

Profiting from Britain's dilapidated school system

Joe Mount**26 August 2013**

The Conservative Party-Liberal Democrat UK coalition has launched a new school building programme targeting only the most dilapidated schools. The programme is woefully inadequate given the scale of the crisis of school infrastructure. Moreover, it represents the further infiltration of for-profit schemes into the public education system.

The £2 billion Priority School Building Programme (PSBP) will rebuild 216 schools, far short of the 476 or more schools that had applied for such funding. The schools are the first to be built under the government's new Private Finance 2 (PF2) programme, aimed at handing over the rebuilding, refurbishment and maintenance of all secondary schools in England to the private sector.

PSBP has faced long delays and difficulties securing private finance, as with other PF2 projects. Contracts have only been awarded for 46 school developments so far, including contracts worth £150 million for the construction of 26 schools in Hertfordshire, Berkshire and Bedfordshire, £120 million for construction in the North East region and a further £300 million planned for schools in the North West, Midlands and Yorkshire regions.

The Local Government Agency reported that many head teachers had no idea when much-needed rebuilding would start on their schools, while others have been told that contracts were unlikely to be awarded until 2015. Following the 46 contracts issued so far, the government said that the remaining schools will get public funding "subject to the terms of the next spending review."

The government has also published "standard design guidance" for schools to be built under PSBP. While use of the designs is not mandatory, schools will not be allowed to spend more than it would cost to construct a

school to those specifications. This is expected to "save" up to 30 percent of costs, a sure sign that the new schools—if they are built—will be shoddier, smaller and have fewer facilities than the ones they replace.

The contracts are to be awarded centrally by the Education Funding Agency, rather than through the Local Education Authorities that have traditionally managed school funding and building programmes. This means that in most cases individual schools will have little say in their design.

Far from responding to the desperate conditions of many schools, the PSBP provides yet another subvention to the banks and financial institutions, giving them and the private-sector companies managing schools' facilities the first call on their meagre budgets.

PF2 replaces the Private Finance Initiative (PFI), whereby the private sector designs, builds, finances and operates schools for a period of 30 years. PFI was introduced by the Conservative government in 1993 and rolled out in the school system by the Labour government under Tony Blair and Gordon Brown. The policy of using private finance has been widely criticised for excessive costs that have plunged hospitals and other public services into deficit, leading to closures and mergers.

This will again necessitate the driving down of school costs by cutting the number of teachers, their salaries and conditions while increasing working hours and further reducing the quality of education provided to students. It is another plank of the government's austerity programme, through which the taxes paid by working families have been handed over to the banks and corporations and public services cut.

This advance for profit-making in the education system follows a leaked memo detailing plans to sell all

Academy Schools, now the majority of state secondary schools, to the private sector as part of the coalition government's plans to privatize the entire education system. (See: Oppose the privatisation of education)

These plans were advanced by last month's government spending review, which announced funding for 180 additional Free Schools—state-funded but privately run—on top of the 200 planned and 80 already established.

Although both current ruling parties attacked the PFI as “discredited” when in opposition, they are intensifying this agenda in response to the ongoing global economic crisis. This strategy is bound up with their quantitative easing programme, where state banks pump cheap liquidity into credit markets to boost investment, effectively a transfer of cash to the bourgeoisie.

According to academic Mark Hellowell of the University of Edinburgh, “four years since the collapse of Lehman Brothers in September 2008, the financial crisis continues to have an impact on the cost and availability of finance in infrastructure markets around the world. In Europe, the aggregate volume of transactions in 2012 was €11.7 billion, the lowest recorded since 2003 (EPEC 2013). The introduction of PF2 is perhaps the most comprehensive attempt so far to regenerate the project finance market in the teeth of an ongoing credit crunch.”

The huge debts accrued through PFI projects are ring-fenced from the government's austerity measures. This stands in stark contrast to the ripping up of contracts, wholesale public sector job losses and attacks on public services facing the working class, supported by all the big business parties and implemented with the collaboration of the trade union bureaucracy.

Britain's school system faces a crisis as many are overcrowded or in a hazardous state of disrepair. Malcolm Trobe from the Association of School and College Leaders head teachers union said “the priority school building programme is only addressing the tip of the iceberg in terms of the condition of school buildings.”

The dreadful condition of Britain's schools was exposed by a survey of 667 head teachers and school business managers conducted in May 2012 by Key, a national education support service. It found that classroom conditions were often so poor that they were

not fit for purpose. A further 25 head teachers warned that their buildings were a health and safety hazard and 38 complained of dire overcrowding. One head complained that more than 1,200 children were crammed into a site designed for half that number. Many lessons are taught in temporary classrooms. According to the British Council for School Environment, schools are in a worse state of repair than they were 10 years ago.

Schools are facing a large shortfall in funds to conduct repairs. The shortfall amounts to £3.6 billion in outstanding maintenance work for 89 local authorities, just 60 percent of the total number, according to figures acquired under the Freedom of Information Act by the Labour Party. This means that current budgets cover less than one quarter of the total repair costs.

This crisis was aggravated by the cancellation of the £45 billion Building Schools for the Future (BSF) programme in July 2010. This would have renovated over 700 schools, while PSPB includes just 69 of these, with no plans to continue work on over 600 schools that BSF would have rebuilt. Because BSF was cancelled before it had got going only a small number of schools were modernised, leaving most primary and secondary schools in need of investment.

The treasury has announced a relatively meagre £10 billion for capital spending on schools, far below the shortfall created by the cancellation of BSF, aimed at reducing the severe shortage of school places predicted in the coming years. The shortfall is estimated to reach 256,000 places in the 2014-15 academic year, according to a report published by the government's National Audit Office in April.

The author recommends:

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