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### **NEW RELATIONS BETWEEN LOCAL AUTHORITIES AND SCHOOLS**

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#### **1. Background and Theoretical Framework**

A significant number of schools in the South West region of England have embraced the recent reforms of schooling. In response to the Liberal Democrat/Conservative government's invitation for all schools to join the academy programme, 27 schools in Cornwall and 40 schools in Devon by July 2010 had expressed interest in converting to academies (Rogers, 2010). This compared with a national average of 13 schools per local authority. By early 2014 81 academy schools had opened in Cornwall, taking the funding from the local authority and placing it in the hands of individual schools. As well as financial loss as a result of schools converting to academies, in the four years from 2011 local authorities are subject to funding cuts to their formula grants amounting to a national average cut of 27% (Stabe & Jones, 2011). Local authorities within the South West have responded to new legislated changes and associated funding cuts by profoundly reconfiguring how they meet their statutory duties in respect of schools.

This study considers how local authorities within the South West conceptualise and act in the public interest in respect of their work with schools. While the main locus of power for local authorities is the local and regional level, their work is shaped by national and global influences. Globalisation has profoundly changed the ways that the public interest is constituted. Olssen, Codd and O'Neill (2004) argue that globalised culture and politics are dominated by economics, suggesting that all expressions of 21<sup>st</sup> century public life are underpinned by economic values of competition, efficiency and productivity. However, globalisation is also driven by humanistic values such as democracy, liberalism and secularism that represent human desires for a freer and more equal society, even though both conceptualisation and realisation of these desires is enmeshed with values of economic rationalism (*Ibid.*). The practices that emerge within this globalised context are forms of compromise between both humanistic and economic rationales. Within a context of economic globalisation a democratically elected and liberal local government negotiates compromise with the market, but is not absolved from the responsibility of pursuing humanistic goals. The economic theory influential in current government reform is based on distinctive views of the state and market; the market, classified with private interests, is a vehicle for innovation; the state's role in protecting the public interest is to respond in the exceptional circumstance of the market's failure to provide for all interests, thus acting as a safety net for society's most vulnerable (Robertson et al., 2012; Mazzucato, 2013). Inequalities open up as migration and individualisation are driven by an uneven distribution of economic resources, and create too great a demand on the under-resourced state (Kaur, Quinlivan & Boyask, 2009). Mazzucato (2013) suggests that another way to conceptualise the state's role in its compromises with the market is to conceive of the state

as a confident, innovating and entrepreneurial force that can drive economic growth that will benefit all. Yet even this model must be questioned from the perspective of social justice. Can any model based on growth promote equality and mitigate the fragmenting effects of competition?

## 2. Objectives and Research Questions

This study contributes knowledge about the compromises to social justice made by policies that encourage privatisation of state services within the schooling sector. It focuses upon relations between local authorities and schools to consider whether newly configured relationships represent new understandings of the public interest. The study identifies changes to local authorities' services to schools that have arisen through structural reform of local government and new forms of school governance in the South West region of England, and explores the values that underpin the changes. It uses a combination of empirical research, review of literature and theorisation around privatisation of state services to address the following research questions:

- What is the nature of the structural change to local authority services to schools in the southwest of England since the election of the Liberal Democrat/Conservative government in 2010?
- What values are underpinning the structural changes to the services offered to schools?
- How are these and other values enacted through the practice of commissioners, providers and service users (with an emphasis upon continuing professional development and advisory services)?
- If there is variety in values; how do they interact with one another? And what effect does the variety have upon social provision?

## 3. Methodology

The study focuses on four local authorities (LAs) from a single region selected because they were quite different in terms of their demography, geography and constituencies (see Table 1.).

**Table 1. Case Studies: The Local Authorities**

Local Authority 1	Local Authority 2	Local Authority 3	Local Authority 4
Unitary, City, Other Urban	Unitary, County, Rural-80	Non-metropolitan County, (Rural-80, Rural-50, Other Urban)	Unitary, Borough, Other Urban
Labour controlled	No overall control (majority Libdem, Ind and Con)	Conservative controlled	Conservative controlled
population 256400	population 532300	population 131000	population 746400
108 schools	332 schools	58 schools	457 schools

The LAs were also selected because they each have responded differently to the changes in policy. The data collection included: 1) a review of publicly available documentary evidence on the interface between the LAs and schools (including traded services and joint ventures) that included

minutes of meetings, catalogues of services, media reports, newsletters, policy documents, action plans, inspection reports and others, 2) interviews with 11 senior managers and service providers, and 3) a survey of state-funded primary and secondary school service users in the LAs that had an overall response rate of 14%.

**Table 2. Survey Response Rates**

<b>Local Authority</b>	<b>No. of Schools</b>	<b>No. of Responses</b>	<b>% of Responses</b>
<b>LA1</b>	108	19	18%
<b>LA2</b>	332	46	14%
<b>LA3</b>	58	9	15%
<b>LA4</b>	457	57	12%
<i>Total</i>	<i>955</i>	<i>131</i>	<i>14%</i>

This data is supplemented by demographic data from government statistics (e.g. 2011 census and 2010 multiple deprivation indices). Further data was provided by interview respondents, who in some cases supplied policy documents, brochures, and other internal publications.

The project was granted ethical approval at Plymouth University. The research questions address professional and commercial ethics, and to encourage open responses respondents were assured that as far as possible all reports of the research would keep confidential their involvement.

The data is analysed deductively, using content analysis to draw out findings that relate to the established research questions. This is interpretive research that draws conclusions through interpreting the research findings and relating them with existing knowledge of the privatisation of state services (e.g. Ball, 2006; Robertson et al, 2012).

#### **4. Key Findings**

##### **Local Authority Case Studies**

The four local authorities within this study have made profound structural change in how they relate with schools. This has mainly meant following a path of privatisation with models of service based upon commissioning, traded offer or a combination of both.

**Table 3. Models of Service: Local Authorities**

<b>Local Authority 1</b>	<b>Local Authority 2</b>	<b>Local Authority 3</b>	<b>Local Authority 4</b>
Cooperative models of business, following the lead of their Council.	A small statutory provision (although under threat of closure), and an entrepreneurial business unit.	Community and stakeholder engagement, commissioning services from schools.	A fully corporate model, developing a joint venture with a multi-national corporation.

Where some aspects of statutory provision remained, it was recognized further cuts were likely and would ultimately result in further conversion to traded or commissioned services. LA3 and LA4 suggested that they had already been travelling in the direction of change prior to funding cuts and changes in government policy.

*The director of [the service] in about early 2010 took the view that it would be useful to have heads working and paid to work part-time within the local authority, to build that bridge between the schools and the local authority...so by the time the White Paper was published and the government were actively saying, "This is the way we want schools to go", we were already on that journey (LA3 Interview, 10 April 2013).*

*[The local authority] was very prescient in this, from around almost the mid-2005/2006 time onwards, and to say, 'Look, we think things will get tougher; how do we think about this more? How do we enable these organisations, these teams, to trade more with the schools who would like more, but [the local authority] itself can't fund directly, but we can give that opportunity to schools? And how do we allow those teams to trade beyond the [the local authority] boundaries, so that, in effect, there's a sustainable service and provision available to [the local authority] schools' (LA4 Interview, 12 April 2013).*

Within both of these authorities those responsible for strategy and change were in favour of the changes that had been made. In LA4 it was suggested that at an ideological level the council supported privatisation of services and locating funding within schools themselves, because it allowed for decentralisation, permitting local communities to articulate their own needs.

*I think the administration here has always been very much about – they've got high levels of outsourcing in companies and joint ventures – it's not an old style centralist organisation. And our change programmes are very much working from the communities upwards. This is why I've got so many federations, so many cooperative trusts, it's responding to what communities want that is our point of principle (LA4 Interview, 11 April 2013).*

There is a very small core unit of staff within LA4, and it has a 20% stake in a joint venture with a large publicly listed company that provides a traded offer to schools, and provides services commissioned by the authority to meet its statutory obligations. LA4 suggested their market model was the appropriate response to the new commercial realities of schooling.

*And philosophically in an autonomous self-improving school system, which is more business-like, schools are big businesses; some of the secondaries have got very big budgets, they are businesses – then the old paternalistic relationship with the local authority was simply not sustainable nor desirable. So, putting the services out into the joint venture meant that we could protect those services for schools to purchase (LA4 Interview, 11 April 2013).*

LA3 was also supportive of community engagement, but their response seemed less of a commitment to marketisation given that their model centres on commissioning services from schools and expert teachers. Unfortunately evidence from LA3 to support deeper analysis of its underlying values is lacking, because only one respondent agreed to be interviewed and available documentary data from this LA was limited. The other two LAs developed their own traded service from what used to be core services to maintained schools. LA1 retained the service within the local authority, albeit in a reduced form following cuts in jobs. LA2 constructed a business unit that according to the local authority's schools service plan 2013 – 2014, aimed to "be a lead provider of

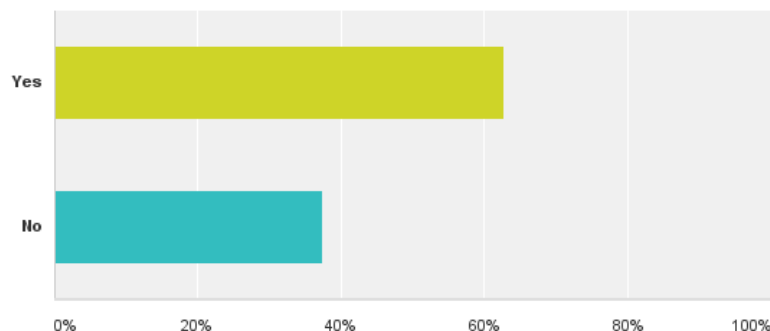
training for schools.” Strategic leads in LA1 recognised that their structure was unsustainable in the face of further funding cuts, so were preparing to restructure the traded service. It was proposed that the traded service become a standalone company, either by joining one of the community interest companies established by schools in the locality, or creating their own joint venture company. Furthermore, the preferred corporate model for their proposed venture was a cooperative mutual, since this meshed with the council’s commitment to co-operative values. LA2 had a much more entrepreneurial model for its traded services with the intention to address both economic and humanistic aspirations clearly stated throughout their policy, shown in the following extracts from their statement of Vision, Values and Principles:

- We ensure efficiency and value support the quality of our services.
- Research and cutting edge practice support innovation in our services and products.
- We value and respect all.
- We value the abilities of all our learners and encourage them to develop their potential.

At the time of data collection LA2 had also retained a small core school improvement service, which included a traded offer but for the most part offered statutory provision to local authority maintained schools and some oversight of school performance in academy schools.

### School Perspectives

**Figure 1: Q11 Do you think your local authority operates from the same values and principles that underpin the work of your school?**



**Table 4. Survey results for Q11 by Local Authority**

	Yes	No
LA1	75.0%	25.0%*
LA2	52.5%	47.5%
LA3	83.3%*	16.7%*
LA4	65.9%	34.1%

\* The number of responses for this category is 5 or less.

According to school respondents differences between the values of school and local authority is greatest within the two larger local authorities, LA2 and LA4. Both of these local authorities have adopted business models of commissioning and traded provision; whereas LA4 has a corporate joint-venture, LA2 has a mixed economy with limited non-traded statutory provision and locally developed traded service. The local authorities that have attempted most to eschew corporate values either through embedding services within schools or developing a cooperative model of business appear regarded by schools as closer to their own values and principles. However, it is recognised that these are the two smaller local authorities (LA1 and LA3)

and small response numbers may be skewing the result, particularly in the case of LA3 (see Table 2).

### **Services to Schools within Public-Private Partnerships (PPPs)**

Services to schools within the case studies are now offered through some form of PPP, with the exception of minimal core services or remnants of the old provision like LA2's school improvement service. Mazzacuto (2013) claims it is not PPPs per se that act to exclude interests, suggesting that PPPs can be constructed to meet the needs of all and avoid socialising risk and privatising rewards. Some supranational bodies define public partnerships non-specifically, such as the European Investment Bank's description of "...a wide variety of working arrangements from loose, informal and strategic partnerships, to design-build-finance-and-operate (DBFO) type service contracts and formal joint venture companies" (OECD, 2008, p17). Yet the OECD definition of a PPP depends upon there being "a sufficient transfer of risk to the private partners" (OECD, 2008, p17). While LA4 had adopted a joint venture partnership model with a large corporate backer, transferring risk to the parent company by retaining only a 20% stake in the joint venture, some failures in the LA's response to its statutory duties suggests the majority of risk remained within the local authority. For example, an LA4 senior manager reported that in spite of reform "...where I'm sitting it feels very much the same because all the issues and concerns, whether they're about academies or not, come into us." This respondent also stressed the very important role LAs need to play in taking responsibility for excluded and vulnerable children and young people. Yet this respondent also said:

We've got two children [from an overseas country] found strapped to the bottom of a lorry... And we've got a whole range of services now working, sorting those children out. They're in foster care, getting them into school, the right support services. They're very homesick; trying to make contact with their families. All that stuff is really important. **And we are doing it a bit on a shoestring I have to say at the moment** (*Interview, 11 April 2013*, brackets and emphasis added by researcher).

An Ofsted report from an LA inspection released shortly after this interview raised serious concerns about the LA's child protection services in respect of managerial oversight and quality assurance, to the point where they believed that some children and young people were exposed to risks of significant harm<sup>1</sup>. Reductions in core services put LAs under extreme pressure in conditions where social inequalities are exacerbating even though the LAs in this study presented themselves largely as in control of their partnerships (Boyask, 2013).

LA2 has adopted a principally entrepreneurial model, yet it retained a small statutory provision unit. Non-traded service provision as a core function of all the LAs is very limited, and their traded services are offered to both maintained and academy schools. This leaves LAs trying to account for differences in their commitments to maintained schools compared with academies. In respect of much of their operations there remains little difference. Yet some LA respondents argue there is a difference in quality of service between statutory and traded provision:

*It's not a foregone conclusion that commissioning out and putting things to arm's length will diminish the service, but I think there is a fear that it could...Certainly in practical terms, I can see that if I and my colleagues are commissioned out, then a lot of the stuff that just lands on your*

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<sup>1</sup> The Ofsted report has not been cited to retain confidentiality of informants.

*desk on a day-to-day basis I'm really concerned about who will do that? If I'm commissioned to do specific things I will do those specific things, I will become a traded service. Who will pick up all the little incidental things which if they're not picked up sometimes become huge things. Personally I have fears about that, and I know that most of the colleagues I work closely with have fears about that as well...we are really genuinely worried about it in terms of the service that the schools, families and children will be receiving (LA2 Interview 16 May 2013).*

The other two LAs have differently attempted to mitigate the challenges to equality of a competitive environment, through: LA1) utilising business structures founded on principles of cooperation and mutuality; and LA3) community and stakeholder engagement (although the limited data means this finding is tentative). Respondents from LA1 recognised that the policy reforms had created tensions and fragmentation through the creation of a competitive environment, yet its response to the reforms was still a project of privatisation and entry into the marketplace for school services. The assumption of this local authority seems to be that the challenges of a competitive market can be mitigated by redefining the public interest so that it is enmeshed in a business structure founded on principles of mutuality and communal rather than individual interest. In current research and debate there is growing interest in the potential of mutuals and the cooperative movement for furthering social goals within a social context dominated by economic discourses (Webster et al, 2012), yet there is also evidence of large scale market failure of cooperative models of business (The Observer, 2013). Furthermore, this local authority is attempting to forge cooperative partnerships with schools fragmented through their location in a competitive economy of schooling where there are falling rolls and new market competitors (two new free schools and a University Technical College have recently opened).

## **5. Implications for Theory and Policy**

The current public policy context is one where social goals are pursued within an environment dominated by market relations. The majority view of social responsibility for government within this context is a safety net for the most vulnerable and disadvantaged, responding to the failure of the market only in exceptional circumstances. This perspective has seen funding taken away from local authorities and put in the hands of schools so they may choose where they purchase services. The reality for minimal LAs stripped of funding is that they struggle to meet demand, with the conditions of a globalized economy exacerbating social inequalities for which they have statutory responsibility. Local authority current statutory responsibilities in respect of schools include:

- Ensuring there is fair access to schooling
- Supporting vulnerable children
- Improving the performance of schools and ensuring high standards
- Using their democratic mandate to advocate for parents, families and children (DfE, 2010; Parish, Baxter and Sandals, 2012).

The LAs in this study are each orientating themselves to the private sector differently in order to meet these statutory obligations, and attempting to distinguish themselves through the partnerships they are forging with different kinds of private actors. The different models also project different societal assumptions about the relationship between private and public interests, located upon a continuum of free market to mutual economics. This study concludes these differences are related to the value bases of the local authorities, which are also visible in the new relations they are forging with schools. Drawing from the dominant market discourses in which

they are embedded relations between private and public interests are defined through principles of partnership. Partnership has subtly different meanings within the LAs, but in each case there is a perceived transference of power from LA to school and presumed empowering of schools. However, research on school autonomy suggests that reforms allow only for apparent autonomy, with schools subject to more intensive central accountabilities under the recent reforms (Fisher, 2012; Glatter, 2012). This study suggests that LAs are also problematically located within the relations of school accountability, held increasingly to account for the performance of maintained schools and retaining responsibility for the performance of academies even while their capacity to act upon this responsibility is diminished. The study finds that the context of economic constraint pulls local authorities towards similar kinds of market models, even while they attempt to negotiate different kinds of compromises with the market. There appear to be differences that require further investigation between how LAs intend to relate both public and private interests in respect of equality, and the actual fragmenting effects of competition.

## 6. Related Papers and Presentations

- Boyask, R. (2013) Illustrations of new relationships between local authorities and schools, A paper presented at *BELMAS Conference 2013*, 12th – 14th July, [http://www.academia.edu/4150529/illustrations\\_of\\_new\\_relationships\\_between\\_local\\_authorities\\_and\\_schools\\_Working\\_Paper](http://www.academia.edu/4150529/illustrations_of_new_relationships_between_local_authorities_and_schools_Working_Paper)
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