

Campaign for State Education

Systems matter: the cost to classrooms of the academies programme

A report for the Campaign for State Education by Warwick Mansell

"Unjustifiably high salaries use public money that could be better spent on improving children's education and supporting frontline teaching staff." Public Accounts Committee, 2018

May 2023



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Foreword

This report, commissioned by CASE, reveals the disturbing truth that within the system of academies, first introduced by Labour but enormously expanded since 2010 by the Conservative government, a far higher proportion of public funding is being spent on the salaries of "school leaders" and other administrators than is the case within the 52% of schools which are still managed by Local Authorities. This diversion of funding from the classroom to the pockets of senior managers and administrators of academies has not been accompanied by any noticeable rise in standards within the academy system and is therefore a scandal.

CASE is grateful to Warwick Mansell, the author of the report, who has carried out the most painstaking and thorough research into academy funding and expenditure that has been seen to date. We hope that his work will reach the wide audience that it deserves and help to put a stop to this misuse of public funds.

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Melian Mansfield MBE Chair, The Campaign for State Education



The author was commissioned by CASE to carry out research into the costs associated with organising state-funded schools into multi-academy trusts. This has become the Conservative government's favoured structure of control for state schooling in England. This investigation looked particularly at management overheads associated with the structure: the instance and cost of high salaries for administrators, and the extra funds and bureaucracy associated with a new tier of supervision, introduced for academies within the Department for Education.

Findings

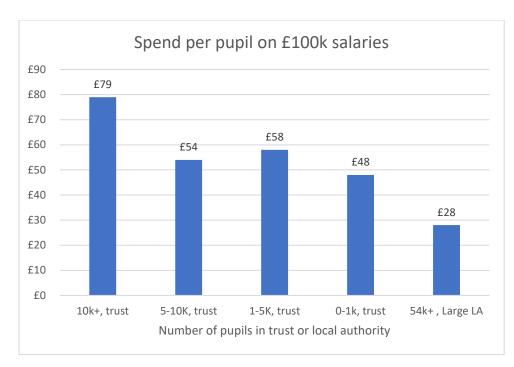
The academies sector is wasting many millions of pounds of public money on high salaries for academy trust managers, compared to the situation in local authorities overseeing nonacademy maintained schools. There is little definitive evidence that turning a school into an academy results in higher quality, despite the substantial increased management costs that this investigation shows tend to be the consequence.

The 50 largest academy trusts had seven times as many people paid at least £130,000 a year as did the 10 largest local authority areas, despite the two sets of organisations educating roughly the same number of pupils, with the trusts spending eight times more per pupil on £130,000-plus employees than were the local authorities.

At the highest pay benchmarks, this disparity grew even starker, with the academy trusts having 13 times the number of people paid at least £200,000 than did the local authorities, and spending 15 times as much on such people, per pupil.

This, in turn, is generating huge differentials in the overall amount of spending on high pay between the two sectors. The 50 largest trusts spent £68.2 million, or £80 per pupil, on sixfigure salaries for their employees in 2021-22. This was 2.8 times the comparable sum of £24.4 million, or £28 per pupil, in the local authorities. If these academy trusts were spending at the same level on high salaries as were the local authorities, this would generate savings of £43.9 million overall, or £4.4 million per large local authority area. Grossed up across the country, as discussed in the main text below, this would equate to a saving of nearly half a billion pounds, if high pay spending were organised as it currently is in the largest local authorities, rather than as happens in the largest academy trusts.





Graph 1 Expenditure per pupil by size of trust

Smaller trusts are not spending as much, per pupil, as the larger trusts on highly-paid managers. However, they still have much higher per-pupil overheads on these salaries than do the local authorities.

Although most small trusts have relatively small levels of spending on highly-paid managers, compared to the larger academy chains, there are instances of outliers within the sector, where people are being paid more than £150,000 a year to manage organisations with very small numbers of pupils.

Analysis for this investigation suggests that salaries of the leaders of the largest academy chains have increased at roughly four times those of experienced classroom teachers in England since 2010, and that government attempts to regulate high pay among the large trusts have essentially come to nothing.

Further, the advent of a structure of Regional Schools Commissioners – now called Regional Directors – to oversee the academies sector has introduced another category of spending, with more than 500 officials now working for the directors, at a cost of more than £30 million a year.

Overall, the multi-academy trust structure has created a costly new administrative architecture for English schools, with the larger trusts being led by multiple managers paid well in excess of £100,000 a year. This situation does not exist in the local authority sector, despite the larger LAs having oversight of larger numbers of pupils than do the largest trusts.

Extra costs for academy trust management are already likely to be in the order of seven figure sums, for each large local authority area. And the current government's ambition,



that all schools join academy trusts of at least 7,500 pupils, stands to cost tens of millions of pounds in extra management overheads, if this happens in the coming years.

There is evidence that the extra spending on management in the academies sector is coming at the cost of investment at the classroom level. This bears out recent warnings on the subject by the cross-party Public Accounts Committee.ⁱ

With huge pressures on classroom budgets since 2010, the fact that the current government has presided over a structure of school organisation which has clearly created extra management costs should be of serious concern.

Therefore, spending on highly-paid managers, within the academy sector, ought to be part of a thorough review of this government's favoured structure for school control, by whoever is in control of England's education system in the coming years.

Methodology

This investigation centred on analysis of the 2021-22 accounts of academy trusts; 2021-22 accounts of local authorities; and statistics from freedom of information responses from local authorities, plotted against official Department for Education data on the number of pupils in each school.

Introduction

The Government's preferred system for organising schools in England – the multi-academy trust – is costing millions of pounds in extra management overheads, which could be better spent directly serving children's education in classrooms.

This report documents how the rise to prominence of chains of academy schools under Conservative-led governments since 2010 has created a proliferation of highly-paid managers, in a system whose spending on management is far higher than it would be if local authorities remained in charge.

The multi-academy trust (MAT) policy has led to a mushrooming in the number of organisations responsible for the oversight of state-funded schools, many of which are now led by chief executives paid more than the Prime Ministerⁱⁱ.

This development has facilitated the creation of an expensively-remunerated new layer of management above England's schools, with some evidence that this is coming at the expense of spending directly supporting learning in the classroom.

The Government has now broadly given up on previous attempts to restrain executive pay within the academies sector, despite MPs having warned that this takes money away from the classroom.

Approaching 2,500 academy trusts now operate at a level of oversight and influence previously held by only 150 or so local councils. On top of these extra organisational



structures at the local level, central government has also established its own new nationally-organised supervision regime for academies, with more than 500 DfE officials currently supervising the academies sector.

Such bureaucratic changes have had to be funded from a national education budget which has faced severe constraints since 2010. Academies are said by the DfE to receive the same amount of funding per pupil as do local authority maintained schools – meaning that any extra spending on management in the academy sector would have to be funded by cuts in classroom-level spending, relative to local authority schools.

These structural developments have come with a financial cost to England's schools system, which has been little acknowledged in the past. Further moves towards the establishment of reasonably large MATs across England stand to cost English schools many millions of pounds extra, in added spending on management.

Background

The control and oversight of thousands of England's schools have been changed dramatically over the past 13 years.

In eight years from 2002, the Labour government established 203 academies – initially they were called city academies – in a move which overhauled the governance, funding and legal status of state-funded schools, largely in the secondary sectorⁱⁱⁱ. They had previously operated under the auspices of their local authorities. In many cases, these schools had struggled to improve for many years.

Under the academies scheme, these schools would be funded directly by central government, with oversight of almost all of their functions switching from local councils to Whitehall. Each would be governed by a charitable trust, with incoming "sponsors" often given control of their governance via the ability to appoint and dismiss board members.

In 2010, Michael Gove, the newly-appointed Education Secretary under the coalition, arrived at the Department for Education and immediately set about expanding the academies scheme dramatically.

In the years that have followed, more than 10,000 schools – or approaching 50 per cent^{iv} of all of England's state-funded institutions – have become academies. Most of them are now in trusts covering more than one school: as of February 2023, there were more than 2,400 academy trusts running at least one school^v, although half of them – 1,249 – were single-academy trusts with just one institution.

In recent years, the government's favoured arrangement for schools has been not only to promote academies, but academies run in groups: the multi-academy trust. In its March 2022 schools white paper^{vi}, the DfE stated that its objective was for all state-funded schools to be in multi-academy trusts by 2030. More specifically, it said: "We expect that most trusts will be on a trajectory to either serve a minimum of 7,500 pupils or run at least 10 schools."



In the year which followed, in the face of widespread scepticism over whether its 2030 target could be achieved, that pledge was reportedly^{vii} abandoned. However, as of February 2023 the government was still stating that "over time," it "would like all schools to be in a strong multi-academy trust".

This is the case despite there being no strong evidence that turning a school into an academy will result in a better quality of education for its pupils. The Education Policy Institute, a think tank with strong links to the academy sector which carries out detailed statistical analyses, concluded^{viii}, in 2017, that "academies have not provided a panacea to school improvement...with the exception of outstanding converter academies, we do not observe any visible, positive impact on outcomes amongst any other type of academy". It then reported,^{ix} in 2018, that there was little difference in the performance of pupils in academy trusts, compared to local authorities.

The Government has argued that academy trusts which take over schools with poor Ofsted results tend to improve most of them. However, research^x for the Local Government Association has shown that local authority schools have improved at a faster rate without academising. Five years ago, the DfE's Permanent Secretary told MPs ^{xi} that there was no proof that forcing schools to become academies would improve their results – even though doing so in relation to those which had failed Ofsted inspections was, and is, DfE policy.

Essentially, there is a stalemate between academies and local authority schools in terms of standards: whether one side sees pupils getting better results, or the other. This being the case, it makes sense to look at the impact of different structural arrangements in the two sectors, and specifically, for this investigation, the impact of the academies model, which sees pay and conditions deregulated, on high pay.

Academy trusts do not have to follow national pay and conditions arrangements for teachers, which are set out by the School Teachers' Review Body (STRB) and which apply in the local authority maintained sector. However, the pay structure for classroom teachers and leaders of individual schools, which is set out by the STRB through the School Teachers' Pay and Conditions Document (STPCD), is in practice followed voluntarily for classroom staff by many academy trusts.

There is, though, no national pay structure at all for the leaders of groups of schools: management above the school level. In the academies sector, this means that there is not even a national reference point^{xii} setting out what might be regarded as acceptable levels of pay beyond the rank of school headteacher. So, even if some trusts might value such a structure, as a guideline as to what to set their leaders, it is not available. This absence may be seen as highly significant, given the investigation of local authority and trust spending data which follows.

The investigation



1 Spending on high pay in larger academy trusts, compared to local authorities

For this investigation, a list of all trusts in England, ranked by the number of pupils in each of their schools, was compiled.

Then, for the first section of this investigation, the 2021-22 accounts of the 50 largest academy trusts in England were accessed.

The format of such accounts, as specified by the DfE, requires each academy trust to list the number of its higher-paid employees, in salary bands of £10,000, for those paid £60,000 per year and more.

In total, these 50 trusts were in charge of schools educating 852,384 pupils, according to the latest published school-by-school data from the DfE, which relates to January 2022.

For comparison, this investigation looked at the accounts of the largest local authorities, also judged by the number of pupils in schools for which they are responsible. The pupil numbers in local authorities used in this investigation are only those educated in those local authority maintained schools for which each local authority is responsible.

The 2021-22 accounts of the largest 10 local authorities were accessed. Because the largest local authorities – again judged by the number of state-funded local authority maintained (ie non-academy) schools in their areas – are much larger than the largest MATs, in total these 10 authorities oversaw the education of slightly more children than in the 50 largest MATs: a total of 874,198 pupils. This, for the purposes of this investigation, can be seen as roughly the same number of pupils, affording comparisons of high pay spending between two roughly similarly-sized samples, from either sector.

Local authority accounts are required to list highly-paid employees, working either in schools they oversee or within the council itself, paid at least £50,000 a year, in bands of £5,000. They must also list the salaries of senior employees paid £50,000 to £150,000 against their position, and to publish those paid more than £150,000 against their names. This investigation collected data on salaries paid to senior staff in schools, as revealed in LA accounts. It then supplemented this with data on remuneration for officials working in LA children's services departments, obtained through Freedom of Information requests to each council.

This investigation focused on individuals paid at least £130,000 in salary alone, since this generally will be, in the maintained sector, officials or managers working beyond the level of the individual school: the highest amount that a headteacher would normally earn, under the STPCD, in 2021-22 was £125,089^{xiii}. In the academies sector, a figure of £130,000 or more would be paid, then, only to individual headteachers receiving beyond what the STPCD say they would normally be paid in the non-academy sector, or managers operating either as executive headteachers, directors of education or other management posts based at head office, or chief executives.



This investigation also looked at all salaries at £100,000 or above, to compare spending on all six-figure remuneration packages between the two sectors.

High pay in the academies sector has come under criticism in recent years from Parliament's spending watchdog, the cross-party Public Accounts Committee. In 2018^{xiv}, it warned that "some academy trusts appear to be using public money to pay excessive salaries," adding: "Unjustifiably high salaries use public money that could be better spent on improving children's education and supporting frontline teaching staff, and do not represent value for money."

Concerns have also been raised more recently about whether high pay for headquartersbased managers in the multi-academy trust sector is taking money away from the classroom. One experienced figure, with knowledge of both sectors, raised this with the author of this study early in this investigation. In addition, in September 2022, Carly Waterman, who at the time^{xv} was working as an executive principal for the David Ross Education Trust, a 34-school academy chain, told a conference: "Somewhere along the line, we need to be asking questions about the amount of money that is being paid to lots of different types of headteacher, and particularly the headteachers that are above conventional headteachers, because that is taking money from the frontline of schools, I believe."

Examples from individual trusts also frequently appear. While local authorities can often seem relatively leanly-staffed at a senior level, it is not uncommon to hear of relatively small academy trusts – much smaller than most local authorities and comprising only a few schools – to have director of education posts, which in the past would have been taken by a local authority official overseeing perhaps scores of schools. And at the larger end of the academy trust scale, there can be many layers of management. One of the largest multi academy trusts, Academies Enterprise Trust, was, as of early 2023, boasting^{xvi} a chief digital and information officer, a chief talent officer, a director of education, a director of insight and innovation, a director of strategy, a chief financial officer and a director of human resources, as well as a chief executive officer. In March 2023, parents in Cambridgeshire raised concerns^{xvii} about the number of layers of management at another chain, Astrea Academies Trust, which has a chief executive officer, primary and secondary directors, regional directors, at least one executive headteacher and school-level headteachers. Such layers of management would seem to be a new development, then, in relation to English schools, as made possible by the advent of multi-academy trusts, and to raise questions including how these highly-paid posts are afforded.

2 Findings: the contrasting numbers of highly-paid managers in each sector



This comparison between high pay in England's larger MATS, and that within larger local authorities, reveals a huge disparity in the number of large pay packets being awarded in the academies sector, versus within local authority offices and non-academy schools.

In 2021-22, the 50 largest multi-academy trusts between them had 167 people paid at least £130,000 a year, excluding employers' pension contributions.

Academy trust name			Ppl			Spend per
		Total Ppl	paid	Ppl paid		pupil on
	Pupil	paid	130k-	150k-	Ppl paid	£130k+
	nos	130k+	150k	200k	>200k	salaries
United Learning						
Trust	54252	9	8	0	1	£25.16
Harris Federation	38965	20	4	12	4	£97.01
Ormiston Academies						
Trust	33207	7	3	3	1	£33.28
Oasis Community						
Learning	31893	7	5	1	1	£34.33
Academies						
Enterprise Trust	31816	7	3	3	1	£34.73
ARK Schools	29586	10	5	5	0	£53.07
Outwood Grange						
Academies Trust	29176	3	1	2	0	£16.62
Delta Academies						
Trust	23735	3	2	0	1	£22.96
Kemnal Academies						
Trust	23198	6	4	1	1	£41.81
Leigh Academies						
Trust	20091	7	4	2	1	£58.48
Star Academies	19564	4	2	1	1	£36.29
REAch2 Academy						
Trust	19407	3	1	1	1	£28.08
E-ACT	18063	5	1	3	1	£46.78
Co-operative						
Academies Trust	17854	3	2	1	0	£23.80
Greenwood						
Academies Trust	17747	4	1	3	0	£38.32
Spencer Academies						
Trust	17015	3	2	0	1	£29.09
GLF Schools	16933	1	0	0	1	£12.11
Meridian Trust	15761	1	1	0	0	£8.57
Greenshaw						
Learniing Trust	15313	3	1	2	0	£29.71
River Learning Trust	14597	1	1	0	0	£9.93



Academy trust name	Pupil	Total Ppl paid	Ppl paid 130k-	Ppl paid 150k-	Ppl paid	Spend per pupil on £130k+
	nos	130k+	150k	200k	>200k	salaries
Creative Education						
Trust	14499	4	2	1	1	£45.52
Astrea Academy						
Trust	14492	1	0	1	0	£12.77
David Ross						
Education Trust	14349	3	2	1	0	£31.71
Unity Schools						
Partnership	14326	1	0	1	0	£12.22
Westcountry School						
Trust	14217	1	0	1	0	£13.01
Northern Education						
Trust	13822	4	3	0	1	£44.13
Bishop Wilkinson						
Catholic Education						
Trust	13022	2	1	1	0	£26.11
Bishop Bewick						
Catholic Education						
Trust	13013	1	0	1	0	£13.45
Swale Academies						
Trust	12914	3	1	1	1	£39.88
Dixons Academies						
Trust	12678	2	1	1	0	£26.82
Elliot Foundation						
Academies Trust	12676	3	2	0	1	£39.05
Our Lady of Lourdes						
Catholic Multi-						
Academy Trust	12530	1	0	1	0	£15.56
East Midlands						
Education Trust	12224	2	1	1	0	£26.18
Cabot Learning		_				
Federation	12195	2	1	1	0	£25.42
The White Horse		-		_	_	
Federation	12175	3	1	0	2	£49.69
Midsomer Norton		-			_	
Schools Partnership	12061	2	1	1	0	£27.36
Bishop Hogarth						
Catholic Education	44707	2	4			620.02
Trust	11797	2	1	0	1	£28.82
Redhill Academy	44707	4	~	4	_	642.24
Trust	11707	1	0	1	0	£13.24
Hamwic Education	44535	2	1	2	_	640.24
Trust	11535	3	1	2	0	£40.31



Academy trust name			Ppl			Spend per
		Total Ppl	paid	Ppl paid		pupil on
	Pupil	paid	130k-	150k-	Ppl paid	£130k+
	nos	130k+	150k	200k	>200k	salaries
Academy						
Transformation						
Trust	11391	2	1	1	0	£25.46
The Thinking						
Schools Academy						
Trust	11158	2	1	1	0	£29.58
The Two Counties						
Trust	10965	2	2	0	0	£25.54
The SIGMA Trust	10944	1	1	0	0	£12.34
Chiltern Learning						
Trust	10800	1	1	0	0	£13.43
L.E.A.D. Academy						
Trust	10648	3	2	0	1	£48.37
Bohunt Education						
Trust	10576	1	0	1	0	£15.60
The Gorse						
Academies Trust	10460	4	2	1	1	£63.10
Bourne Education						
Trust	10419	1	0	1	0	£18.72
Shaw Education						
Trust	10386	1	0	0	1	£22.63
Nova EducationTrust	10232	1	0	1	0	£18.08
Totals	852384	167	79	62	26	(Ave) £32.64

Table 1 The 50 largest academy trusts with pupil numbers and highly-paid earners, excluding employers' pension contributions. Per pupil expenditure was calculated based on assuming actual remuneration was in the middle of the published band, for each individual.



				Ppl		Spend per
		Total Ppl	Ppl paid	paid		pupil on
		paid	130k-	150k-	Ppl paid	£130k+salarie
LA name	Pupil nos	130k+	150k	200k	>200k	S
Lancashire	141731	1	0	1	0	£1.24
Hampshire	138257	2	1	1	0	£2.58
Hertfordshire	95886	3	2	0	1	£4.35
Kent	95263	7	6	0	1	£10.91
Birmingham	81985	1	0	1	0	£2.10
Leeds	71704	1	0	1	0	£2.20
West Sussex	68814	1	0	1	0	£2.22
Surrey	64033	6	3	3	0	£13.26
Essex	62009	1	0	1	0	£2.70
Liverpool	54516	1	0	1	0	£2.80
Totals	874198	24	12	10	2	(Ave) £4.17

By comparison, our sample of the 10 largest local authorities between them had only 24 people paid at least £130,000.

Table 2 Ten largest LAs with pupil numbers and high paid staff, excluding employers' pension contributions^{xviii}. Where LA annual accounts indicate that the person leading the children's services department or equivalent started out in that position, or left it, part-way through the year, a salary has been calculated, for use in this table, based on what that person would have been paid had they worked for the entire year. Per pupil expenditure was calculated based on assuming actual remuneration was in the middle of the published band, for each individual.

The academy trusts, then, had seven times the number of employees paid £130k or more than did the local authorities, even though the LAs had slightly more pupils under their oversight.

Detail within the local authority pay statistics sets up some especially remarkable comparisons with the multi-academy trust sector.

In the case of six of the 10 largest local authorities – Lancashire, Birmingham, Leeds, West Sussex, Essex and Liverpool – each had only one person, across all its schools and its education/children's services department, paid more than £130,000. In each case, this was the council's Director of Children's Services or equivalent. In total these six councils, with a total of six people paid £130,000 or more, oversaw the education of 481,000 pupils in 2021-22. By contrast, the accounts of the 19 largest multi-academy trusts, together educating 474,000 pupils, revealed 106 people paid at least £130,000 in 2021-22. Therefore, these local authorities were paying six people on at least £130,000 to oversee the education of



just short of half a million pupils, while the academy trusts were paying 106 people above such a pay benchmark to do so.

The largest local authority in England, as judged by the number of pupils in those nonacademy maintained schools it oversaw in 2021-22, was Lancashire. It paid only a single official within its children's services department a six-figure salary in 2021-22. Its schools educated 141,731 pupils that year. By contrast, the largest academy trust, United Learning, with only 54,252 pupils, had nine people paid at least £130,000 a year; the second largest, the Harris Federation, with 38,965 pupils, had 20 £130k+ managers; and the third largest, Ormiston Academies Trust, with 33,207 pupils, had seven people paid at least £130,000. To sum up, this one local authority, overseeing just over 140,000 pupils, had one person paid £130,000-plus, compared to three trusts, together educating just over 125,000 pupils, with 36 such people.

The multi-academy trust structure, then, has instigated an entirely new hierarchy of highlypaid managers, which does not exist when schools are organised under the oversight of their local authorities.

It can also be seen that the disparity in high pay becomes even greater between the two sectors, the further up the salary echelon the analysis goes.

The 50 academy trusts had 88 people paid at least £150,000 in 2021-22. That means that each had on average nearly two people paid that amount, even though government ministers said^{xix}, five years ago, that such amounts should only be paid out in "exceptional" circumstances. (The DfE's now-much-weaker approach to high pay in the sector is discussed in more detail below). By contrast, the 10 local authorities had only 12 people paid at least such an amount across all the local authority maintained schools they oversee and the education officials they employ.

A salary of at least £200,000 for leading one of England's largest academy trusts is becoming routine: of the 20 largest trusts, 13 had a chief executive paid at least that amount, with the average pay sitting at around^{xx} £223,000. Across the 50 largest trusts, there were 26 cases of someone being paid at least £200,000.

By contrast, in the published accounts of the 10 local authorities, there was only one case of the £200,000 figure being paid for an official responsible for education. The top salary^{xxi} across the whole of these 10 councils, paid to any headteacher or education official, was £201,616, paid to Matt Dunkley, corporate director for children, young people and education in Kent. In 2021-22, Kent had some 95,000 pupils in its schools: nearly double the size of the largest academy trust. Yet within the 50 largest academy trusts, 19 people were paid above Mr Dunkley's salary, with the highest-paid: Sir Daniel Moynihan, chief executive of the Harris Federation, receiving £455-£460,000 in 2021-22. In fact, the *average* pay of the highest-paid person, within England's 50 largest academy trusts, was £202,000, or the equivalent of the *highest* figure for any employee within the 10 local authorities.

Differences in outlay on management between the two sectors are also underlined by considering how much individual large trusts are spending on senior pay, compared to

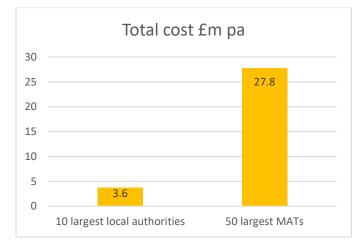


individual local authorities. The largest academy trust, United Learning, spent £25 per pupil on salaries of £130,000 or higher across its schools. At the second largest, the Harris Federation, the spend on such remuneration was the highest among the 50 largest trusts, at £97 per pupil. At the third-largest trust, Ormiston, it was £33.

By contrast, the corresponding per pupil figures at the three largest local authorities – Lancashire, Hampshire and Hertfordshire – were £1.22, £2.58 and £4.35 respectively. Collectively, looking at only the very largest trusts, the 10 largest spent £42 per pupil on £130k-plus managers, compared to only £4.17 per pupil among the 10 largest local authorities.

3 The total cost to the taxpayer of spending on high pay

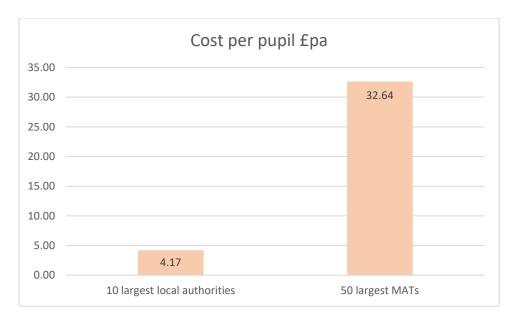
The impact of these differential approaches to high pay in either sector is considerable, when considering the overall amount of spending devoted to such salaries.



Graph 2. Total expenditure by 10 largest local authorities and 50 largest MATs (each responsible for similar numbers of pupils) on salaries over £130k pa.

The 10 local authorities spent a total of roughly^{xxii} £3.6 million on the salaries of employees receiving at least £130,000 a year. For the 50 academy trusts, the equivalent total was £27.8 million. That is eight times as much, in the academies sector, as was spent by the local authorities.





Graph 3. Cost per pupil per year of expenditure on £130k+ salaries in 10 largest local authorities and 50 largest MATS.

In spending-per-pupil terms, this translates as these 10 local authorities spending £4.17 on pay at the £130,000 or higher level, while the 50 academy trusts spent £32.64 on £130,000-plus salaries. This means that these large academy trusts are spending eight times more, per pupil, than the largest LAs on £130,000-plus salaries.

The differential in the overall amount of cash allocated to these salaries – a £24.2 million gap between spending in one sector, and that in the other - seems extremely significant. Imagine a situation in which the 850,000 or so pupils, currently educated in schools which are part of large academy chains, were organised not in these 50 trusts, as now, but in 10 local authorities, as is the case for the 875,000 pupils educated in the 10 largest authorities currently. If high pay were to follow the pattern that is seen in the local authorities, rather than in the MATs, and spending on highly-paid managers as currently seen in the MATs were to be reallocated along the lines it is in the LAs, there would be £2.4 million more for each local authority area to spend in the classroom.

Potential savings if spending on highly-paid managers followed the pattern currently seen in large local authorities, rather than large multi-academy trusts, are even more striking if the level of analysis is extended to cover all people paid at least £100,000 in either sector.

The 10 local authorities had 214 people paid six figures – at least $\pm 100,000$ – in 2021-22. This statistic includes headteachers of local authority schools as well as council officials. The total spend for these posts was ± 24.4 million.

By comparison, the 50 multi-academy trusts had 527 people paid six figures, spending £68.2 million in total on these posts. That is a differential of £43.8 million. This translates to a saving of roughly £4.4 million per local authority area, if these trusts were spending at the level of these large local authorities on six-figure salaries.



It is possible, also, to scale up this comparison across England, to work out the potential savings across the country, if spending on six-figure salaries were to be at the level of these large local authorities, rather than at that of the 50 largest academy trusts.

The 10 largest local authorities oversaw the education of just over one tenth of the 8.4 million pupils in state-funded schools in England in 2021-22. Multiplying those £43.9 million savings in those authorities, reflecting the lesser costs of six-figure education salaries within them compared to the situation in the 50 multi-academy trusts, by a factor of nearly 10, then, provides a figure for savings across England, were spending to follow the pattern nationally of the 10 largest local authorities, rather than that of the 50 largest trusts. The overall saving nationally, on this basis, comes out at £439 million. This reflects the differential between all schools being within local authorities spending at the level of the 10 analysed in this report, and a situation where all schools were in academy trusts spending at the level of the 50 trusts featured.

Readers may raise the question as to whether spending on high pay has shrunk, in the local authority sector, in the years of austerity since 2010, and if, in fact, there were relatively high numbers of highly-paid people overseeing maintained schools up to then, in the years before academies were introduced at scale. However, an investigation^{xxiii} by the author of this paper back in 2017, along similar lines to this one, comparing the number of six-figure salaries in large academy trusts in 2016 with spending in similarly-sized local authorities back in 2010, found the number on £150,000 or more had risen more than seven-fold over those six years. Therefore, it is not as if academy spending on high pay is in line with what might have been the case in the local authority sector up to 2010, before the advent of austerity. Instead, academy trusts are spending more on high pay than has been the case in the local authority sector, either now or up to 2010.

England has gone from having 150 local authorities, each led by a relatively small number of people paid high salaries, to having around 2,500 academy trusts, many of the larger ones of which have a management layer with individuals on high salaries, plus the 150 local authorities. An entire new cohort of highly-paid managers has therefore been created in England's education system.

4 Detailed comparison: Hampshire LA vs primary-only multi-academy trusts

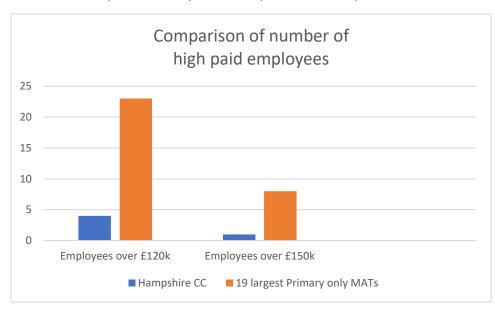
A more detailed example may underline this phenomenon. Hampshire is the second-largest local authority in England, judged by the number of pupils in local authority maintained schools in its area. By any metric, it appears successful: very few of its schools have taken the decision to leave its auspices to become academies, while few of its schools have current failing Ofsted inspections on their records. In 2021-22, its schools educated 138,336 pupils.

In 2021-22, its accounts and a freedom of information request show that Hampshire had only four people paid at least £120,000.



Many of Hampshire's pupils will be in the primary sector, where salaries of at least £120,000 are very unusual. So, for comparison, this investigation looked at multi-academy trusts across England which consisted only of primary schools. (This is a subset of MATs nationally; many will have secondary schools, for example, as well as primaries). In such cases, given the above, it is likely that people paid at least £120,000 will either be very well-paid headteachers, or supervisors/managers/chief executives.

The accounts of the 19 largest primary-only academy trusts were looked at, since in total their pupil numbers came to 137,655: almost exactly that of Hampshire.



These 19 trusts had 23 people paid at least £120,000, and eight people paid at least £150,000, compared to only one such person in Hampshire.

Graph 4 Comparison of high paid employees in Hampshire CC and 19 primary only MATS, each responsible for similar numbers of pupils.

And these trusts were paying a total of £3.3m on individuals earning £120,000 or more, compared to a figure of only £526,000 in Hampshire.

England is therefore paying a high price as a result of having lots of relatively small organisations, in multi-academy trusts, each with relatively expensive leadership on average, compared to a smaller number of local authorities, whose leadership costs seem more modest.

5 Change over time

Pay increases for leading the largest academy trusts have been outstripping those for classroom teachers, an analysis of trust accounts and data based on the STPCD reveals.

For this comparison, the accounts of the 10 largest multi-academy trusts in 2021-22 were accessed, and the remuneration of the highest-paid person noted. Accounts for 2009-10 for



each^{xxiv} of these trusts were also accessed, to assess progress over time in payments to the top-paid person in each.

On average, the salaries of the highest-paid person within each of the 10 largest trusts rose by a minimum of 60 per cent over the period 2009-10 to 2021-22, with that average rise possibly being as high as 74 per cent, depending on where in the published pay band each individual's salary was.

Examples included the leader of Oasis Community Learning, whose salary more than doubled, from £100-£110,000 to £240-£250,000; that at Ormiston Academies Trust, where the gain was from £100-£110,000 to £213,000; and Sir Daniel Moynihan at the Harris Federation, whose salary in 2010-11 was at the time still a sector-leading figure of £243,000, but which had nearly doubled to £455-£460,000 in 2021-22.

By contrast, the pay rate for a teacher at the top of the classroom pay spine rose from £35,929 outside London, or £43,692 in inner London, to £41,604 outside London and £50,935 in inner London over the period 2009-2010 to 2011-2022. These are gains of just 16 to 17 per cent.

This means that the pay of the leaders of these 10 largest trusts increased by around four times that of experienced teachers in England over the period.^{xxv}

Academy leaders may argue that the sector has dramatically increased in size over the period. With multi-academy trusts such as these large ones then also growing substantially, the argument would be – and it seems likely that this is taken into account by trust boards when setting their chief executives' remuneration – that pay should grow to reflect this. That is, these leaders went from overseeing a relatively small number of schools, to larger groups.

However, such arguments seem to build into the system inflated expenditure on trust leader salaries overall, as we move from a situation where organisations were relatively small, to one where they were larger, but still not that large by comparison with the past organisation of schools under local authority oversight, or indeed with the size of larger local authorities now. If a chief executive started out on a relatively high salary to lead a small number of schools, and those numbers then increased, then the cumulative effect of this is to push up spending on leadership as a whole. And yet, as we have seen, multiacademy trusts remain relatively small when compared to larger local authorities, which still oversee many schools. However, as we have seen, the pay of academy trust chief executives has already surpassed that of the directors of education of even the largest local authorities.

6 Spending on high pay all the way through the academies system, including in smaller multiacademy trusts

If the picture on high pay is clear when comparing the larger multi-academy trusts to that of local authorities, with the former generally having a much higher-paid leadership structure, it is slightly more nuanced when the smaller trusts are considered.



To analyse spending on high pay within these smaller trusts, the following methodology was adopted. All trusts in England were ranked by their pupil numbers: the number of children educated in their schools as of the DfE's latest published annual census, in January 2022. The spending of the largest 50 trusts has already been analysed. This investigation then investigated high pay in trusts ranked from 101 to the smallest, ranked number 2,635^{xxvi} according to size.

It would be extremely challenging to go through the accounts of every one of these trusts to access high pay data (this is not published in a spreadsheet by the DfE, although many other details of school spending are, at the level of individual institutions). So a *sample* of the accounts of these smaller trusts was looked at. Specifically, one in every five trusts saw their accounts checked, moving down the rankings by size so that every fifth trust had its accounts accessed.

The findings from this analysis showed that these trusts were spending more on high pay, on average, than were the large local authorities who feature in the analysis above. However, they were spending less on average than the largest multi-academy trusts.

These smaller trusts, educating a total of 699,034 pupils, had a total of 87 people paid at least £130,000. This was much higher than the comparable figure of 24 people paid at this rate among the 10 large local authorities, even though the latter had more pupils within their auspices, at 874,198. But that figure of 87 for the smaller trusts was only just over half the total of 167 people paid at least £130,000 in the larger MATs, though the latter had only marginally more (21 per cent) more pupils under their care.

Similarly, there were 29 people paid at least £150,000 in this sample of smaller trusts, compared to 12 in the 10 large local authorities, and a relatively huge total of 88 in the larger MATs.

Organisation type	Pupils per £130k+ manager	Pupils per 150k+ manager
Large MATs	5,104	9,686
Smaller academy trusts	8,035	24,105
Large LAs	37,648	70,789

Table 3 comparison of LA and academy ratios of managers to pupil numbers

(Large LAs are the largest 10 local authorities, ranked by the number of pupils in schools they oversee. Large MATs are the 50 largest MATs, ranked by the number of pupils they oversee. Smaller academy trusts are trusts ranked from the 100th down, in terms of pupil numbers.)

To put these comparisons another way, there was one person paid £130,000 or more for every 37,500 pupils in the large local authorities; one for every 8,000 in the sample of smaller trusts; but one for every 5,100 in the larger MATs.

The differentials were higher at the higher salary level: one person paid £150,000 for every 71,000 pupils in the large local authorities; one for every 24,100 in the smaller MATs; but one for every 9,700 in the largest MATs.



7 As trusts get bigger management costs increase

It is possible to look at this in more detail, working our way through the trusts by size, starting with the largest.

For trusts with more than 10,000 pupils, overall there was one employee on £130,000 or more for every 5,844 pupils; for trusts with 5,000 to 10,000 pupils there was one for every 7,639 pupils; for those with 1,000 to 5,000 pupils there was one such manager for every 7,961 children; and for those with fewer than 1,000 pupils, there was only one such highly-paid person for every 25,394 pupils.

No. of pupils in trust	Pupils per manager over £130k
10,000+	1:5,844
5,000-10,000	1:7,639
1,000-5,000	1:7,961
Below 1,000	1:25,394

Table 4 Ratio of pupils in trust to managers earning over £130k pa

Therefore, the larger MATs are spending more per pupil on highly-paid managers than are the smaller MATs. Trusts' overheads on highly-paid managers, then, seem to rise as trusts get larger.

This finding comes in contrast to an often-heard claim, from the multi-academy trust sector and also from the DfE^{xxvii}, that trusts benefit from economies of scale as their size increases.

But it does tally with the finding of research into relative costs of the trust and local authority sectors. In "Understanding the Middle Tier: Comparative Costs of Academy and LA-Maintained Sectors^{xxviii}," published in 2019 and commissioned by the Local Government Association, Dr Sara Bubb, Jonathan Crossley-Holland, Julie Cordiner, Dr Susan Cousin and Professor Peter Earley found that per-pupil costs were higher as trust size increased.

Their study analysed the costs of a range of functions carried out by "middle tier" organisations, which sit between the school and national government, ie local authorities, for maintained schools, and trusts, in the academies sector. These functions were listed as "governance, improvement, finances and support services".

The report concluded: "Large MATs might be expected to gain from economies of scale, but the figures do not support this. As an analysis of income and expenditure shows, academies belonging to large MATs (11+ academies) had the highest cost per pupil. In the primary sector they were 6.5% higher than in a medium size MAT (6-10 academies) and 7.7% higher than in a small MAT (2-5 academies). In the secondary sector, the difference was 10.4% higher than a medium MAT and 11.9% higher than a small MAT."

This research added: "The high costs per-pupil suggests that large MATs have a disproportionately greater number of leadership posts. Secondary academies in large MATs



have proportionately more leaders: 132.1 pupils per leader compared to 145.4 pupils per leader in LA schools."

8 Investigation of high pay in some smaller academy trusts

The pattern of high pay in smaller academy trusts seems to be one of lower numbers of highly-paid individuals in general, than that seen in the larger trust sector. However, the smaller trust sector has some interesting outliers, whose existence seems to underline the lack of regulation of high pay throughout all academy trusts.

It is possible to imagine what is going on in trusts of, say, smaller than 1,000 pupils. Generally, the accounts data for this investigation suggest that most of these smaller organisations do not have many, if any, highly-paid managers.

Of 203 such trusts in our sample – those with fewer than 1,000 pupils whose accounts we looked at – 82 per cent, or more than four out of five – did not have any employee paid more than £100,000. Only three of the 203 had someone paid at least £130,000.

Generally, then, these will be single academy trusts – covering only one school, or small groups of perhaps up to three primary schools or a few special schools. On average and for most trusts, they are not paying high wages for a supervisory function beyond the level of headteacher.

However, the fact that pay is essentially unregulated in the academies sector means that there will always be exceptions. In fact, salaries of £150,000 or more are paid in some small trusts, even in cases where there were fewer than 1,000 pupils in the organisation.

In January 2023, the DfE published^{xxix} a list of trusts paying at least one person £150,000, or more, in pay and pension costs. Cross-checking this against pupil numbers in each trust reveals a minority of trusts paying high salaries despite small numbers of young people in their care.

For example, Charlton Park Academy, a special school in Greenwich, south-east London run as part of a single academy trust, paid its principal Mark Dale-Emberton £190,000 to £195,000 in 2020-21, and £170-£180,000 in 2021-22, with accounts stating that his salary included payments of £40,000 to £45,000, in 2020-21, and £20,000 to £25,000, in 2021-22, for "covid and additional duties". As mentioned above, the highest figure that any headteacher in the maintained sector would usually be paid, under the STPCD, in 2021-22 was £125,098.

Marcus Huntley, principal and accounting officer for the Compass Schools Trust, which consists of just one small free school in Southwark, South London, received £125,000 to £130,000 for both of the past two academic years, its accounts show. Yet the school had just 386 pupils as of January 2022. It appears that the size and location of this school would see its leader paid only up to £87,000 if it were in the maintained sector, again under the STPCD for that year.



And a trust called the Community First Academy Trust, which runs just one primary school in Wigan, Lancashire, of 472 pupils, paid its principal Sue Darbyshire £130,001 to £135,000 in 2020-21, and £135,001-£140,000 in 2021-22, its accounts show. In the maintained sector, the STPCD suggests she would have been paid up to £73,559 in 2021-22.

Those leading small trusts, including single academy trusts, may have more responsibilities than their counterparts in the maintained sector. They are, for example, accounting officers for the trust with the accountability that that involves, and by definition they do not enjoy the support of a larger organisation as would happen in a local authority. Even if such pay were to be justified on such grounds, however, questions would persist over the cost of potentially many leaders of small organisations in this way: the overall national overhead associated with such an approach would be very large.

The question also arises as to the effect of such large pay at the top on individual institutions of this size. If someone is being paid, for example, £50,000 more than would be the norm in the local authority sector, the disparity might fund an extra teacher for each of these schools.

The overall picture on smaller trusts, then, of generally not very many of them funding high pay for managers, but with a few notable exceptions, seems to underline the lack of salary regulation across the academies sector. *On average*, leadership or management pay within the smaller trusts is higher than in the local authority maintained sector, though often not excessively so. But there is no guarantee that this will be so in all cases. Where it is not, the implications for school budgets could be significant.

9 Would replacing local authority schools with trusts of say 7,500 pupils really be economically sensible?

Given the above analysis, it follows that the DfE's still-favoured approach to the organisation of England's schools – moving them all into reasonably large academy trusts – will increase management overheads substantially.

The DfE's schools white paper, published in March 2022, set out its aspiration that, by 2030, every child would be in a school which would be "in a strong multi academy trust or with plans to join or form one". Specifically, "we expect that most trusts will be on a trajectory to either serve a minimum of 7,500 pupils or run at least 10 schools"^{xxx}.

Such a target will come at a seven-figure cost, in terms of extra management overheads for each of the large local authority areas whose schools would have to leave their auspices to join such trusts, this investigation has found.

To investigate the implications, in terms of schools' future likely spending on management, of such a pledge, this investigation's first objective was to find out what trusts of roughly the size now being set out as an aspiration by the government were spending on high salaries.



So we looked at the 2021-22 accounts of trusts which, as of 2021-22, were educating between 7,000 and 8,000 pupils. These trusts are currently among the larger ones in England, ranked 80 to 99 in terms of size, when considering the pupil numbers of all chains.

Their accounts show that, together, the 18 trusts for which accounts were available^{xxxi} had 91 people paid at least £100,000 a year, 24 paid at least £130,000 and eight people – so almost one for every two of these trusts – paid at least £150,000 a year.

We then looked at average spending at each of these high pay benchmarks, for these trusts. Each trust spent, on average, £382,000 on salaries of £100,000 or more; £139,000 on people paid £130,000 or more; and £78,000 on those paid at least £150,000.

The average size of these trusts, in pupil number terms, was 7,625 pupils.

We then looked at the two largest local authorities in England. In 2021-22, Lancashire and Hampshire oversaw local authority schools educating 141,731 and 138,257 pupils respectively.

Accounts show that Lancashire – its schools and the local authority education officials in charge of overseeing them - had, in 2021-22, 17 people paid at least £100,000; only one paid £130,000 or more; and one on £150,000 or more.

Hampshire had, in 2021-22, 28^{xxxii} people on £100,000 or more; two on £130,000 or higher; and only one on £150,000 or more.

In terms of pupil numbers, Lancashire could fit in 18.6 trusts of the same size as our sample above – each of them with 7,625 pupils – if its 141,731 children were to be allocated to this size of trust. For Hampshire, the corresponding figure was 18.1 trusts.

Multiplying the average number of highly-paid people in each of our trusts by these numbers – 18.6, for Lancashire, and 18.1, for Hampshire – yielded the following results.

Lancashire's schools, if divided into trusts spending on high pay in the same pattern as trusts for 7,000-8,000 pupils currently do - would have 94 people on £100,000 or more; 25 on £130,000 or more; and eight on £150,000 or more.

But the local authority's actual current high spending figures are, as above, 17 people at the £100k level; one at £130,000 and one at £150,000.

As for Hampshire, its schools would have 92, 24 and eight people at each of the high pay benchmarks, were they to be divided into trusts sized as the government recommends and spending at current rates. This compares to the county's actual current figures of 28; two; and one.

It follows that the amounts spent on highly-paid managers in the two counties would rocket if their schools were divided into trusts of the government's favoured size. If Lancashire's schools were to be divided into such trusts, their spending on people paid £130,000 or more would soar from£176,000 to £2.6 million. This is a near 15-fold increase, and a £2.4 million rise. So the county's education system would be paying more than £2 million extra – money



that could have been spent in the classroom – on highly-paid managers, this analysis shows. Effectively, instead of paying one person £175,000 or so to oversee a large group of state-funded schools, the government's favoured MAT set-up would be funding 25 people, each on at least £130,000, to lead smaller organisations, plus other administrators paid at least £100,000.

In Hampshire, the differential would be nearly as great. In terms of people paid £130,000 or more, organising its schools into trusts in this way, if current management spending patterns were to continue, would end up costing £2.5 million, compared to the actual current spent of £356,000. That is a differential of £2.1 million. Again, this appears to be money that would be lost to classrooms if it was decided to form the schools into trusts, each of which would be substantially smaller than the local authority, and each of which, the evidence of academy accounts suggests, have higher overheads on management.

This investigation also looked at what would happen, in terms of management costs, if all of England's remaining local authority maintained schools were turned into academies within multi-academy trusts of around 7,500 pupils. Assuming that the local authority schools currently pay £28 per pupil on people paid £100,000 or more, as was the case in 2021-22 in the 10 largest LAs in England, and that this would increase to £50 per pupil, as happened in 2021-22 in trusts of 7-8,000 pupils, the amount spent on six-figure salaries would increase by £78 million, moving from the local authority structure for these schools to the government's favoured one of having them in MATs of around 7,500 pupils.

Within that figure of £78 million, costs for managers paid £130,000 or more would rise by £49 million from the local authority structure to one of having the schools in MATs of the government's favoured size.^{xxxiii}

It might be tempting to think, in response to this, that the answer would be simply to form larger academy trusts – perhaps having ones approaching the size of today's largest local authorities. After all, the DfE's white paper did not specify that trusts always had to be of the order of 7,500 pupils in size, only that this was its minimum recommended size. In other words, they could be larger. Would it not be more efficient, in management terms, to organise schools in larger trusts, to benefit from economies of scale?

However, as the analysis of this paper shows, in fact such economies seem not to exist^{xxxiv}, in terms of trusts' spending on highly-paid people. In fact, as trusts get larger, their per-pupil costs on such managers *increase*, rather than decline. And, as stated above, in fact if schools were to be organised into trusts of the size of England's 50 largest academy chains, and if spending on high pay were to follow the pattern currently seen in these trusts, the country would face an extra bill of more than £400 million on six-figure salaries for managers.

So it seems to be the very nature of multi-academy trusts, certainly when they get to the size that the government recommends, that they substantially increase costs spent on management, relative to organising schools under local authorities.

The argument as set out in this report is not that academy trusts across England are necessarily deliberately overspending on high pay for their managers. In the absence of a



national pay structure for senior management within academy trusts, a new norm has been established within the education sector of senior pay which is substantially higher than it was when state schools were entirely overseen by local authorities. Individual academy trusts may be, in effect, engaged in a race to the top on senior pay, which has the effect of taking money out of the classroom with no evidence of any definitive improvement in quality as a result.

10 The absence of DfE regulation on high pay

As of five or so years ago, the DfE was at least trying to tackle what ministers themselves said were in some cases "disproportionate" salary increases for academy trust leaders. In 2018, Damian Hinds, the Education Secretary at the time, said^{xxxv} that "pay needs to be proportionate – and pay rises for non-teaching staff should not exceed that awarded to teaching staff. And where salaries aren't justifiable – we will say so."

That statement, in June 2018, had come three months after the Public Accounts^{xxxvi} Committee's warning that "unjustifiably high salaries use public money that could be better spent on improving children's education and supporting frontline teaching staff".

In July 2018, Lord Agnew, academies minister at the time, had said^{xxxvii} that salaries of more than that paid to the Prime Minister – at the time this was in the region of £150,000 – should only be awarded "in circumstance of exceptional performance and leadership".

As of 2017 to 2019, the DfE was writing to trusts in cases where at least one person was paid £150,000 per year, or at least two were on £100,000 or more, asking for justification. However, in 2020 this work stopped, following a challenge from academy trusts about the data the DfE was using.

It appears never to have re-started. In February 2023, it was reported^{xxxviii} that a fresh DfE "crackdown" on high pay in the sector was to concentrate on "outlier" trusts. Described as "more proportionate" by the Confederation of School Trusts, which speaks on behalf of academy chains, this would work to find "outlier levels of leadership pay across similar academy trusts".

However, this represents a major watering-down of regulation in relation to high pay, since pay of more than £150,000 – and higher - for leading a trust is far from the case, now, only for "outlier" trusts but is routine across the larger ones, fresh analysis for this investigation underlines.

In 2017-18, as the DfE was launching its attempt to restrain top pay in the sector, accounts for the 20 largest MATs revealed^{xxxix} that, already at that point, all but two of them had at least one person paid £150,000 a year. At seven of those 20 trusts, the top-paid person was on £200,000 or more.

However, fast forward to the accounts of the largest trusts four years later, and the ineffectiveness of the DfE's intervention can be seen. This investigation looked at the top pay for the 20 largest trusts in 2021-22.



As had been the case four years previously, all but two of them were led by someone paid at least £150,000. But the number of £200k-plus organisations had risen to more than half of them: a total of 13. And the average top pay at the 20 largest trusts rose 12 per cent over that period, from £199,000 to £223,000. By comparison, teachers at the top of the classroom pay spine at maintained schools in England saw their salaries rise only 7.6 per cent over this period.

Therefore, for the leaders of these larger trusts, pay much higher than the previous DfE cutoff point for intervention has become standard practice. And a focus on "outliers" would, then, by definition not tackle relatively high pay across this part of the sector as a whole, since *all* had, on average, shifted up. Regulation is not nearly strong enough to rein in large multi-academy trusts' relatively high spending on management pay, as documented through this investigation.

11 How are MATs funding their highly-paid management functions?

Academies and local authority maintained schools are supposed to be funded at the same level. As the DfE puts it^{x1}, "The Education and Skills Funding Agency (ESFA) funds academies (including free schools, university technical colleges and special academies) on the same basis as maintained schools."

That is: pupils in each of the sectors are supposed to attract a certain level of funding, adjusted for multiple factors including age and disadvantage, so that there is no financial benefit, in schools' core budgets at least, from attending a school in one sector or another.

If academies – and particularly those in larger multi-academy trusts - are spending more on management than the maintained sector does, then, how is this afforded?

Given that most spending in schools goes on staff, the logic of this investigation is that the extra outlay on management in the academies sector comes from it spending less than the maintained sector on pay for teachers below the level of headteacher, and on education support staff.

Bubb et al's investigation found that, overall, spending on staff was 18 per cent higher per pupil in the academies sector compared to in maintained schools. This was partly explained by the fact that the secondary sector, where costs are higher because of smaller class sizes, subject specialisms and more management roles, has a much higher proportion of academies than is the case for primary schools.

The Bubb et al report also pointed out that a breakdown of spending, which would have enabled an understanding of how much of that disparity was down to leadership costs, as opposed to the salaries of classroom teachers, was not possible. This is because DfE datasets – those providing information on the teacher workforce in individual schools (the workforce census^{xli}), and details of expenditure in a range of categories, again for each school (financial benchmarking data^{xlii}) – "did not provide information on the costs of executive leaders who were not teachers".



However, Bubb et al said the fact that the DfE had written to trusts with high levels of executive pay "strongly suggests that executive pay levels are part of the differential". The Bubb et al report also found that expenditure on education support staff was 20 per cent lower in academies than in local authority schools. Again, this might support a hypothesis that higher spending on management in the academies sector was being partly paid for from lower spending on individuals working in classrooms to support pupils, such as teaching assistants.

Even though the DfE's school workforce data does not allow for the analysis of spending on central leadership within academy trusts, what is analysable has shown, in the recent past, how academies spend relatively more on school-level headteachers than do maintained schools, but less on classroom staff.

An analysis^{xiiii} in 2020 of that DfE workforce data found that academy headteachers in the primary sector were paid £67,382 in 2019-20, compared to local authority maintained school heads of primary schools, who received only £66,062. This was a £1,320 difference, In the secondary sector, there was a positive differential for heads in academies of £911: £93,639 for academy heads, versus £92,728 for maintained school heads.

By contrast, classroom teachers in primary academies were paid £34,846 on average, which was £1,271 short of the £36,117 their counterparts received in the primary local authority school sector. Similarly, the figure of £39,488 paid on average to classroom teachers in secondary local authority schools was £1,069 higher than that received by their counterparts in secondary academies.

This would support the warning of the Public Accounts Committee: that relatively high management costs in the academies sector are being paid for by lower outlay on classroom staff. That is, the academies policy appears to be producing a shift in spending away from classrooms, towards management.

It could be argued that this is important not just in terms per se of a shift in resourcing – away from classrooms and towards management/supervision/head office. It may also be subtly shifting incentives, for example, in considerations of whether maintained schools should become academies. If managers stand to gain, in salary terms, from such moves, a concern is that this could drive conversions of maintained schools into academies. Certainly, such speculation is far from unknown^{xliv} at the school level, among communities which have campaigned against academisation.

12 Another level of bureaucratic spending: DfE Regional Directors

If the academy trust structure itself seems to be loading extra costs on England's schools, in terms of highly-paid managers, there is also another level of bureaucratic oversight, introduced because of the academies policy, which needs to be considered.

In 2014, with the number of academies having grown into the thousands following Michael Gove's rapid expansion of the policy, the Education Secretary eventually bowed to pressure that there needed to be a new supervisory tier, to monitor these newly-created institutions.



The argument was that it was impossible to oversee thousands of schools from one centralised Department for Education – a role traditionally carried out, of course, by local authorities – and that some new "middle tier" structure was therefore needed. The DfE therefore came up with the concept of Regional Schools Commissioners. These were DfE officials who would supervise academies in eight areas of England. In July 2022 these posts were renamed as "Regional Directors" and the regions rejigged, although there are still eight of them, covering the whole of England between them.

Regional Directors are responsible for intervening in academies which are struggling, as well as making local-level decisions about the growth of academy trusts, and about changes to provision including the establishment of new schools. They also oversee the forced conversion of maintained schools into academies, in cases where the former have fared badly in Ofsted inspections, and the voluntary conversion of maintained schools where this is the choice of the institution's governing body.

This supervisory tier has become quite extensive, in terms in manpower, this investigation has revealed, as each Regional Director's office is staffed by scores of civil servants. In response to a Freedom of Information request, the DfE revealed that, as of December 1st, 2022, there were 555 staff working across the Regional Director's eight offices, or 533 full-time equivalent staff. This equates to an average of 69 people – or 67 full-time equivalents – for each of the regions. Of course, this comes with a cost. The total predicted forecast cost of this workforce for the 2022-23 financial year was £33.7 million, the DfE's FOI response showed.

This is an extra cost to England's schools system which did not exist in the pre-academy era, and would not exist if there were not academies. Previously, supervisory functions were carried out by local authorities, with the DfE not getting involved in the detail of schools' operations in this way. So the extra cost of the Regional Director structure needs to be added to the additional management overheads associated with multi-academy trusts, in assessing extra spending associated with the current organisational structure of schools in England.

The democratic deficit within academy governance

The findings of this investigation, on spending on management and oversight as a result of the academies policy, should play a part in a wider discussion about academisation as a whole. Other debating points about the way the policy currently operates are beyond the scope of this paper to discuss in detail. However, we do outline here some contentious aspects, which a future incoming government could consider.

Arguably the most important aspect to grasp about the policy as it has developed runs as follows. Academisation morphed, without meaningful national debate, in 2010, from being an approach for a very small number of schools in particular circumstances to being the Government's preferred structure for all state-funded schools in England.



The policy had originated with individualised, privately-agreed contracts between the Department for Education and academy trusts, governing how each school could operate. Individual academy boards could set staff pay. Academy trusts can, and many do, choose to match the pay and conditions for their teachers as set out for local authority maintained schools by the government. However, as we have seen, there is no such pay structure for school managers. Individuals and their associates were allowed to take control of schools by taking charge of academy trust boards. Schools could control their own admissions policies for pupils, subject to local authority and DfE regulation. And local democratic influence over schooling, which had hitherto been the foundation of England's system, was made minimal in relation to these institutions.

Controversial as the academies policy nevertheless already was before 2010, the above may have made some sense when radical solutions were being sought for a small number of schools which had struggled for many years. It should have been seen as much more controversial, however, when put forward – as, effectively, Michael Gove did in 2010 -as the favoured model for all state-funded schools.

In 2022, the DfE acknowledged that there was a need to look at some of these structures now that the number of academies stood at not a couple of hundred – around one per cent of the total number of state-funded schools in England – but at 10,000 or approaching 50 per cent. It introduced into the House of Lords a schools bill, whose first 18 clauses were an attempt to give central government the chance to intervene in academies in all aspects of their operation. The bill, however, faced, opposition on all sides in the House of Lords, before being abandoned in December 2022.

For all the controversy in the Lords about the structure it laid out allowing the government greater intervention powers in the Schools Bill, it had not directly addressed aspects of the academies policy which, when applied at a national level to thousands of schools, should be seen as intensely controversial.

For the policy has demonstrable weaknesses around transparency, control and democratic influence. On transparency, parents and local communities have no rights to attend the decision-making meetings of academy trust boards; of local governance committees for individual schools; or of the deliberations of boards advising the DfE's regional directors, on issues as fundamental as whether individual schools stay open or close, or are transferred to a new trust with a different ethos. At the trust level, there is not even a requirement for board minutes to be published on websites.

On control, the ability of unelected individuals or their friends to control groups of school through appointing the directors of academy trust boards, which was a feature of the pre-2010 academies policy while it operated through a small number of schools, has continued as the policy has grown. England's second-largest academy trust, the Harris Federation, with 52 schools, is controlled by its titular "sponsor," Lord Harris of Peckham, with its constitution stating^{xlv} that that control will pass to family members when he dies. In 2019, an investigation^{xlvi} for the openDemocracy website found that more than 100,000 pupils



were in schools controlled by wealthy business people – many of them Conservative Party donors – through multi-academy trust governance structures.

On democratic influence, locally-elected politicians have little say over how academies operate, since the schools are funded and overseen not by local, but by central government. This means parents have little recourse to local advocacy when they have concerns. Decisions over the future of schools, including whether or not they close, which previously would have gone through locally accountable, public processes under the local authority structure, are now taken privately by trusts and the Department for Education. Remarkably and, for those affected by these decisions, very disappointingly, the DfE's regional directors, who are empowered to decide whether schools continue as maintained or academy; whether they stay open or close; or which academy trust controls their ethos, are not formally answerable to any local community.

The DfE sought, with the 2022 Schools Bill, greater powers to intervene in academy trusts, to ensure, as it saw it, that minimum standards could be guaranteed across the sector. But this would have represented merely a changing of the balance between the two parties who dominate influence over what goes on in academies – the individual academy trust and the DfE. Left outside of any meaningful influence, still, would be parents, pupils and local communities.

A fundamental redressing of the policy should start with an acknowledgement that schools exist for the benefit of their communities. Such an understanding would provide guaranteed rights for those communities – to information, organisational influence and meaningful democratic representation –through the way the organisation of schools is set up.

There is a case, too, for an inquiry into whether the effective ending of local management of schools, whereby headteachers and individual school governing bodies took strategic decisions, with local authorities overseeing their operations in the background, through the multi-academy trust structure in which strategic decision-making proceeds via a central head office and board, has been a positive development.

Conclusion/discussion

This investigation has found major disparities between spending on management within England's multi-academy trusts and that of the local authority maintained schools sector. Spending on highly-paid managers in the larger MATs is such that, were the schools to be organised instead, as they used to be, under local authorities, there would be savings running into the millions of pounds for each local authority area, and many millions of pounds nationally. Further, the DfE's stated intention that all schools should eventually join multi-academy trusts stands to cost a similar amount of money for each local authority area where schools are academised, by creating many more highly-paid administrators, with consequent negative effects on classroom-level spending.



The academies system has also created another layer of administrative cost, through the formation of Department for Education regional directors' offices, which as of 2022-23 stand to employ more than 500 people at an annual cost of £33.7 million.

All of this costly extra infrastructure has not come with any net benefit for pupils, as there is no definitive evidence that academies provide a better quality of education, overall, than do local authority maintained schools.

And fundamental questions about whether the structures governing how schools operate, from their control to the rights of parents, pupils and school staff and governors have not been meaningfully addressed as the number of academies has grown.

Those in charge of this system – either this government or, if and when it comes, a new government – should therefore, in the short-term:

- Instigatea detailed, open-minded review of the cost effectiveness of the MAT model. This should raise searching questions about any extra spending away from classrooms;
- Recognise the cost-effectiveness of local authority maintained schools in terms of management costs, if this is confirmed by such a review;
- Ensure that all schools, including academies if they are to continue to exist, have to follow a national pay structure as operates in the maintained sector;
- Extend the national pay structure to cover all management positions within the schools system, from academy trust chief executives downwards;
- Review academy trust control structures, such that it becomes impossible for individuals to control trust boards.
- Review the academies and maintained schools systems to enshrine parental and community rights to information about the detail of strategic decisions taken in relation to the schools on which they depend. This would include the right to attend governing body and regional director advisory body meetings, and to access detailed decision-making papers in advance of decision-making.
- Review the policy of replacing local management of schools with decision-making, in academy trusts, at the level of groups of schools.
- Give local authorities responsibility for place planning, including the creation of new schools, and the closure of those no longer needed.
- Allow schools to return to local authority control.

In the longer term, political decision-makers should review the academies structure from first principles, asking whether it is the right vehicle for ensuring publicly-funded institutions are answerable to the people who depend on them and who pay for them. Schools, in the end, should be subject to local democratic accountability, and be answerable to their communities, rather than to national politicians and unelected trust directors.

Endnotes



ⁱ House of Commons Committee of Public Accounts: Academy schools' finances: Thirtieth Report of Session 2017-19:

https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/760/760.pdf ^{II} The pay to which the Prime Minister at the time, Boris Johnson, was entitled in 2021-22 was £161,868, coming from a combination of his salary as PM and his pay as an MP. See

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file /1027301/Salaries_of_Members_of_Her_Majestys_Government_-_Financial_Year_2021-22_-_Publication.pdf and

https://www.theipsa.org.uk/mps-pay-and-pensions

ⁱⁱⁱ Labour's academies were created mainly in the secondary sector, with just a few "all through" institutions set up, featuring primary as well as secondary sections. There were no primary-only academies before 2010.

^{iv} As of February 2023, the proportion of England's state-funded schools which were academies stood at 47.3 per cent. Source: https://www.gov.uk/government/publications/open-academies-and-academy-projects-in-development

^v Source as above.

vi "Opportunity for all: strong schools with great teachers for your child"

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file /1063602/Opportunity_for_all_strong_schools_with_great_teachers_for_your_child__print_version .pdf

_.pdf ^{vii} Schools Week: "DfE ditches two key academy proposals," 09/02/23

https://schoolsweek.co.uk/dfe-ditches-two-key-academy-proposals/

viii "The impact of academies on educational outcomes," Education Policy Institute, July 2017.

^{ix} "School performance in academy chains and local authorities – 2017," Education Policy Institute, June 2018.

^x "Council schools get better Ofsted ratings than academies, report finds," Local Government Association website, 23/05/19 <u>https://www.localgov.co.uk/Council-schools-get-better-Ofsted-ratings-than-academies-report-finds/47473</u>

^{xi} "No proof forced academisation worth it, DfE admits," TES 16/05/2018

^{xii} The closest the DfE currently comes to such an approach is guidance to trusts, published in 2019, on executive pay. But this includes no hard or even suggested salary points, but only a set of 20 points for trusts to consider. "Setting executive salaries: guidance for academy trusts," DfE, 09/07/19: https://www.gov.uk/government/publications/setting-executive-salaries-guidance-for-academy-trusts/setting-executive-salaries-guidance-for-academy-trusts

^{xiii} Even this figure should be reached in relatively few cases, under the STPCD: a school leader would need to be leading a large secondary school in central London to be in this highest band of pay in 2021-22. Governing bodies do have discretion to go beyond such a ceiling in the national structure; evidence from local authority accounts suggests this happens rarely, although the occasional salary well above this figure is not unknown.

^{xiv} House of Commons Committee of Public Accounts: Academy schools' finances: Thirtieth Report of Session 2017-19:

https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/760/760.pdf

^{xv} Carly Waterman, executive principal of Lodge Park Academy, Northamptonshire, until November 2022, speech to annual conference of researchED, 3/09/22:

https://www.educationuncovered.co.uk/news/158756/mat-headteacher-raises-questions-aboutcentralised-model-as-school-leadership-suffers-an-identity-crisis.thtml Ms Waterman has since moved on to a position at the Ambition Institute.



^{xvi} The "remarkable" Academies Enterprise Trust and its extraordinary job titles for executives," Education Uncovered 25/01/23

https://www.educationuncovered.co.uk/news/162711/the-remarkable-academies-enterprise-trust-and-its-extraordinary-job-titles-for-executives.thtml

^{xvii} Parental concerns about the management structure at Astrea were raised with the author, following local coverage about a community's unhappiness with behaviour rules and curriculum decision-making. (See "St Ivo Academy: Children 'living in fear' over school policies," The Hunts Post, 07/03/2023:https://www.huntspost.co.uk/news/23366903.st-ivo-academy-children-living-fearschool-policies/) Parents were confused as to where decision-making accountability lay, and about cutbacks at school level.

xviii The methodology behind the local authority numbers used here was as follows. First, DfE data were analysed to come up with a list of the 10 largest local authorities in 2021-22, based on the number of pupils in LA maintained schools for each local authority area, so not including any pupils educated at academies within that LA area. Second, the 2021-22 accounts for each of these LAs were accessed. These provide data on spending on salaries above £50,000 for all employees in each council area: all council officials and also staff in schools, for schools overseen directly by each council. Third, Freedom of Information requests were made to seek data on the salaries of council officials working only in children's services departments or their equivalent. Fourth, because pay data for staff working in foundation or voluntary schools which, while LA maintained, are not directly overseen by each council, is not included in local authority accounts, statistical adjustments were made. That is, the number of pupils in foundation/voluntary schools in each local authority area were noted, and the number of highly-paid individuals working in schools in each local authority area, as listed in their accounts, were scaled up to include expected extra numbers working in the foundation/voluntary sector, which had not been listed in the accounts. These final totals, then, reflect the data in accounts and FOI responses, scaled up to reflect additional high salaries in the foundation/voluntary schools which do not feature in council accounts.

xix "New DfE threat to academy chief' 'exponential' pay rises," TES 03/07/18:

https://www.tes.com/magazine/archive/new-dfe-threat-academy-chiefs-exponential-pay-rises ^{xx} Senior pay is usually only disclosed within bands in academy accounts, so it is impossible to be completely precise with such figures, depending where in the published band the actual amount is.

^{xxi} There was one other instance of £200k pay within the 10 local authorities, when all top pay packages were calculated on an annualised basis. This investigation looked at the reported pay for directors of children's services in the 10 local authorities. In cases where an individual had served for less than the full year in 2021-22, an annualised figure was generated, based on working out what the remuneration would have been, if they had served the full year. In one case, in Hertfordshire, the Executive Director, Children's Services, was paid £124,704 for seven months' work during 2021-22. This works out an annualised figure of £213,778. This annualised figure, and others where the senior official served for only part of the year, has been used in the LA tables and calculations used in this report.

^{xxii} This comes with the same caveat about precision, because of publication of remuneration only in bands. For the calculation of all such spending figures in this investigation, an assumption was made that actual pay was in the middle of the published band.

^{xxiii} "Dramatic increase in cost of school management under academies scheme," Education Uncovered, 19/10/17

^{xxiv} Except in two cases, where the trusts did not exist until 2010-11. In these two instances, the comparison of progress over time was based on comparing top pay in 2021-22 with what it had been in 2010-11.

^{xxv} This is calculated by comparing the percentage rate of increase of the remuneration of the 10 MAT leaders with that of the experienced teachers defined as above. The MAT leaders' pay increased by a differential of between 3.5 and 4.6 as much as that of the teachers, depending on



where, within the pay bands published in academy accounts, the MAT leaders' actual remuneration was.

^{xxvi} This is slightly higher than the figure of 2,435 academy trusts with at least one school, as published in the DfE's latest academy trust data

(https://www.gov.uk/government/publications/open-academies-and-academy-projects-indevelopment), dated February 2023. This is because some trusts used in the ranking by size above are trusts formed of non-academy schools.

^{xxvii} The 2022 white paper states: "Strong [larger] trusts...achieve economies of scale, sharing resources, centralising functions, and ensuring robust financial governance, in order to build resilience and save time and money to reinvest into education."

xxviii See: https://discovery.ucl.ac.uk/id/eprint/10079272/

^{xxix} https://www.gov.uk/government/publications/academies-consolidated-annual-report-and-accounts-2020-to-2021

^{xxx} As mentioned above, the DfE has reportedly since ditched this as a pledge, but the schools minister, Nick Gibb, said in a written Parliamentary answer in February 2023 that "over time, the Department would like all schools to be in a strong multi-academy trust." https://questions-statements.parliament.uk/written-questions/detail/2023-01-11/121149

^{xxxi} There were 20 trusts educating this number of pupils in 2021-22. Two of these trusts – Broad Horizons Education Trust and Loxford School Trust Limited - did not have 2021-22 accounts published when this investigation was carried out. The calculations here were accordingly carried out based on data from the remaining 18 trusts.

^{xxxii} In both these councils, almost all of those on six-figure salaries were school headteachers, rather than LA education officials. Lancashire had only one person paid more than £100,000 working for the council: its Executive Director for Education and Children's Services, on £175,925. All its other £100k+ people, all paid between £120-£125,000, were headteachers. Hampshire had three education officials paid between £100,000 and £115,000, plus its Director of Children's Services, on £172,271. All other £100k+ people were headteachers.

^{xxxiii} These numbers are smaller than the approaching half a billion extra spending on management within large MATs, compared to local authorities, which are quoted earlier in this report. This is because per pupil spending on highly-paid managers is lower within trusts of around 7,500 than it is in the largest trusts. And the smaller calculation is based only on the cost of moving LA schools which are not currently academies into a MAT sector consisting of 7,500-pupil trusts, rather than the differential at a national level between spending as it would be if all schools were in large trusts, versus within local authorities, spending on management as the largest LAs currently do.

^{xxxiv} Even if such economies of scale did exist, other arguments against very large multi-academy trusts would likely to be made by critics. Remoteness from communities, given that academy trusts are controlled by a central board, is a criticism that can be levelled at the larger trusts as it is. Making trusts even larger would exacerbate such fears, with such chains of schools not subject to local democratic accountability as occurs in relation to local authorities currently.

^{xxxv}"Hinds promises crackdown on academy pay", TES, 09/06/2018

https://www.tes.com/magazine/archive/hinds-promises-crackdown-academy-pay

^{xxxvi} House of Commons Committee of Public Accounts: Academy schools' finances: Thirtieth Report of Session 2017-19:

https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/760/760.pdf ^{xxxvii} "New DfE threat to academy chiefs' 'exponential' pay rises, TES, 03/07/18 https://www.tes.com/magazine/archive/new-dfe-threat-academy-chiefs-exponential-pay-rises ^{xxxviii} "Academy CEO pay crackdown to focus on 'outliers'," Schools Week, 03/02/23 https://schoolsweek.co.uk/academy-ceo-pay-crackdown-to-focus-on-outliers/ ^{xxxix} "Revealed: 'exceptional' £150k-plus salaries are nearly ubiquitous for leaders of England's 20 largest academy trusts," Education Uncovered, 26/02/19



https://www.educationuncovered.co.uk/news/139076/revealed-exceptional-150kplussalaries-are-nearly-ubiquitous-for-leaders-of-englands-20-largest-academy-trusts-.thtml

^{xl} "Academies revenue funding allocations," DfE, as of 13/02/23:

https://www.gov.uk/guidance/academies-funding-

allocations#:~:text=The%20Education%20and%20Skills%20Funding,financial%20year%20for%20mai ntained%20schools.

^{xli} https://explore-education-statistics.service.gov.uk/find-statistics/school-workforce-in-england ^{xlii} https://schools-financial-benchmarking.service.gov.uk/Help/DataSources

^{xiiii} "DfE data show how academy headteachers are paid more than their local authority counterparts, but classroom staff earn less," Education Uncovered, 15/10/20

https://www.educationuncovered.co.uk/news/148156/dfe-data-show-how-academy-headteachers-are-paid-more-than-their-local-authority-counterparts-but-classroom-staff-earn-less.thtml

x^{liv} This is based on the author's coverage of academisation controversies over the past decade.

^{xiv} "Education's new royal family: how control of England's second-largest chain of academies will pass to the family of its founder upon his death," Education Uncovered, 07/11/19

^{xivi} "Revealed: the Brexit-backing businessmen taking control of England's schools," openDemocracy, 11/12/19