

## The pros and cons of Academy conversion - a briefing for members

1. This briefing has been drafted by the Union Reps for members to provide further information on the issue of academies. It sets out what the Unions think the next steps should be and offers a list of the potential pros and cons of Academy status for Malbank students.

We believe that the school's focus over the next few months (working with the support of the local authority) should be to improve standards. However, we recognise that the Governing Body have been taking steps to convert to Academy status and it is likely that without a vigorous campaign the school will convert in January. Our opinion is that given the current national political environment, with an election on the cards, and in light of recent reports regarding accountability the time is not appropriate to convert. Note that a local school has also had Academy status rejected as a consequence of poor results. We urge you, as members, to fight Academy status. Once the decision is made, there is no turning back.

### 2. Background on academies

The ex-Secretary of State for Education, Michael Gove, set out a vision for the majority of primary and secondary schools in England to become academies in the short to medium term.

At this current time, the broader policy and political environment is far from certain and it is difficult at this stage to assess whether schools will continue to become academies or at what pace. Although the Government states becoming an academy should not bring about a financial advantage or disadvantage to a school, it is not clear how this can be guaranteed. A recent report by MPs has highlighted the dangers that Academies are presenting with taxpayer funded academies open to exploitation by big business and political or religious "cliques" which support them because of "almost non-existent" safeguards. By becoming an academy, a school becomes independent of the Local Authority and is funded directly by central government.

**The principal changes in becoming an academy for a school are:**

- that it is no longer under local authority control
- the ability to set its own pay and conditions for staff - including the ability to act independently of nationally agreed pay scales
- (possibly) more flexibility around the delivery of the curriculum
- the ability to change the lengths of terms and school days.
- the responsibility to provide services currently provided by LA, e.g. behaviour support services, assessment of free school meals eligibility, pupil support, education welfare services etc.
- ownership of own buildings and grounds
- additional financial responsibilities
- additional legal responsibilities for governors

What would change?	Potential pros / mitigation of cons for Malbank(i.e. benefit to students)	Potential cons for Malbank (i.e. negative impact on students)
Independence from Local Authority in general	<p>May still be able to pay to access LA expertise - just because become academy doesn't mean can't maintain a relationship with LA (will have to anyway with regard to safeguarding duties, SEN etc.)</p> <ul style="list-style-type: none"> <li>- Again, may still be able to build relationships with other schools, participate in local school network.</li> </ul>	<p>Loss of access to expertise and services of LA, e.g. HR advice, legal advice support in improving GCSE results.</p> <ul style="list-style-type: none"> <li>- Risk of being excluded from local school community, entering into competition/conflict with other schools, damaging relations and losing possibility of sharing resources, experience etc.</li> </ul>
Financial independence from LA	<p>Greater flexibility in allocation of budget - able to focus resources where school feels they would be most effective and reallocate them as priorities change.</p> <ul style="list-style-type: none"> <li>- May still be able to "opt-in" to collective arrangements with LA or neighbouring schools regarding procurement of services where appropriate .</li> </ul> <p>May be able to source alternative, more cost effective or better quality suppliers for certain services.</p> <ul style="list-style-type: none"> <li>- Ultimately, an academy may be able to purchase services more cost effectively for itself. Or may be able to buy relevant services from LA at reasonable price - thereby enabling the school to 'cherry pick' useful services and find alternative suppliers for those services</li> </ul> <p>LA doesn't provide or doesn't provide at an adequate standard.</p> <ul style="list-style-type: none"> <li>- Continued quality of LA services not guaranteed, particularly given budget cuts and if many other local schools go down the Academy route - therefore useful to have option to find alternative supplier.</li> <li>- Gives Malbank School opportunity to be</li> </ul>	<ul style="list-style-type: none"> <li>- Economies of scale lost, potentially increasing costs and diverting budget from areas of most importance to educational quality. (For example there has been media coverage of a number of existing Academies having major problems with technology licenses and contracts).</li> <li>- In particular, transition costs may be high and in excess of the £25,000 DfE grant</li> <li>- Lose access to expertise and services of LA, e.g. HR advice, support in improving exam results.</li> <li>- Losing LA support/oversight of budget - risk of future governing bodies lacking expertise to effectively manage budget, getting into financial difficulties, impacting quality of education at school. There are a number of Academies currently experiencing <u>severe</u> financial crises. Some are within Cheshire East.</li> <li>- Risks of regulatory non-compliance - academies are exempt charities and companies limited by guarantee, different accounting and accountability mechanisms, need to make sure can fulfil those requirements.</li> <li>- With regard to non-teaching staff, school would inherit liability for any pension deficits - these may be considerable.</li> <li>- Also become liable for central staff costs such</li> </ul>

	<p>entrepreneurial, find innovative ways of maximising budget/minimising costs, e.g. by renting out parts of the premises.</p>	<p>as maternity cover, trade union cover, long term sickness - and for terminating employment. Again, may be considerable.</p> <ul style="list-style-type: none"> <li>- LACSEG may be insufficient to cover extra costs. The way the formula is calculated is also subject to change, therefore there is an element of risk in predicting the school's future funding.</li> <li>- May change culture of the school, by shifting the emphasis/putting pressure on management to focus on raising funds, e.g. the after-school scheme may be viewed as a profit-making opportunity rather than a community service that should only seek to cover its costs. Risk of this may increase if a sponsor is a chain with top-down guidance/pressure on financial management.</li> </ul>
<p>The ability to set own pay and conditions for staff</p>	<p>Ability to set pay incentives to attract/retain high quality staff and motivate existing staff, e.g. performance related bonus.</p> <ul style="list-style-type: none"> <li>- If other local schools become academies and offer more competitive pay and conditions Malbank may risk suffering "brain drain"/struggle to attract most talented candidates.</li> <li>- There is no obligation to renegotiate pay and conditions -</li> </ul>	<p>Academies can employ teachers without qualified teacher status. The NUT/NASUWT is opposed to children being taught by unqualified teachers and believes this will lead to the erosion of teachers' professional status.</p> <p>May not make much difference in initial phase with existing teachers as their terms and conditions will be protected under TUPE. Also a considerable percentage of current Malbank budget is spent on staff costs, therefore in reality the scope for flexibility is limited.</p> <ul style="list-style-type: none"> <li>- Risk of creating uncertainty for staff and bad feeling, potentially damaging staff morale/resulting loss of key staff, thereby affecting continuity and quality of teaching.</li> <li>- Staff may find the potential benefit of a bonus outweighed by uncertainty over pay and conditions.</li> <li>- Risk of entering into ongoing conflict with unions if renegotiation of pay and conditions not</li> </ul>

handled well, diverting focus from day-to-day running of school and potentially resulting in resignations and discontinuity in teaching.

- Risk that Governing body lacks competency to negotiate pay with staff - likely to need access to specialist HR advice, entailing extra cost.

- Risk of mismanagement of school staffing budget.

Risk to your pensions. Conversion to Academy status means that your current pension is transferred. It is highly unlikely that you will maintain your pension in even its revised form. Some schools are offering the minimum guarantees. Teachers are better protected than support staff but for both there could be important ramifications.

Support staff are usually in the Local Government Pension Scheme. When a school converts to an academy the support staff stay in the LGPS, and new support staff are eligible to join. The academy is responsible for paying the employer contributions to the LGPS. The LGPS is running at a deficit. Schools that have opted to become academies are facing bills of up to £800,000 after assuming responsibility for the local government pension scheme that covers teaching assistants, admin staff and lunchtime supervisors. By converting, academies must, as employers, adhere to a plan to reduce their deficit or risk being in breach of the pension fund. It means many academies have to find additional money from their budgets to pay more into the pension pot. This could have serious implications on staffing.

<p>Freedoms around the delivery of the curriculum</p>	<p>May motivate and empower teachers by enabling them greater freedom to be creative, engage with new topics, share passions etc.</p> <ul style="list-style-type: none"> <li>- May enable teachers to encourage aspiration, e.g. by introducing greater emphasis on foreign languages, music, current affairs, practical skills or higher-level topics.</li> <li>- May enable teachers to tailor curriculum more to specific needs and interests of their classes.</li> <li>- Again, no obligation to deviate from national curriculum - but would remain an option that could be exercised to adapt to circumstances.</li> </ul>	<ul style="list-style-type: none"> <li>- Children will still be required to take standardised national tests which will be used to benchmark school</li> <li>the new National Curriculum already gives considerable flexibility with the inclusion of the word "should"</li> <li>- Risk of failing</li> </ul>
<p>The ability to change the lengths of terms (school already has freedom to change length of days)</p>	<ul style="list-style-type: none"> <li>- Possibility that restructuring term schedule would benefit children's learning, e.g. losing long summer holiday - would need to research evidence around this.</li> <li>- Ultimately, if a more effective organisation of school hours/terms is found this may improve punctuality and attendance levels.</li> </ul>	<ul style="list-style-type: none"> <li>- May result in conflicts in school community, e.g. between parents arguing for and against restructuring of terms.</li> <li>- If a change is made, may pose child care problems for parents with children at different schools, resulting in increased lateness/absenteeism.</li> </ul>
<p>Acquisition of a sponsor</p>	<p>Potential access to useful expertise</p> <ul style="list-style-type: none"> <li>- Potential access to extra funds</li> <li>- If choose local secondary, opportunity to strengthen relationships, potential access to resources such as sports grounds, after school clubs, specialist teaching.</li> </ul>	<ul style="list-style-type: none"> <li>- Risk of poor choice, e.g. becoming part of large chain that seeks to impose top-down standardised management model, ultimately undermining freedom of Governing body to set priorities and run school.</li> <li>- Risk of sponsor going bankrupt?</li> </ul>
<p>Ownership of buildings and grounds</p>	<p>Greater freedom to sell/rent parts of grounds to raise funds, although can currently rent out parts of the premises, e.g. grounds (farmers market).</p> <ul style="list-style-type: none"> <li>- May be able to gain access to extra funding from non-LA sources, e.g. HSA (although can do this currently)- DfE may be more likely to fund capital projects for an academy.</li> <li>- Greater freedom to adapt the grounds according to school's needs, should this be appropriate.</li> </ul>	<p>Currently the LA acts as the 'landlord', whereas as an academy Malbank would be the 'homeowner'. The liability for buildings and grounds, may be substantial, e.g. wiring, boilers.</p> <ul style="list-style-type: none"> <li>- Loss of access to LA for emergency funds</li> <li>Loss of access to LA for emergency funds - a recent expensive (thousands) water leak would be our liability. The new windows in the Science block were paid for by the LA.</li> </ul>
<p>Governing Body and</p>	<p>May be able to buy any necessary additional</p>	<ul style="list-style-type: none"> <li>- Increased legal responsibilities and liabilities,</li> </ul>

<p>'vision' for school</p>	<p>expertise needed.</p> <ul style="list-style-type: none"> <li>- May be empowering - have greater freedom to develop and implement more innovative ideas for running the school to improve experience of pupils.</li> <li>- May also attract high quality governors with new ideas and vision for the school, e.g. expanding to become three forms again.</li> <li>- Consultation process may improve communication/relationship with parents.</li> </ul>	<p>e.g. liability for financial deficit</p> <ul style="list-style-type: none"> <li>- May not have the necessary competencies to take on new responsibilities, e.g. HR, full financial control, contract negotiation.</li> <li>- Likely to require greater time and 'emotional' commitment from governing body (in particular during transition phase, e.g. running a consultation with parents)</li> <li>- Risk of discontinuity - may lose members of the governing body who oppose the change or find the role too demanding in an academy and may find it hard to recruit new governors.</li> </ul>
<p>School community and reputation of school</p>	<p>-Potential for invigorating school community if consultation undertaken properly, greater involvement of parents, feeling are more invested in its future, e.g. via selection of sponsor.</p>	<ul style="list-style-type: none"> <li>- Risk of causing disquiet among parents if consultation inadequate and / or change not communicated properly.</li> <li>- Risk of damaging reputation of school -because fear of unknown quantity, thus reducing capacity to attract/retain pupils.</li> <li>- Risk of damaging morale of staff during any period of uncertainty.</li> <li>- Risk of losing key staff who oppose the change.</li> <li>- Risk the issue will become politicized, causing bad feeling.</li> </ul> <p>The school's long tradition and history</p> <ul style="list-style-type: none"> <li>- The decision to go to Academy is <u>irreversible</u> - 450 years of tradition gone in a moment</li> </ul>