and all-age schools); and
- increased potential to deliver high quality local education for a greater number of pupils from lower socio-economic backgrounds and pupils with SEN and EAL.<sup>32</sup>

### **3.5 Sutton Trust Report, December 2008**

A report for the Sutton Trust carried out by University of London researchers, *The Academies programme: Progress, problems and possibilities*, highlighted a lack of consistency in the level of performance and pupil composition across academies. It noted the difficulty of isolating unique 'academy effects' as opposed to the benefits of schools having new

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<sup>32</sup> Academies Evaluation *Fifth Annual Report*, PricewaterhouseCoopers, executive summary, paragraph 44

buildings and management. Nevertheless, it said that most evaluations had been broadly positive, with some caveats. The report went on to examine in detail how far the programme had achieved its objectives, and noted lessons that could be learned from existing academies that might provide a more fruitful direction for the programme.<sup>33</sup>

### **3.6 Annual Report of HM Chief Inspector of Education, Children's Services and Skills, 2008-09**

The *Annual Report of HM Chief Inspector of Education, Children's Services and Skills* published in November 2009 found that of the 30 academies inspected by Ofsted in 2008/09, five were rated outstanding, 12 were rated good, eight were judged to be satisfactory and another five inadequate – three of these required significant improvement and two were made subject to special measures.<sup>34</sup>

### **3.7 Civitas Survey 2009**

A survey carried out in December 2009 by Anastasia de Waal, the deputy director of the think-tank Civitas, suggested that academies were encouraging pupils to take 'easier' vocational courses in order to improve results.<sup>35</sup> Anastasia de Waal highlighted the difficulty of getting detailed information from academies about the qualifications their students obtain because academies are not covered by the Freedom of Information Act (FoI). There were plans for FoI legislation to be extended to academies but no action was taken before the General Election.<sup>36</sup>

### **3.8 House of Commons Children, Schools and Families Committee: *Funding of Academies (evidence taken in March 2010)***

The Committee took oral and written evidence on the funding of academies shortly before the General Election was called.<sup>37</sup>

Andrew Baisley, representing the *Anti Academies Alliance*<sup>38</sup>, disputed the claims of academic success of academies, and said that the improvement in results was often at the expense of a broad-based curriculum. A memorandum submitted by the Anti-Academy Alliance said that the 'headline' figures used by the Labour Government – that academies' 2009 GCSE results showed a 5% improvement on 2008 - 'hid some disturbing information.' The Alliance pointed out that of the 122 academies that entered pupils for GCSEs in 2009, 36% were lower-performing 'National Challenge' schools (it listed the schools in appendix B of its [memorandum](#)).

John Bangs, assistant secretary of the National Union of Teachers, said that in the majority of cases academies had been generously funded compared with new community or foundation schools.<sup>39</sup>

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<sup>33</sup> *The Academies programme: Progress, problems and possibilities*, A report for the Sutton Trust, by Andrew Curtis, Sonia Exley, Amanda Sasia, Sarah Tough and Geoff Whitty Institute of Education, University of London, December 2008

<sup>34</sup> *Annual Report of HM Chief Inspector of Education, Children's Services and Skills*, November 2009, p33

<sup>35</sup> Anastasia de Waal, *The secrets of Academies' success*, Civitas, 2009

<sup>36</sup> *Call for FoI to be extended to academies as research reveals wide use of 'pseudo courses'*, *TES*, 21 May 2010, p12

<sup>37</sup> House of Commons Children, Schools and Families Committee: *Funding of Academies*, oral and written evidence 29 March 2010, HC Paper 526-i, published 20 May 2010

<sup>38</sup> A broad-based campaign of parents, teachers, governors and trade unions

<sup>39</sup> Question 5 oral evidence given on 29 March 2010, HC Paper 526-i

Commenting on the claim that academies had cost more than other schools, Nick Weller, a member of the Independent Academies Association<sup>40</sup> pointed out that academies were part of the Building Schools for the Future Programme, and that in terms of income they were funded at the same rate as other local schools. He stressed that the difference was that for academies there was no local authority 'top-slicing' of the budget (for central services).<sup>41</sup> He also spoke about the nature of sponsorship, and expected clear models of sponsorship to emerge over the next few years showing which sponsors are highly successful and which less so.<sup>42</sup>

### 3.9 Policy Exchange and the New Schools Network Report March 2010

A report published by Policy Exchange and the New Schools Network, *Blocking the Best*, examined the changes required to provide an expanded programme of genuinely independent academies. It argued that the system for setting up academies was bureaucratic and expensive. The process, it said, had become increasingly restrictive and dependent on the approval of local authorities.

The report was in three parts. First it examined the academy approval process, and what it described as 'overly restrictive planning procedures and a centralised and inflexible system of building procurement'. Second, it looked at restrictions on academy independence which, it said, curbed innovation. Third, it examined the existing mechanisms for intervention in cases of school failure. In each section of the report the authors compared the position of academies with that of local authority maintained schools and fee-paying schools in the UK, as well as with US charter schools and the Swedish 'free schools'.<sup>43</sup>

The report concluded that the experience of those who have set up academy schools so far has been that there were a large number of barriers preventing new providers from entering the system, and that such barriers needed to be removed. A Policy Exchange [press notice](#)<sup>44</sup> summarised what the report identified as the major obstacles to creating new schools, and the changes it believed were needed:

Planning and building regulations. In both Sweden and America successful and popular schools have sprung up in unconventional surroundings, including offices, warehouses and residential space. Here it is a very different story. One academy sponsor spent several years trying to set up a new school. In the end their architects and construction companies all agreed that it was cheaper to build a new multi-million pound fit-for-purpose building than it was to refurbish something existing. This is not because of structural issues with existing premises, but because of the range of regulations and laws which make refits extremely difficult.

Planning laws to make it easier and cheaper to turn existing spaces into schools, and simpler to find space to build entirely new schools. If the Government wants to drive up the number of new schools it should ideally exempt them from local planning controls completely, and all applications should go to the Secretary of State at the DCSF. At the very least new schools

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<sup>40</sup> represents about 50% of academies - see Q39 of the oral evidence given on 29 March 2010, HC Paper 526-i

<sup>41</sup> Question 5 oral evidence given on 29 March 2010, HC Paper 526-i

<sup>42</sup> Question 40 oral evidence given on 29 March 2010, HC Paper 526-i

<sup>43</sup> Anna Fazackerley, Rachel Wolf and Alex Massey, *Blocking the Best*, Policy Exchange and New Schools Network, March 2010

<sup>44</sup> [New Academies could fall flat unless bureaucratic morass removed](#), Policy Exchange Press Notice, 17 March 2010



must be freed from rigid restrictions on how big their classrooms are and how they use their space. (p29)

The academies programme was designed to deal with local authority failure, but local authorities now control the process of setting them up. The local authority now decides on who runs a school- to a considerable or total extent- whatever route potential providers go down. In some cases local authorities are extremely good, but even if they are not they have the ability to block any provider who might offer something better. The local authority should not have an effective veto on the existence of a new school. (pp. 20, 22)

Money for new school projects is being wasted on fees for unpopular and ineffective consultants: Once permission for a school has been provisionally granted, the sponsor must choose one of about a dozen approved Project Management Companies (PMCs), although under EU rules they are not allowed to meet them in advance. Project management fees are very high – most sponsors we spoke to paid at least £500,000 – and quality is variable and unpredictable. Some sponsors told us that they had to do some of the work the PMC team was contracted to do, without any reduction or transfer of fees. All the sponsors we spoke to were dissatisfied with the service provided. Academies should be able to opt for alternative project management arrangements. The expense of project management companies has been a huge drain on resources – which might have been better spent on core staff in the academies unit, amongst other things. (pp 23-25)

Postcode lottery for per-pupil funding given to schools: one academy provider we spoke to had set up two schools in deprived areas sixty miles apart. The difference in funding between the two areas was £1,000 per pupil, leaving one school more than £1 million poorer than the other. A national per-pupil funding formula, weighted to account for variations in employment costs, should be introduced. (pp.40, 45)

The [report](#) also said that many of the freedoms that new academy schools were supposed to enjoy did not really exist, or had been eroded over time:

Academies in theory they have the freedom to set their own pay and conditions. But in reality academies taking over existing schools often struggle because they are legally obliged to take on the staff – regardless of their performance - from the failing school. Local authorities often only give details about teaching staff two weeks before the school opens, and removing poor quality teachers is a difficult and lengthy process. (pp 51 – 55)

Making schools properly accountable to parents and the Government is crucial. But Ofsted is increasingly focused on non-educational outcomes, using schools to try to solve wider social problems. The revised school inspection framework sets out a range of judgements to which inspectors must give 'particular priority' – these included, for example: promoting equality of opportunity, safeguarding children and responding to parents' views. Schools that may be providing an excellent education to its students, but can be labelled 'inadequate' overall if Ofsted inspectors find fault with its procedures for promoting equality, or for safeguarding its pupils. (pp 61 – 63)