

# Britain: The business of education under Labour—Part 2

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*This is the second of a three-part series on the extent of the privatisation of state education under the Labour government. Part 1 was published March 26.*

Labour has done everything possible to turn schools over to business, legitimising it as a means of helping deprived areas. First, it established statutory Education Action Zones (EAZs), a corporate body with charitable status run by a forum of “partners”, preferably from the private sector to bring in private as well as public funds. It would bid for funding to run other educational services and would be free to change teachers’ pay and conditions. But the EAZs, unable to attract much private funding, were very dependent upon the Local Education Authorities they were meant to supersede and were closed in 2005, amid concern about financial irregularities.

The government replaced the Conservatives’ CTCs with Academies, another programme initially targeted at failing schools. While central government not the local authorities would fund and maintain Academies, they would seek financial sponsors from the private sector to provide 20 percent of the expected capital cost (£10 million) of the school, specialise in particular subjects and be independently managed, with individuals from the private sector on the governing board. With 170 schools said to be “failing” in 2005, the government envisaged that 200 Academies would be established by 2010. In the event, little corporate money has been forthcoming, echoing the experience of EAZs and CTCs.

Nevertheless, the Academies programme has provided “business opportunities” for the construction companies and project management companies such as Mouchel Parkman, Tribal, Alligan Consulting and 3Es. Sponsors of Academies have included Amey Plc, United Learning Trust (ULT), a subsidiary of the United Church Schools Trust, which is involved in 11 Academies, and a number of millionaires and businessmen, including, Sir Peter Vardy, the car dealer and evangelist, who has established the Emmanuel Schools Foundation to manage his education interest. One of his schools, King’s Academy, Middlesbrough, became notorious for the teaching of creationism and the principal’s attitude to homosexuality. Other millionaire sponsors include Lord Irving Laidlow, the world’s biggest conference organiser, Bob Edmiston, the property magnate, car importer and scientologist, Roger de Haan, who was the sole owner of Saga Holidays, and Lord Harris of Peckham, carpet magnate and one the wealthiest men in Britain.

As private companies, Academies are exempt from normal rules of public procurement whereby outsourcing contracts must be advertised and subject to competitive bidding, and exempt from *Freedom of*

*Information* legislation. The *Times Education Supplement* reported on a number of sweetheart deals between the Academies and their sponsors’ related companies.

Needless to say, the programme has proved expensive. Seventeen of the first 26 Academies had capital cost overruns and construction costs have typically been £25-40 million, not the expected £10 million, compared with £20-22 million for the cost of new secondary schools. The government has also provided additional startup funding for up to four years of £1.6 million for each of the first 12 Academies.

In 2007, a critical report from the National Audit Office questioned their sustainability in the light of their need for higher funding per pupil, uncertainty about the cost of maintaining their innovative buildings, the availability of startup funding and the very limited ability to rent out their facilities. These fears have been borne out as employees have been laid off. The private sector has played a key role in managing these Academies, which operate as independent schools, free to set their own pay and conditions for teaching staff and exclusion policies for students, and follow their own, not the national, curriculum.

The government has also established a new legal framework to make school management a more attractive proposition to business. Schools are now allowed to federate and establish a new type of corporate entity, a Trust school. This is an extension of Foundation schools, introduced in 1998, which are free to employ their own staff, set their own admission policies, own the school’s land and buildings and set up joint ventures with the private sector.

In effect, taxpayers’ assets pass into the hands of Trustees, leading to further outsourcing and a greater reliance on third party income and/or restricted use of previously shared facilities. Transforming schools into Trust schools paves the way for the private sector to control the core professional staff, their wages and conditions. Two percent of primary schools and 15 percent of secondary schools in England are now Foundation schools, the precursor for Trust status.

The government has taken advantage of the desperate need to rebuild and refurbish schools, where there has been little new build since 1976 when the then-Labour government slashed public expenditure at the behest of the IMF, to open up schools to the private sector. By 1997, the schools estate was obsolete and dilapidated, unsuited to contemporary needs and teaching methods: 3,500 schools were in need of remodelling or rebuilding at an estimated cost of £45 billion, an amount Labour claimed it could not afford.

It ramped up the Conservatives’ policy of using the private sector to design, build, finance and operate new schools under PFI. But the private sector only wanted large contracts for new build and refused to touch refurbishment, seen as too risky. Labour’s solution was to

“bundle” schools together to make one large project and to “rationalise” school provision to cover the higher cost of private finance and corporate profits. Schools were closed and sold off, typically the ones on more valuable sites, irrespective of their age and condition, leading to the closure of some of the best provided schools, as in Glasgow.

By March 2009, a total of 123 PFI contracts had been signed with a capital value of £5 billion and an estimated £22 billion in annual payments over 30 years. A considerable sum in the context of schools, it pales by comparison with health and transport.

So in 2004, with PFI in schools proving insufficiently attractive to business, the government launched the Building Schools for the Future (BSF) programme with £45 billion to rebuild or refurbish every one of the 3,500 secondary school and half of all primary schools in England by 2020. The government boasts that it is the biggest school rebuilding programme since Victorian times and the most ambitious of its kind anywhere in the world. But it is on the back of the largest ever closure programme.

In 2005, then Education Minister Charles Clarke stated he wanted to see the end of the “monolithic” model of public services—a euphemism for ending universal public provision in education, health and social services. The new model would “not just be a partnership of state providers—the voluntary and community sector, business, and private enterprises need to be part of this partnership to provide joined-up services.” Public control and management of education was to be dismantled and BSF would be the vehicle to achieve this.

Under BSF, the local authority is expected to find a private partner, typically a construction or IT company, to deliver the capital building programme and the services under the BSF project. The resulting partnership, called a Local Education Partnership Company (LEP), is 80 percent owned by the private partner and 10 percent each by the local authority and Partnerships for Schools (10 percent).

The LEP develops investment plans for the secondary schools to be run by its sister companies. Each LEP would include at least one Academy in its building programme.

BSF expands the role of the private sector much further than under PFI. Firstly, the LEP may take over all the secondary and even primary schools in the area, as well as those set to receive BSF investment. The LEP may also replace the educational support services, previously provided by the local authority, as well as school meals, cleaning, building repairs and maintenance. It will have a monopoly on all building and service projects within the area for at least 10 years, with an option to renew for a further five years.

The local authority must review every aspect of its provision, including 14-19 provision, extended school and community provision, Children’s Trusts, the whole Every Child Matters Agenda and plans for Academies and Trusts, and integrate the building programme with service delivery, including new ICT infrastructure, school management, educational support and school transport. Under the LEP model, local government will become commissioners, not providers, of the government’s policy for all public services, notably health.

BSF is not just about building or refurbishing schools, but provides a new entry point for the corporations to take over key public services, while Trust schools provide the vehicle to control teaching and teachers. These measures presage the end of national rates of pay and conditions and sackings as the full burden of making ends meet falls squarely on each school. It will push them ever deeper into the clutches of the corporations.

## **Tailoring public education to business needs**

Labour has also tailored education more directly to the needs of British employers for a low wage and largely unskilled workforce. It has introduced a new curriculum with “specialised” diplomas for 14-19 year olds, under its “14-19 skills agenda”. New vocational pathways, leading to 17 new vocational diplomas whose content is designed by business, now sit alongside the traditional academic route.

Such diplomas are employer driven, geared to local labour markets and force young people at 14 into vocational training. They devalue the core curriculum and deprive young people from poorer backgrounds of the chance of a broad education up to the age of 16. With trite and trivial content, they are widely known as “Mickey Mouse” subjects. Students know that their education has become a farce. Not surprisingly, teachers face increasing problems in the classroom for which they are neither prepared nor trained.

In effect, diplomas reintroduce the type of streaming of children that existed prior to the abolition of compulsory 11+ examination that determined entry into academic grammar schools or vocationally-based technical and secondary modern schools in the 1960s. It means a definitive end to the universalist and comprehensive approach to education that has been the principle if not the practice of the last 40 years. It marks the return to Britain’s traditional education policy, explicitly geared to enabling employers to compete in the world markets. Furthermore, it recognises that the future for most young people lies not in high tech industries with relatively high wages but low tech and low wage industries.

*To be continued*



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