

# **AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT**

## **SCHOOLS**

**Press Release 757**

### **PRIVATISATION OF EDUCATION A DISASTROU FAILURE IN THE UK**

#### **AND THE US**

##### **WHY DOES AUSTRALIA PERSIST WITH A FAILED SYSTEM ?**

DOGS have described again and again the failure of Charter schools and voucher systems in the United States. But the failure of the academy schools in the United Kingdom is no less frightening.

Australia was ahead of both the UK and USA in 1900 and even in 1954. But now, we appear destined to continually repeat the mistakes of these countries after them. Privatisation of public education, indeed privatisation of ANY education does not work for a democratic nation. Nor does it work for a nation state involved in globalised trade wars.

But the latest news coming out of the United Kingdom is symptomatic of the dangers – to children, parents, teachers and the nation – inherent in the corporatisation and privatisation of public education.

In England, the privatised State schools, converted into ‘Academies’ and run by charitable and not-so-charitable Trusts, have only succeeded in producing one scandal after another.

Sonia Sodha of *The Guardian* of 22 July 2018 reports on a number of failed privatisation experiment.

#### **1. The Saga of the Kinsley Academy**

In 2015, Kinsley State School which had an excellent history and reputation, left the auspices of Wakefield council to become Kinsley Academy, It joined one of the hundreds of charitable companies the government calls “multi-academy trusts”, which between them run thousands of schools across England.

In Kinsley, [Lauded by Ofsted](#) a few months before it joined the Wakefield City Academies Trust, Kinsley has seen standards plummet to [well below the national average](#). Thousands of parents in West Yorkshire affected by a large-scale educational failure, whose ripples have been felt far beyond Kinsley. In fact, their worries are being echoed across England amid growing concern that something may be seriously amiss with the government’s academies experiment.

Wakefield City Academies Trust was in 2015 named a [“top-performing” academy sponsor](#) by Nicky Morgan, then education secretary, and handed a £500,000 slice of a £5m fund [to improve schools in the north of England](#). Since then, things have gone awry. The trust has sunk to the bottom of the league tables to become one of the [lowest-performing academy chains in the country](#). And it has been plagued by question marks over its finances.

In July 2016, the Education Funding Agency investigated the trust. Its draft report, [leaked to the TES](#), found that its interim chief executive, the businessman Mike Ramsay, had paid himself £82,000 over a three-month period. It concluded that the trust was in an “extremely vulnerable position as a result of inadequate governance, leadership and overall financial management”. Later that year, it was reported that the trust had [paid almost £440,000](#) to IT and admin companies owned by Ramsay and his daughter.

The trust was nevertheless allowed to carry on. Then, in September last year, it suddenly announced it would be looking for new sponsors for all 21 of its schools – but not before it had [transferred more than £1.5m of reserves from its schools](#) to its central coffers, entirely permissible in the current system. Some of this was funds raised by parents. It’s not clear whether any of this money will be left when the trust winds up, or whether those schools will see it again.

### **Other Failed Academies**

Ever since Tony Blair opened England’s first academy, the Business Academy Bexley, in 2002, these schools have been the Marmite proposition in education: loved by some, hated by others. It was under a Tory education secretary, Michael Gove, that their numbers really took off. In 2015, David Cameron, then prime minister, told his party conference that he wanted every school in England to be an academy by 2020. But the past two years have been marked by a series of high-profile failures.

The magazine *Schools Week* reported just last week that **Bright Tribe**, the trust with the lowest-performing secondary schools in the country, [would also be closing](#) and handing back its 10 schools. Trusts that failed the test

### **July 2016**

The **Lilac Sky Schools Academy Trust** is forced to give up its nine schools. Its accounts reveal that it used public funding to pay consultants more than £1,000 a day even as it was drawing on emergency public funding to ensure classrooms could open with basic equipment and furniture.

### **March 2017**

The **Education Fellowship trust**, founded by Sir Ewan Harper, a key influencer of Tony Blair’s academies policy, says that it will be giving up its 12 schools. The move follows a series of damning Ofsted judgments and serious financial problems.

### **November 2017**

The **Wakefield City Academies Trust** makes a shock announcement that it would be pulling out of all 21 of its schools, having been plagued by questions over its finances.

Revelations include the payment of more than £400,000 for services to companies connected with its chief executive and his daughter.

## **January 2018**

The **Perry Beeches Academy Trust**, which David Cameron once praised as “a real success story”, says it will hand over its five schools after reports of financial mismanagement. The trust paid an additional salary of £120,000 over two years to its former chief executive on top of his £80,000 annual salary.

### **The Legacy of Labor and Conservative Privatisation Ideology: Education is not a ‘Charity’ but ‘A Right’**

Academies have been a jewel in the education policy crown for both Labour and Conservative governments in the past 25 years. According to Professor Becky Francis, director of the Institute of Education at University College London, Labour’s academies programme was “focused on the revitalisation of schooling as an engine of social mobility in deprived areas”. She says the idea of bringing in business and philanthropic sponsors – including big names such as the London-based French financier [Arpad Busson](#) – “not just for money but for expertise” was controversial from the start.

But although the Labour government hugely talked up its academies programme, there were only around 200 of them – 1% of all English schools – by the time it left office in 2010. It was [Michael Gove](#), the incoming Conservative education secretary, who put turbo boosters under the policy. By the time he left the job in 2014, the number had rocketed to almost six in 10 secondary schools, and one in five primaries.

What drove this? Not the evidence, according to Francis. Even as the explosion was taking off, “the DfE’s own evidence showed there was hardly any difference in outcomes between academies and local authority schools, once you controlled for their pupil intakes,” she says. She puts it down to “a strong ideological dislike of local authority influence, and a faith in autonomy and marketisation”.

The first academy chains were born out of the Labour government’s effort to introduce more stability into the system when it realised that there were significant risks to setting up independent, state-funded schools. They were embraced by the coalition government for similar reasons.

### **Lack of Public Accountability**

[According to the Commons public accounts committee](#), there were simply too few checks on schools wanting to become academies: the government rejected just 13 out of more than 2,000 applications in three years. Trusts haven’t had to prove themselves before taking on new schools in difficult straits: Wakefield City Academies Trust took over [14 schools in special measures](#) in under three years. “There was a period after 2011 where the academy system felt like the wild west, with big personalities coming in and changing things with little educational justification,” says Francis.

Some of those personalities took big financial liberties, paying themselves far in excess of what a local authority head could earn, and spending taxpayer cash on services provided by companies linked to themselves or family members.

### **Failures a Disaster- No Going Back**

“In the case of Wakefield City [Academies](#) Trust, related-party transactions look like a convenient way to sidestep laws that prevent people profiting from schools,” says Trickett. “If the reports of financial problems at other chains are true, the government may find its plans to give trusts millions to expand have the effect of pouring water into a leaky bucket.”

Once a school joins a trust, there’s no going back: its reserves and buildings are absorbed into the legal entity of the trust. “If a school thinks it is getting poor services from its academy trust, there isn’t much it can do about it,” says Laura McInerney, former editor of *Schools Week*.

**The only way out is in the case of serious failure.** But that can take a long time to get noticed. Parents are often the first to spot it, but it can be hard for them to be heard. Even MPs can meet a wall of silence. “A culture of secrecy prevailed,” says Trickett. “The letters I wrote to the trust elicited wholly inadequate responses.”

Even when failure is eventually recognised, finding a trust to take over struggling schools can be difficult. The government has no power to compel trusts to take over schools. Lots of these schools will also have serious financial problems, whether as a result of mismanagement, falling pupil rolls, or long-running unmanageable PFI contracts. This makes them an unattractive proposition to other trusts, who themselves have to stay afloat at a time when schools funding is getting tighter.

But takeover regardless remains the main school improvement game in town: since 2016, the government has required all schools rated “inadequate” to become academies. The pipeline of schools in limbo is growing: over six in 10 rated inadequate by Ofsted in 2016-17 [had not opened as an academy nine months later](#).

The takeover process is overseen by eight regional school commissioners. “Parents have no right to a consultation on who should sponsor their school, let alone any kind of veto or vote,” says McInerney. “The meetings where decisions are made are secretive, with only the barest of minutes.”

Potential conflicts of interest abound within opaque, interconnected circles: [the Conservative peer Lord Nash](#) was for years a schools minister while chairing an academy chain accountable to the government department he helped to run.

It is hard to avoid the conclusion that an incredible amount of time and energy – not to mention at least £745m, according to the National Audit Office – has been invested in a huge reorganisation that has delivered patchy benefits at best. “I fear this exclusive focus on structures has led to policymakers taking their eye off the ball in relation to the most important element of the education system, quality of teaching,” says Francis.

There are plenty of fixes on the table. McInerney thinks there should be a clampdown on high pay, [a lock on school assets](#), and that local authorities should be able to spin out their own

academy trusts. Others have suggested [banning related-party transactions](#). The question is whether Theresa May's government has the inclination or bandwidth to do any of this against the backdrop of Brexit.

### **Those who Fail to Learn from History...**

“No lessons have been learned,” says Laura McInerney. “Pressure is still being put on academy chains that are too small and fragile to take on board tricky schools. There are no consequences for people who flout financial regulations. It's not a case of whether there'll be further collapses, but simply of when and where.”

<https://www.theguardian.com/education/2018/jul/22/academy-schools-scandal-failing-trusts>

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