

Counting the cost of a fragmented school system

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In an effort to turn schools into academies too little attention has been given to constructing a middle tier oversight system that is fair and efficient for all.

This is an inescapable conclusion of our new study, [Understanding the Middle Tier: Comparative Costs of Academy and LA-maintained Systems](#), which has uncovered the cost of England's systems for overseeing academies and local authority (LA) schools. We found a complex and confusing picture that reinforces the Public Accounts Committee judgement that the Department for Education's 'arrangements for oversight of schools are fragmented and incoherent, leading to inefficiency for government and confusion for schools.'

The 'middle tiers' are the systems of support and accountability connecting publicly-funded schools and academies with the DfE – functions that were formerly carried out for all state schools by local authorities (LAs).

We found unfairness: the middle tier functions for academies cost **44%** more than for LA-maintained schools in 2016/17 (latest available data). The overall cost of the middle tier for the academy system was £687.4m or **£167.05 per pupil**, compared to £524.4m or **£115.71 per pupil** for the LA school system.

The difference can largely be explained by extra grants provided to multi-academy trusts (MATs) for functions previously undertaken by LAs. The top-slicing of academy budgets by MATs further increases the available funding for senior leadership posts to undertake middle tier functions. These leadership posts have not only increased in number but salaries have been unregulated. This has led to headline-hitting figures, such as those for Harris Federation's CEO, whose salary without on-costs was £440,000 in 2016/17. Perhaps this is a reason why large MATs (11+ academies) did not demonstrate the economies of scale that might be expected. Academies belonging to these large trusts had the highest cost per pupil.

We identified middle tier functions under four main headings of finance, accountability, access and people. In simple terms, these were carried out by LAs for all schools before the policy of large-scale academisation was introduced in 2010. In 2016/17 70% of schools were LA-maintained and 30% academies but the proportions have changed. 60% of schools are now overseen by the 152 LAs and 40% are academies overseen by the Education and Skills Funding Agency, the Regional Schools Commissioners and by 1,183 multi-academy trusts and 1,608 single academy trusts.

Assessing the comparative costs of the middle tiers has been extremely complex and difficult. The Department for Education (DfE) does not publish information about the costs of middle

tier functions performed by its agencies and refused our Freedom of Information requests. It is clear that greater efficiency, fairness and transparency are needed in the funding and oversight of England's school system.

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