

Department for
Education and Skills
Response to the Third
Annual Report from the
PricewaterhouseCoopers
Evaluation of the
Academies Programme

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Foreword



The Government welcomes the Third Annual Report from the five-year evaluation of the Academies Programme. It is based upon the evaluation of 15 Academies open in spring 2005 and nine predecessor schools whose pupils were about to transfer into Academies the following September.

Whilst PricewaterhouseCoopers (PwC) rightly stress that it is still early days in the evaluation - with some Academies only having taken responsibility for pupils from previously weak or failing schools for one term at the time of research - they have found that significant progress has been made:

- Overall pupil performance in Academies has been improving faster than the national average, and generally at a faster rate than in a control group of schools facing similar challenges. Given the poor rates of performance previously in the schools replaced by academies, this represents a significant step forward.
- This was shown by the 2005 GCSE results, when the average increase in results per Academy from 2004 to 2005 was nearly 8 percentage points (pp), close to three times the national average increase which was 2.6 pp.
- Four-fifths (81%) of pupils from brand new Academies thought that their school work had improved since joining the Academy, and (72%) from Academies which replaced weak and failing schools. Both are encouragingly high levels.
- There is clear evidence of strong leadership in most Academies, with positive feedback from Principals on the support provided to them by Sponsors. Three quarters of students surveyed thought the Principal of their Academy was “really good”.
- The investment in new buildings and facilities is a notable factor in promoting a positive learning environment. The Pwc staff survey finds nearly 9 out of 10 staff reporting that the use of ICT was contributing significantly to the positive experience of the pupils.
- Total attendance in Academies has risen and at a faster rate than corresponding improvements at a national level.

These results are a tribute to Sponsors, governors, Principals, teachers and other staff whose dedication to improving education in our most challenging areas is making Academies such a success.

The PwC report says that ‘one of the clear indicators of the success of the academies initiative’ is its popularity with parents. This is reinforced by application figures for places in Academies in September, published alongside the evaluation, which are equally positive. There are nearly three applications for every Academies place on average. To help meet this demand there has been a nearly 30% increase in the number of places offered in those Academies which directly

replaced weak or failing schools. The three completely new Academies - with no predecessor failing school and associated transitional challenges - are more than six times oversubscribed, and nearly twice oversubscribed on first choice alone.

As PwC highlight, on average Academies have far higher proportions of pupils who are eligible for Free School Meals (FSM) or whom have Special Educational Needs (SEN) than schools nationally. The needs of these pupils are central to the mission of Academies.

Given their challenging circumstances, particularly in their initial transition phase, the progress made by most Academies in improving their results is impressive. Almost all Academies are already better schools than their predecessors.

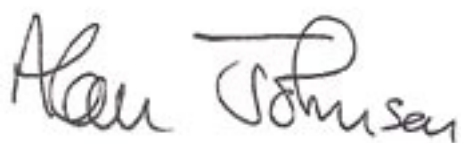
This improvement in Academies has been brought about by:

- The appointment of good headteachers and school leadership teams, focussed resolutely on the basics of school performance - teaching standards, behaviour, high aspirations and expectations. The autonomy of Academies enables them to do whatever is necessary to provide effective teaching and learning, organisation, staffing and governance.
- The Sponsors' drive, ambition, commitment and experience is bringing extra dynamism to the task of school leadership and improvement, not least the recruitment of good headteachers and governors. We will build on this by making our sponsorship model for Academies more flexible and more responsive to local needs. Further details are set out below.
- Investment in buildings and facilities which promote effective teaching and learning.

PwC identify continuing challenges for the programme. We respond to below to the various issues raised - noting in particular the challenge to manage effective transitions between Academies which directly replace weak or failing schools, and which inherit the entire pupil cohort from those schools. PwC highlight the fact that all four Academies found to be making poor progress suffered from serious transitional issues: three of the four were not located in their new building at the time of the evaluation, none had been able to phase its pupil intake, and in only one was the lead-in time for the principal and staff considered adequate. We accept that more can be done to tackle these difficult transitional issues, and we set out below how this work will be taken forward.

We are well on track to deliver enough new projects and be working with sufficient sponsors to meet our target of 200 Academies open or in the pipeline by 2010. There are now more than 100 Academies open or in the pipeline with further projects under discussion.

The PwC evaluation is further evidence of the substantial positive difference that Academies are making to the lives of thousands of children in some of the most disadvantaged communities in the country. We will continue to learn from these early experiences so that the rate of improvement accelerates in future, to the benefit of many more children.



Alan Johnson
Secretary of State for Education and Skills

Annex:

Government Response to the Third Annual report of PricewaterhouseCoopers Evaluation of Academies



1. Pupil Performance

PwC have undertaken analysis of publicly available statistics on pupil performance in Key Stage 3 and 4 tests, as well as information on the educational and socio-economic profile of pupils such as eligibility for Free School Meals (FSM) and Special Educational Needs (SEN). Much of this data has already been analysed internally by the Department and published.

Whilst it is relatively early in the programme, we know that results are generally better than those in the predecessor schools and still improving at faster rates than national averages.

Academies are continuing to make strong increases in the numbers of their pupils getting 5 or more good GCSEs.

In 2005 of the 14 Academies taking GCSEs, 10 saw rises on what they had achieved in 2004 and 12 had achieved results greater than those of the predecessor schools which they replaced. The average increase in results per Academy from 2004 to 2005 was nearly 8 percentage points (pp), close to three times the national average increase which was 2.6 pp.

In GCSE English and Maths, Academies are improving faster than the national average, increasing from 13.6% of pupils gaining English and Maths as two of their good GCSEs in 2004, to 15.7% in 2005. This is an increase of 2.1 percentage points, against the national average of 1.7 percentage points.

The average result across all Academies was 36.4%, up from 21% in their predecessor schools in 2002. The rate of improvement in Academies' KS3 results is also outstripping the national average.

Whilst absolute measures of performance are not yet at the same level as the national average they are moving towards it and quickly.

PwC have taken the analysis a step further and established a control group of schools whose intake is similar to that of the Academies. This therefore allows comparison with schools facing similar challenges to Academies but which have not become part of the Academies Programme.

However, at this stage in the report some Academies were only open for one year before the pupils took their tests so it is not yet possible to isolate the impact Academies have had from that of the predecessor schools. To understand the full impact of Academies on pupil performance,

PwC will be examining a longer time series of data and comparing it to not just the national levels or performance but the performance of their comparison group.

The report does however provide some early analysis based on performance between 2002-2004. 2004 being the latest year for which they have comparison group data.

Between 2002 and 2004 KS3 Average Points Score (APS) in Academies improved by just under twice the improvement in the comparison schools. 1.13 points, as opposed to just 0.61 points.

Between 2002 and 2004 performance of pupils in Academies in terms of the percentage of pupils achieving five or more GCSEs at A*-C or equivalent improved by 6.6 percentage points which is broadly in line with the improvements in the comparison group.

These results are encouraging but it will only be in later years that a conclusive analysis is possible.

2. Leadership

Principal

On average, PwC find that 73% of pupils in Academies believe the Principal is really good and 84% of pupils believe that the Principal makes sure pupils behave well. Strong leadership, as PwC point out, is critical to the success of each Academy. The job of an Academy Principal is an extremely challenging one and it is clear from PwC's findings that Academies have very effective Principals in post.

However, the report highlights the need to continue our support for them, both in the early stages as the Academy is developed and on an ongoing basis.

The Department recognises the need to support newly appointed Principals and share the good practice and experience that existing Principals have. As PwC highlight there is considerable diversity in the challenges faced by Academies and as such they have called for the support offered to be tailored to meet the needs of individual Academies.

To this end the Specialist Schools and Academies Trust (SSAT) now offers bespoke support of up to 90 days in the year preceding opening and for one year after to the leadership team and subject leaders. Additionally, Principals Designate are also offered a 'personalised' support programme to assist them with ensuring their academy transition plan is implemented effectively. Such support is offered by more experienced Academy Principals.

Several Principals have been judged by OfSTED inspections to be 'outstanding' while leadership and management overall has been judged as 'good' in eight out of nine OfSTED inspections.

These measures should ensure that Principals continue to develop their skills and ensure their experiences are effectively passed on to new colleagues.

Sponsor

PwC find that the Sponsors are making a valuable impact. Parents and staff expressed positive views about the role of the sponsor, particularly in relation to the resources and expertise that Sponsors could bring to bear, with 66% believing that the Sponsor's money has made a difference to the Academy. The report also recognises that the primary role of the sponsor is a strategic one and it is at this level that they do most to improve the outcomes for pupils.

We therefore need to continue to support Sponsors so that as part of the Academy Trust they can make the best use of the funds they provide. At the same time we need to ensure that best use is made of their time and the extraordinary expertise, leadership and drive that they bring.

The introduction of the new academy delivery model - announced on 23 March - gave us an opportunity to consider how sponsorship monies could best be used to support the educational objectives of academies. To ensure that Academies benefit from the same cost effective procurement mechanisms that the Building Schools for the Future Programme will provide, all new Academies will be managed by Partnerships for Schools (PfS) who will ensure the same building standards, benchmarks and quality control as for all schools in the Building Schools for the Future (BSF) programme. Following that announcement we have been working with PfS on the processes for delivering Academies as part of BSF and working guidance for Sponsors on how we expect those processes to work is now available.

The expected savings to the public purse generated by the introduction of this new procurement route will allow us to give academies more flexibility in how they use their sponsorship funds.

In future sponsor donations will increasingly be used to directly benefit pupils and the local community rather than just being used towards the cost of the buildings.

The requirement for Sponsors to provide financial sponsorship, and the amount of that sponsorship, will not change. This will remain at £2m, or in the case of Sponsors of multiple Academies, £1.5m for their fourth and any subsequent Academies.

The new sponsorship model will apply to all projects which are delivered by the new Partnerships for Schools delivery model, whether as part of the Building Schools for the Future programme or via the national framework.

Sponsorship can now be used more flexibly for charitable purposes for the benefit of pupils and local communities. In most cases we will expect sponsors to set up a charitable investment fund, the income from which will be used to counter the educational impact of disadvantage and deprivation and/or for educational work within the local community. These would be similar to the investment funds that a number of state schools already benefit from. It will not normally be used as a contribution towards the capital costs of the Academy building nor do we expect that the income from the investment fund will be used to meet the usual running costs of the Academy. These will still be met in full by the Department.

Any investment of sponsorship funds must comply with the Charity Commission guidance. This stipulates that Sponsors must have an investment policy and seek professional guidance on investment matters, as well as advising Sponsors on their responsibility as Trustees of the fund.

This new Sponsorship model, in conjunction with the new procurement route, will release Sponsors from dealing with day to day building issues so that they can focus on the educational, legal, and organisational changes required to establish an Academy.

We look forward to Sponsors and Academy governors developing innovative and exciting initiatives for the use of investment income and sponsorship, based on the particular needs of their Academies and their local communities.

Governance

PwC have stated clearly that the success of the Academy is linked to the effective leadership of the Principal and their teams. In turn they find that the degree of success of the Principal is inextricably linked to the strategic and operational support received from the governing body.

The report finds that governance arrangements are maturing. In practice this means that the Academy Trusts are now, more clearly defining the roles and responsibilities of the governing body. Governing bodies which have been involved in Academies for some time, now have more experience to draw upon and are beginning to recruit additional governors with specific skills and experience.

It is encouraging to see that governing bodies are increasing in confidence and fully utilising their powers. OfSTED also reports positively on Governance in Academies and also reflects this picture of maturing governance arrangements. With respect to West London Academy it states that

“The governing body has refined the way it monitors the work of the academy and it has supported the principal in taking robust actions, such as those relating to the performance of staff.”

and about Greig City Academy it concludes that,

“The governing body is very well led by the chair of governors who is an experienced educationalist. Other governors are experienced and increasingly well informed about the progress that the academy is making.”

However we do recognise, as PwC point out, that there is a need to continue the sharing of good practice and networking between Governing Bodies. As such, in consultation with some existing and potential governors, we are examining how we can facilitate this and will subsequently assess the need for training and how this could most effectively be provided. For example there is a need for information on the need for Governing Bodies to both support and challenge, the range of models available and the types of issues that Governing Bodies will want to address.

Multiple Sponsors

Although PwC caution against drawing firm conclusions based upon a small sample set they do find that Multiple Sponsors (Academy Trusts responsible for more than one Academy) seem less likely to have engaged extensively with other schools in the local area than Single Sponsors (Academy Trusts responsible for only one Academy).

It is important to note that all Academies are required to work with other schools in the local area and also to address teaching and learning and all Academies are doing this.

In fact it is encouraging that PwC have found that the number of staff in Academies who believe that the Academy is already proactively engaging with the wider community of schools has increased since last year. This may be expected as Academies given time are able to draw upon the lessons learnt in their own school and then spread these practices amongst the local family of schools which they are a part of.

3. Teaching and Learning

As PwC point out a key factor underlying the success of Academies is the changes that have been made to the teaching and learning environment. It is most encouraging that PwC have gathered feedback from Principals and Sponsors that these changes, coupled with an emphasis on behaviour and raising pupil aspirations, are having a positive impact on pupils' achievement.

PwC also indicate that Academies are now focusing on what they term "getting the basics right". By this they mean ensuring good behaviour and attendance, providing trusted pastoral support and basing the curriculum on robust principles. Innovation still has a major role to play in Academies as it does throughout all schools. It is essential that we continue to explore new ways of delivering a high quality education for all and Academies are still taking an active role in this.

However, the Department recognises that Academies whose job it is to face up to serious and persistent educational disadvantage may in the early stages of establishing themselves need to put innovation to one side and "walk before they can run". In fact for many Academies that have replaced poorly performing predecessor schools focusing on "getting the basics right" may be an innovation in itself.

4. Resources

PwC have demonstrated that, pupils and staff appreciate their new surroundings, especially when compared to the predecessor school;

- 87% of pupils in their new Academy buildings said that their school had modern clean buildings compared to only 57% who were still in their predecessor school and,
- Seven out of ten parents believe that the new building helps the pupils to learn.

Replacing unsuitable predecessor school buildings with Academy facilities that are suitable for modern teaching and learning is a key part of the programme. All Academies are funded in recurrent terms, at a comparable rate to other maintained schools within their locality so the Academies do not receive any more funding than other schools. However, facilities in Academies are new and to the pupils signify a fresh start and are symbolic of the major intervention that the Academies programmes is undertaking on their behalf. This is a vital ingredient in the transition from predecessor school to Academy.

Innovation in all aspects of the programme, whilst giving tremendous opportunity, also presents some risk. Lessons have been learned since the design and construction of the first Academies to ensure that all Academy buildings provide the best possible surroundings for modern teaching and learning. Using feedback from Academies, the Department has identified a number of key areas in which Academy buildings must improve, including the more practical aspects of school design, and has implemented a number of actions to address these issues:

- lessons from the earliest projects and induction in Government guidance and standards is provided to all architectural firms;
- a framework contract has been drawn up laying out common conditions and obligations for firms involved in Academy projects;
- processes for analysing project designs in more detail at an earlier stage of an Academy project have been implemented;

- Construction Project Managers are appointed to offer advice and guidance on design and building issues to each Academy project.

In addition, to ensure that Academies benefit from the same cost effective procurement mechanisms that the Building Schools for the Future Programme will provide, all new Academies will be managed by Partnerships for Schools (PfS) who will ensure the same building standards, benchmarks and quality control as for all schools in the Building Schools for the Future (BSF) programme.

PfS will draw upon the lessons we have learnt from building the existing Academies. The new delivery model for Academies will:

- Make best use of available expertise - PfS is the Non-Departmental Public Body that is responsible for the delivery of the BSF programme. PfS possess expertise in construction procurement and contract management and provide support and advice to LAs in the BSF programme. The Commission for Architecture and the Built Environment (CABE) also provides 10 days support to each LA in the BSF programme to advise them on design best practice. This expertise will now be accessible to the Academies programme.
- Enable greater efficiencies - integration of Academies with BSF will bring about more cost-effective procurements and will maximise the value for money that the programme can deliver.
- Create a more integrated approach to estate planning - as Academies will be included in LA's estate planning this will allow more integrated implementation of their strategic vision for secondary education provision across the Local Authority

5. Planning and Preparation

Early Appointment of Principal

The report highlights that Academies benefit when the Principal is appointed with a long lead-in time and recommends that longer lead-in times are built into the establishment of Academies. The early appointment helps to ensure that the Principal is engaged as early as possible in the design of the building, preparing the curriculum frameworks and policies and procedures for which he or she will be responsible for. It also enables early development of the ethos and vision of the Academy which requires clear processes for the induction and support of teachers in the transition and early development phases.

The Department acknowledges the benefits that early appointment of the Principal as well as other senior managers brings and consequently we now recommend that Principals are appointed at least five terms in advance of opening. Of those scheduled to open in September 2006 the majority were appointed at least four terms prior to opening.

6. Attendance, Exclusions and Behaviour

The report draws out a number of positive features of the Academies Programme as a whole in its response to the challenge of improving behaviour.

- Between 2001-2002 and 2003-2004 total attendance in Academies has increased and by more than the improvement in the national average. A 1.7 percentage point increase compared to a corresponding 0.5 percentage point increase.

The report also find that pupils perceptions of bullying are in line with levels found in other mainstream schools, which again given the circumstances within which Academies operate should be viewed positively. However there is still much work to be done.

The report does highlight the diversity between Academies and also shows that whilst total attendance has risen unauthorised absences have marginally increased albeit only by 0.2pp compared to 0.1pp nationally. This shift from authorised to unauthorised may be the result of Academies being more rigorous in their expectations of student's attendance. Exclusions in Academies are also high relative to national averages. However, as PwC report, Academies are placing great emphasis on "getting the basics right" and improving behaviour in particular. The Department itself is encouraging and supporting Academies in this respect. It is a priority issue for the DfES Educational Advisers and SSAT who provide support on truancy and tailored assistance to Academies as they set out behaviour strategies which draw upon the Steer Report.

PwC will be tracking indicators of behaviour through time to determine the long term effects of behaviour improving policies. However, evidence from OfSTED already shows that behaviour is improving in a number of Academies. For example.

At Capital City Academy in June 2005 OfSTED reported that

"The behaviour and attitudes of the pupils have improved as the academy has made its expectations clearer and improved the structures for organising and managing the pupils."

And again at The City Academy in Bristol in December 2005 they reported that

"Behaviour is good and has improved substantially since the academy opened."

7. Links with wider community of schools

All Academies are required to share their achievements with other maintained schools nationally and within the wider community locally.

In these early stages of the programme the priority for most Academies will of course be on establishing their own school and ensuring that the education offered to their pupils is an improvement on what was offered in the predecessor schools. We would expect their efforts to make linkages to increase as the Academy itself focuses on the transition from predecessor school to Academy in its first years.

However, it is encouraging that PwC have found Academies are already reaching out to their local communities in a variety of ways. For example by

- Participating in "away days" with other senior management teams from local secondary schools; taking up membership of 6th form consortia; and through involvement in local Excellence in Cities (EiC) and Leadership Incentive Grant (LIG) teams and other initiatives that involve co-operation with other local schools.
- PwC's research also reveals that surveys reveal that Academies in their second year are more likely to be engaging with neighbouring schools than they were in their first year.

We have established a range of means through which Academies can formally and informally collaborate with other schools and are communicating this information to Academies and Sponsors. This will include information on the benefits of collaboration with all types of schools and how these relationships can best be brokered and most effectively be delivered.

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