

## School Reforms

Briefing from Children England  
November 2011

### About This Briefing

This briefing is provided on behalf of the Department for Education's overarching strategic partnership for voluntary, community and social enterprise sector organisations that serve children, young people and families. Led by Children England, and working with Community Matters, NCVYS, NAVCA, the Race Equality Foundation and Social Enterprise UK, the programme will include information, learning resources and opportunities, and peer support networks. For more information please [click here](#).

This briefing has been produced by [Children England](#), the leading membership organisation for the children, young people and families' voluntary sector, and includes information on the Coalition's schools policies, focusing on academies and free schools as well as changes to school funding and accountability mechanisms.

### Introduction

Education policy has been near the top of the political agenda since the formation of the Coalition Government; the Academies Act was one of the first pieces of legislation passed in this Parliament in July 2010 and has been followed by the Education Bill in January 2011. Even the name of the department responsible for schools has been changed from the Department of Children, Schools and Families to the Department of Education (DfE), reflecting the changing priorities and principles of the Government's children's policy.

The reforms set out in the Education White Paper and legislated by the Academies Act and Education Bill will have a significant impact on how schools in England are organised and run. The legislation brings together the main elements of the Coalition's reform agenda; the big society and localism, an emphasis on increasing choice and competition, and a drive to remove bureaucracy while liberating frontline professionals. Like many areas of Government policy there are elements of the reforms that are a continuation of policies initiated by the Labour Government, while others represent a significant change, even reversal of approach.

### Policy Context

The Coalition's reform programme is driven by its analysis of the current education system and is a response to the perceived failings of the previous Government's policy. The Coalition characterizes Labour's approach as one that significantly increased public spending on schools in order to improve performance, with a particular focus on driving up minimum standards.

However, they believe that this was accompanied by an increase in centrally imposed bureaucratic control, leading to a deskilling of teachers and a lowering of education standards as schools were incentivised to direct resources towards meeting externally imposed guidelines and targets.<sup>1</sup> They argue that this encouraged a proliferation of low quality qualifications that enabled schools to perform well in league tables but didn't equip students, especially students from disadvantaged backgrounds, with the skills required for university or employment. The consequence of this has been a failure to address the gap in attainment between advantaged and disadvantaged students and a decline in educational achievement when measured against international standards like the Programme for International Student Assessment (PISA).<sup>2</sup>

The Coalition has adopted a three pronged approach to rectifying these perceived shortcomings. Firstly, giving parents more choice over where their children go to school by introducing a greater plurality of provision. Secondly, devolving greater power to teachers over how to run schools and teach lessons. Thirdly, focussing on success in traditional academic subjects by promoting the English Baccalaureate (Ebacc).<sup>3</sup>

## Academies

The renovation of the Academies programme is at the centre of the Government's school reforms, acting as the primary mechanism for increasing choice and competition in the state education system. Academies remain publically funded but are self-governing, outside the direct control of the local education authority, with powers to set pay and conditions for staff, alter the length of their school day and holidays, and have extra flexibility in terms of how they deliver the national curriculum.

Academies, or City Academies as they were originally called, were first introduced in 2000 by the Labour Government, replacing failing maintained schools (this phrase will be used to mean all community, community special, foundation (including trust), foundation special (including trust), voluntary aided and voluntary controlled schools) in underachieving urban areas. External organisations such as charities or businesses acted as a sponsor to the new academy, gaining an influence over how the school was run, including setting the schools ethos, academic curriculum and the appointment of governors, although they were not allowed to make a profit from their involvement with the school. Initially sponsor organisations were charged £2 million towards the cost of establishing an academy, although 74% of money pledged by sponsors has never been paid and the fee was subsequently dropped in 2009.<sup>4</sup> Outstanding schools were subsequently allowed to gain academy status but only if they were part of a trust that included a failing school.

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<sup>1</sup> HM Government, Department for Education, Education White Paper, 7-8

<sup>2</sup> Education White Paper, 47

<sup>3</sup> <http://www.education.gov.uk/inthenews/inthenews/a00197623/more-students-study-core-subjects-thanks-to-ebacc>

<sup>4</sup> National Audit Office, The Academies Programme, 16

The Coalition's Academies Act has significantly expanded the scope of the academies programme by making it possible for any school in the country to become an academy. Initially, only those schools rated outstanding could apply but this has now been extended so that any school rated as good with outstanding features is also now eligible for academy status. All other schools, irrespective of their Ofsted rating, will also be able to apply to become academies if they are part of a group including a high-performing school or if they join an existing successful academy trust. However, while a poorly performing school must partner with a high performing school, the opposite is no longer true. The Education Act also specifies that from now on all new maintained schools must be setup as either an academy or a free school.

In addition to allowing secondary schools to become academies, the Academies Act also allows primary schools, 16-19 colleges and pupil referral units to become academies for the first time, opening up new areas of the education system to a range of providers.

The new model converter academies, which now represent the vast majority of Academy schools (see table below), are quite different from the original City Academies. Whereas old style academies were generally relatively poorly performing schools which were taken over by 'civil society' groups, the majority of new academies are likely to be high performing schools which have been taken over by their governing bodies and senior management teams.

The impact of existing academies on academic achievement is controversial and disputed. The Coalition's Schools White Paper argues that "the benefits of school autonomy has been established beyond doubt" with 26% of Sponsored Academies judged outstanding compared to 18% of all maintained schools.<sup>5</sup> A 2010 report by the National Audit Office (NAO) on the impact of the academies programme found that academies improved the performance of the schools they replaced and outperformed other maintained schools with similar intakes.<sup>6</sup>

On the surface this is an impressive record of achievement, but the underlying data is more nuanced and opponents have questioned the track record of the academies programme, arguing that the apparent improvements in performance are due to academies reducing the proportion of disadvantaged students at the school and by substituting GCSE courses with "much easier vocational alternatives with disproportionate and unjustifiable equivalence to GCSE"<sup>7</sup>. The NAO report confirms that academies do have a significantly higher proportion of entries for non GCSE alternative qualifications than other schools, including 10% higher than comparable maintained schools.<sup>8</sup>

On the subject of academies' impact on inequality, the evidence in the NAO study is less conclusive; the proportion of pupils in academies that are eligible for free schools meals has declined from 45.3% to

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<sup>5</sup> Education White Paper, 51

<sup>6</sup> National Audit Office, Academies Programme, 17

<sup>7</sup> Roger Titcombe, "How Academies Threaten the Comprehensive Curriculum", Forum (for Promoting 3-19 Comprehensive Education)50.1(2009):49.

<sup>8</sup> National Audit Office, Academies Programme,21

27.8%, but that this is largely due to the fact that majority of new academies are high performing converter schools (which generally have lower free school meal eligibility than the original City Academies), rather than discriminatory entry policies.<sup>9</sup>

Academies have a record of excluding pupils more frequently than maintained schools, and an analysis of their examination results shows that the most deprived children, those eligible for free school meals and those with English as a second language, have seen their results improve less quickly than other pupils. This led the NAO to say that “substantial improvements by the less disadvantaged pupils are driving academies overall improved performance”.<sup>10</sup>

The changes introduced by the Academies Act have resulted in a dramatic increase in the number of academy schools, as highlighted in table 1.

Type of School	May 2010	September 2011
Sponsored Academy Secondary School	203	319
Converted Academy Secondary School	0	704
Converted Academy Primary School	0	265
Total Academies	203	1288
Maintained Secondary Schools	3127	2208
Maintained Primary Schools	16,971	16, 518
Academies as proportion of maintained secondary schools	6.5%	32.7%
Academies as proportion of all maintained schools	1.17%	7.52%

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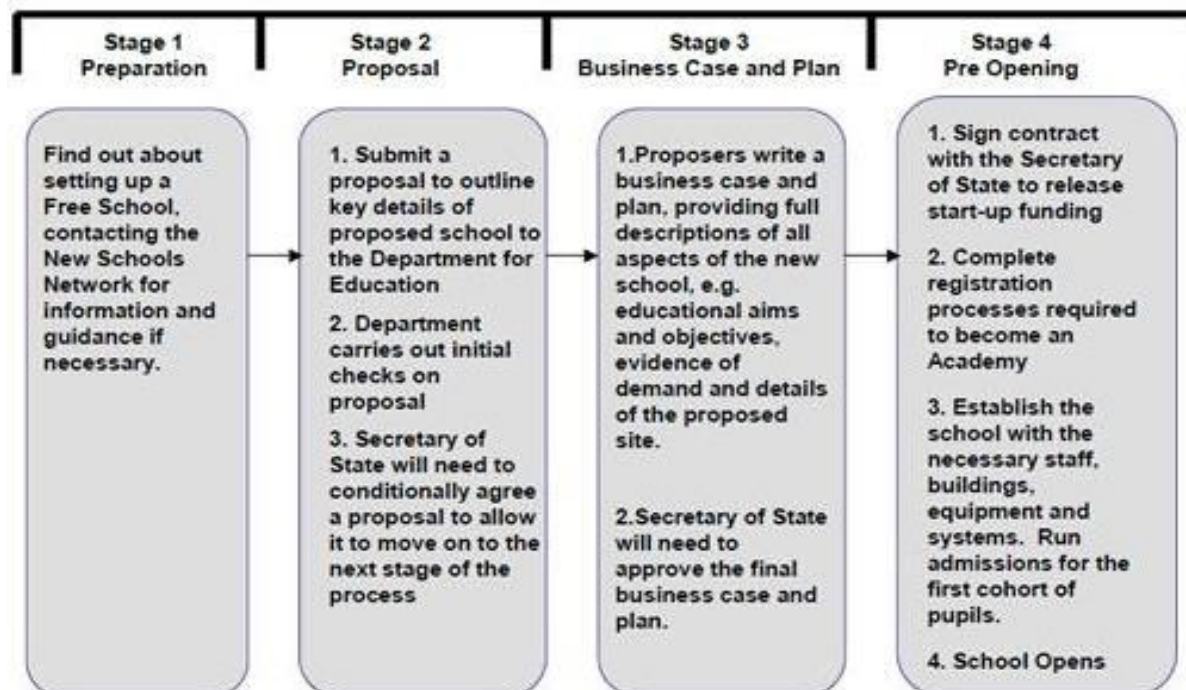
## Free Schools

Free Schools are another mechanism for increasing parental choice in school provision. They are legally identical to academies, are also outside local authority control and have the same powers over how they are run. What is different about free schools is that they are not based on an existing school and can be started by a wide range of groups, including teachers, parents, charities, businesses and religious organisations, without support from an existing school or the local authority. Instead independent groups apply directly to Department for Education through the following four stage application process.

<sup>9</sup> National Audit Office, Academies Programme, 25

<sup>10</sup> National Audit Office, Academies Programme, 25

<sup>11</sup> <http://www.education.gov.uk/edubase/home>



The Department for Education released figures showing that they received 323 applications in the 2011 free school application window and 281 in the 2012 window<sup>12</sup>. Of the 323 applications in the first round of applications, 24 free schools have been approved by the Secretary of state, of which 17 are primary schools, five are secondary schools and two are all-age schools. It is also worth noting that of these 24 schools, 5 are sponsored by existing Academies, 4 are independent schools converting to the maintained sector, a process established by the Labour Government, and a further 10 are faith based schools that were also encouraged by the previous Government.<sup>13</sup>

These free schools are spread throughout the country and the Department for Education has released data claiming that they are over represented in areas of deprivation with half of the 24 schools located in the most deprived 30 per cent of communities in the country.<sup>14</sup> The Guardian newspaper has challenged this claim, arguing that it's analysis of the data relating to free school shows that they are disproportionately located in middle class areas with working class white families underrepresented in the catchment areas.<sup>15</sup>

<sup>12</sup> <http://www.education.gov.uk/home/inthenews/inthenews/a00197589/24-free-schools-to-open-across-england-this-year>

<sup>13</sup> <http://conorfryan.blogspot.com/2011/09/how-novel-are-free-schools.html>

<sup>14</sup> <http://education.gov.uk/inthenews/inthenews/a00197713/new-free-schools-are-a-popular-choice-for-parents-with-latest-analysis-showing-that-half-are-in-the-30-per-cent-most-deprived-communities>

<sup>15</sup> <http://www.guardian.co.uk/news/datablog/2011/aug/31/education-free-school-admissions>

## School Funding Reform

A key tenant of the Government's schools policy, and closely related to the academies and free schools programme, is the reform of how schools are funded. Following the commitment to reforming the school funding mechanism in the Education White Paper there have been 2 consultations on the principles and details of this new system.

The current "spend plus" system for funding schools in England dates back to 2006-7 when the Direct Schools Grant was introduced based on what each local authority planned to spend on schools in 2005-06. As a result present levels of school funding are based on a collection of various grants and historic funding decisions that may no longer reflect an area's current levels of need.

To add to this complexity, the funding relationship between local authorities and schools is uneven. Central government sets a minimum funding guarantee for all schools, but beyond this local authorities are relatively free to operate their own formulas to distribute money and services to schools. The result of this complexity is a wide disparity in how much funding schools in very similar circumstances receive per pupil, up to £1,800 per pupil in extreme cases.<sup>16</sup>

To remove these discrepancies in the system the Coalition is currently introducing a funding mechanism that will be based on 3 main principles set out in the first DfE consultation:

- It should "distribute money in a fair and logical way." And ensure "Schools in similar circumstances and with similar intakes would receive similar levels of funding."
- It should distribute extra resources towards pupils who need them most.
- It should encourage greater choice and competition among providers by allowing both schools and parents to clearly understand and predict levels of funding, helping parents to make better informed choices about where to educate their children, and helping new providers enter the market with a greater degree of certainty over potential funding.<sup>17</sup>

The DfE has set out a timeline for consulting on and implementing these proposals, with the current system continuing for 2012-13. A "shadow settlement" will be introduced in this period to show potential allocations resulting from the reforms, allowing schools and local authorities to plan strategically in the light of changing funding levels.

The funding mechanism set out in the second DfE consultation will see the level of funding a school receives through a local authority determined by 4 factors:

1. A basic amount per pupil.
2. Additional per pupil funding for deprivation.
3. Additional funding to protect small schools.
4. An adjustment for areas with higher labour costs.

<sup>16</sup> HM Department for Education, A consultation on school funding reform: Rationale and principles, 2011, 4

<sup>17</sup> HM Department for Education, A consultation on school funding reform: Rationale and principles, 2011, 2

There will be an element of local flexibility in this system, with local authorities and schools forums having some scope to influence the distribution of funding locally between schools in order to meet local priorities and needs. There will be clear limits to this flexibility with central government determining the relevant factors that may be considered in order to ensure transparency and consistency between areas.

The funding that local authorities receive will be split up into a series of clearly demarcated, non transferrable blocks to cover the costs of different elements of the education system:

- Schools: budgets for schools including lower level SEN and some centrally retained services for school pupils.
- High Needs Pupils: budgets for all special schools, alternative provision and high needs SEN services in mainstream schools.
- Early Years: Free entitlement to early education for 3 and 4 year olds and some centrally retained services for early years.

The precise make up of these blocks is currently being designed and consulted on but they will have a significant impact on how maintained schools and academies are funded.

In addition to this DfE funding, local authorities will continue to receive funding as part of their formula grant from the Department for Communities and Local Government for services like home to school transport which will be unaffected by these changes.

While the exact details of these reforms, particularly the level of local flexibility and the precise mechanisms for funding academies and free schools, are undecided, it is clear that some schools will face significant changes to their funding. The Government is currently consulting on whether to retain the current system whereby schools will only experience a maximum funding decrease of -1.5% per pupil each year or whether to allow bigger annual reductions in order to level the playing field more quickly.

In addition to the deprivation funding in the main school funding formula, the Government has also introduced a Pupil Premium that will provide additional funding to schools for every eligible disadvantaged pupil that attends. The Pupil Premium will be worth £1.25bn in 2012-13, the equivalent of £488 per child, and £2.5bn by 2014-15. At the moment, the Pupil Premium is attached to all pupils that are eligible for free school meals (FSM). However, the Government is consulting on extending this to all pupils that have ever been eligible for FSM in the last three or six years. The pupil premium is given directly to schools without any ring fencing, prompting critics to claim that the additional funding will be used by schools to compensate for budget cuts in other areas rather than being spent on raising the attainment of disadvantaged pupils.<sup>18</sup>

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<sup>18</sup> <sup>18</sup> <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110719/debtext/110719-0001.htm#11071988000933>

## Accountability

In addition to the academies and free schools programmes, the Education Bill will usher in a significant set of changes to how schools are held to account, with a reduced emphasis on external inspection and bureaucratic control in favour of a more competitive system with greater transparency and autonomy for individual schools.

The major driving force behind the policy on school accountability is the belief that encouraging a greater diversity of school providers and increasing transparency and public availability of data on school performance and spending will allow parents to make better informed choices about where to educate their children. This increased choice will create greater competition as successful, oversubscribed schools are given new freedoms to expand while poorly performing schools will have to improve to attract students and funding.

This model of accountability through competition will operate alongside a reformed Ofsted inspection regime that will apply equally to academies, free schools and maintained schools. Both academies and free schools will be subject to the same special measures as maintained schools if they are judged to be failing. The Education Bill does give the Secretary of State for Education the power to make a school exempt from further Ofsted inspections. Michael Gove has proposed that schools rated Outstanding in their previous Ofsted inspection should no longer be subject to regular Ofsted inspections, rather they will be monitored remotely through exam results and submitted data, and only inspected if there is reason to suspect a fall in standards.<sup>19</sup> As new converter academies will have to have been rated at least good with outstanding features they are more likely to be eligible for this exempt status and free from the standard Ofsted inspection regime.

This exempt status is mirrored in the legal structure of both academies and free schools, which will be exempt charities, registered with the Charity Commission but regulated by a principal regulator responsible for ensuring they are complying with charity law, in this case the Secretary of State for Education. The Education Bill also abolishes a number of Quangos that played a role in regulating schools and their workforces as detailed in the table below.

Body Abolished	Role	Successor Arrangements
Qualifications and Curriculum Development Agency	Responsible for designing school curriculum and education qualifications.	Individual examination boards will be responsible for developing content of educational qualifications.
School Support Staff Negotiating Body (SSSNB)	The SSSNB was in the process of stabilising a national pay structure for school support staff that included teaching assistants, dinner ladies and caretakers.	Pay levels will be set by individual schools.

<sup>19</sup> <http://www.tes.co.uk/article.aspx?storycode=6045157>

General Teaching Council (GTC)	Independent register and regulatory body for teaching in England. The GTC works to improve standards of teaching and learning and to raise the standing of the teaching profession.	A new organisation, the "Teaching Agency" will be responsible for maintaining teaching's professional standards and will have the power to bar teachers and place them on a publicly available list.
Training and Development Agency for Schools	Responsible for training and developing the school workforce.	
Young People's Learning Agency	Distributes funding to educational institutions not maintained by a local authority. This includes academies, general FE and sixth form colleges, and other 16 - 19 providers and supports local authorities to commission suitable education and training opportunities for 16 - 19 year olds.	The new Education Funding Agency, an executive body within the Department for Education and responsible to the Secretary of State, will take over the role of funding education institutions that are not maintained by local authorities. As the number of academies and free schools expand its role will increase in scope.
Partnerships for Schools (Pfs)	Established in 2004 as a joint venture between Partnerships UK (PUK) and DfE, Pfs was responsible for delivering the academies programme and all schools capital investment programmes including the Building Schools for the Future programme.	

The reorganisation of authority and responsibility at a national level is matched by changes at a local level. There is a consistent theme running through the Coalition's schools policy of reducing the role played by local authorities in planning and delivering education in England. At present local authorities are responsible for organising and delivering significant elements of education policy at a local level. The Coalition's education reforms will see a large number of these powers and responsibilities being devolved to individual or groups of schools, or centralised and held by the Department for Education as set out below.

### Planning

Local authorities are responsible for identifying and responding to the education needs of their population. This includes the power to establish new schools to meet rising demand for places, and the power to directly intervene in the running of a school that fails an Ofsted inspection and is placed in "special measures." There are a number of ways a local authority can intervene including appointing new governors or creating an interim executive board, removing the delegation of the school's budget or as a last resort re-organising, merging or closing the school.

The Education Bill significantly alters this balance with the Secretary of State for Education exercising

more direct powers over schools and having a greater say in what local authorities are permitted to do:

- Any new school set up by a local authority must be an academy or a free school.
- Groups outside of the local authority have new powers to set up new free schools or convert existing schools to academies without local authority support by appealing directly to the Department for Education.
- The Secretary of State will have greater powers to intervene directly in individual schools, not just schools in “special measures” but any school that has been given a “notice to improve” rating by Ofsted or failed to comply with a local authority warning. These powers include forcing local authority schools to close or convert to academies.<sup>20</sup>
- The bottom 200 primary schools, classified as failing, will be forced to convert to academy status in 2012.<sup>21</sup>

### Admissions

While local authorities will retain strategic oversight over school admissions in their local area the Education Bill reforms the admissions systems for schools in England in a number of ways:

- The statutory duty to maintain an admissions forum that brings together representatives from the local authority, schools and voluntary and community organisations to revise and advise the local authority’s admissions policy will be abolished.
- Rather than requiring schools to submit an annual admissions report to the Chief Schools Adjudicator, only individual complaints about a schools admissions policy or practice will be investigated.<sup>22</sup>
- A new code of admissions has been proposed that simplifies rules and procedures, allowing oversubscribed schools to expand, bans local authorities from holding a lottery to determine schools admissions and allows schools to increase class sizes to above 30.
- Admissions authorities will be required to consult on admissions arrangements every seven years rather than every three years if no changes are proposed.
- Academies and free schools should be able to prioritise children receiving the pupil premium, a freedom not extended to maintained schools.

Key questions for the VCS:

- How will increasing the autonomy of schools, both maintained and academies, affect the ability of the VCS to engage schools in the wider children and young people’s agenda in their area?
- How can VCS organisations currently delivering services to schools through local authority commissioning meet the challenge of increasing delegation of budgets directly to schools?
- How can VCS hold schools to account and ensure that Pupil Premium funding is used to support disadvantaged students?

<sup>20</sup> Education White Paper, 51

<sup>21</sup> <http://www.education.gov.uk/aboutdfe/foi/disclosuresaboutschoools/a00192738/failing-schools-and-academies>

<sup>22</sup> Education White Paper, 63

- Will the pupil premium and the drive for greater autonomy in alternative provision create opportunities for the VCS to provide more and different services to pupils?

Children England and the overarching strategic partners are keen to monitor the impact of school reforms on voluntary, community and social enterprise groups. If you have any views, evidence or case studies relating to these questions or the reforms more generally then please contact Nick Davies on 020 7833 3319 or [nick@childrenengland.org.uk](mailto:nick@childrenengland.org.uk). This will enable us to share best practice with the sector and provide the Government with detailed feedback on the effect of its policies.