



To Chairs of Governors of Primary Schools in England

May 2011

Dear Colleague

Should Your School Become An Academy?

We are writing to you as a Chair of Governors in an English primary school because we know that there is a lot of discussion at the moment about the possibility of schools applying for academy status.

All the major unions representing classroom teachers and school support staff believe academy schools are detrimental to education and are extremely concerned that the spread of academy status to the point where local authorities are undermined will be problematic, not only for staff, but also for governors, parents and communities. This letter details some of the reasons why we think your school should not pursue academy status.

The Government has characterised the adoption of academy status as escaping from the control of a local authority. In truth, the local authority has very little control over what schools do, but its primary purpose is to act as a safety net when there are problems and to be a provider of services that are not easy to obtain anywhere else.

Listed below are only some of the services currently provided by local authorities that any school becoming an academy would have to fund and organise for itself, with all of the added work, difficulties and risks involved:

- buildings support
- health and safety
- occupational health
- payroll and pensions
- meeting maternity or paternity leave and other staffing costs
- library, music, interfaith and outdoor education services
- curriculum support
- legal services
- governor support
- risk and insurance management
- financial and budgeting
- EMA and SEN support education welfare

Academies are funded on a similar basis to local authority maintained schools, with the exception that they receive an amount of money in return for no longer automatically receiving

various services from the local authority. The Government has stated that “becoming an academy should not bring about a financial advantage”. Many of the services that schools receive from the local authority are either difficult to obtain elsewhere, are more expensive, or are provided by smaller organisations and are accordingly of uncertain quality. It is clear that schools cannot expect to organise all of these things independently. As a result of their smaller size, primary schools will have to pay proportionately more for any service that they have to buy than secondary schools. Furthermore, academy schools will not benefit from various financial levers that local authorities have, including economies of scale, long-established relations with suppliers or the expertise that the local authority currently uses in order to reduce costs.

There are reports that some headteachers have more money as a result of becoming an academy, due to receiving an amount in respect of local authority central services. These claims must be treated with a large degree of scepticism. Academies still need to pay for those services. There may have been anomalies with the funding of some of the early academies, but it is clear that, like schools, academies will be hit by the Government’s cuts. Academy funding is based on the funding levels of maintained schools in the area, plus an element to reflect local authority central spending. Real-terms cuts to school and local authority budgets therefore affect academy budgets. Also, the Government is changing the funding system next year – which will remove any anomalies and lead to many academies having cuts in their funding.

Making sure that the school’s needs in these respects are covered would become a whole new aspect of management for the headteacher and governors, magnifying the risk that running the school as a deliverer of education is overshadowed by running the school as a business.

In the appendix we raise some concerns about funding that we believe should make any governing body think again before deciding to pursue academy status.

In particular, we are very concerned about how schools would cope in an emergency or unforeseen situation. This could include events such as a fire, a flood, a problem with asbestos, a difficult or complex legal case arising from an accident to a pupil, an allegation against a member of staff or a budget crisis for the school.

The National Governors’ Association has stated that “governors expect to be able to turn to local authorities for training and advice, and value the support provided by them.” We are concerned that the Young People’s Learning Agency will not be able to provide such support.

As the union representatives of your staff, we are also concerned about the security of their employment and their terms and conditions in the future.

As a local authority maintained, voluntary aided, voluntary controlled or foundation school, your staff know their rates of pay and how they are decided; they know their terms of employment such as days and hours of work; and they know about other important conditions of employment such as sick leave and sick pay, maternity leave and maternity pay. Many of these conditions of services are the result of discussions between organisations representing staff and the local authority. Others come developed from national consultations. It is clear that your staff would not want to lose the certainty that they currently have about these matters. Evidence has shown that academies can struggle to recruit and retain staff who prefer this certainty – you would not wish to see an exodus of experienced staff from your school following conversion.

In local authority maintained schools the local authority has a legal duty to seek to redeploy staff if the school can no longer afford them because of falling rolls, budget crisis, reorganisation, curriculum changes etc. The local authority would have to meet the cost of retraining and of redundancy payments if redundancies were necessary. As an academy, your school would have

to meet its own redundancy costs and would not have access to a redeployment scheme. With spending cuts coming up, this is a very real risk. As a single employer, there is a real risk that financial constraints would cause your school to worsen redundancy terms and still be in continuing difficulties because of issues related to meeting these costs.

We are conscious that your present governors may not want to change things to the detriment of staff, but we are also conscious that promises cannot be made that are binding on a future governing body, and guarantees cannot be given that future governors will have the skills to take on the greater responsibilities of running the school as an academy.

It is not possible to 'try out' being an academy. The school has no option to change its status back again.

For all of these reasons, we do not believe that it would be good for your school to become an academy.

We would urge you to consider the motion overleaf at a governing body meeting this term.

Yours truly

Mary Bousted
ATL General Secretary

Paul Kenny
GMB General Secretary

Chris Keates
NASUWT General Secretary

Christine Blower
NUT General Secretary

Dave Prentis
UNISON General Secretary

Len McCluskey
Unite General Secretary

SCHOOL GOVERNING BODY MODEL RESOLUTION

[Date]

The governing body has responsibility for the education and wellbeing of pupils at this school. As there are high risks and uncertainties in pursuing academy status at this time, the governing body has determined not to seek academy conversion.

APPENDIX – FINANCE QUESTIONS

Below are some of the questions that a governing body should be able to answer prior to any consideration of moving to academy status:

1. Do you feel the governing body has the technical expertise and the time it will need to take on its new responsibilities to protect the school in areas such as finance, the law, personnel and other technical areas?
2. Do you have a business plan to show how your finances would be affected in the short, medium and long term?
3. Have you made any assumptions about future funding as an academy that may be invalidated by changes to the LACSEG mechanism, which are imminent but unspecified?
4. Will any money the school gets in return for no longer automatically receiving services from the local authority be enough to purchase replacement services, particularly considering the economies of scale the local authority has?
5. How can you ensure that the school is able to access support services of a similar quality to those provided by the local authority, given that the private market for such services is undeveloped?
6. Have you made a needs assessment of services that you will require in the future, including details of how the school can access such services outside the local authority family of schools?
7. How can you ensure that, in an undeveloped market with few providers locally, that you will not be tied in to a poor deal with one provider?
8. How long will any fixed-price contracts with a service supplier last and what guarantee will there be against future price rises after any loss-leading period is over?
9. Will your insurance costs be higher, either in the short or longer term, once you move out of the collective insurance arrangements for the local authority family of schools?
10. Do you have sufficient information about the insurance costs you could face as an academy to cover the significant risks posed by potential emergencies such as fire, flood, pupil accidents, major crimes etc?
11. What contingency plans will need to be put in place to deal with such emergencies?
12. What start-up costs will the school face on transfer to academy status?
13. How will the DfE or YPLA be able to give you the expert advice previously provided by the local authority, given that such advice should be based on local knowledge which those organisations do not have?
14. With the DfE administrative budget being cut by a third, how can you be sure of the level of support you may need when that support would be provided centrally instead of through the local authority?