




Access to Achievement

Opening up good schools for all

by

Chris Lambert

ADAM SMITH INSTITUTE

Better 
education

PROJECT



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Foreword

The Adam Smith Institute's **Better Education Project** is a year-long programme developing policy proposals to raise school standards by bringing new ideas and diversity into the organisation and delivery of education in the United Kingdom. As part of that work, the Institute is publishing a series of reports emphasising the importance of customer choice and competition in the provision of tax-funded education.

In this paper, Chris Lambert, Director of Studies at a major Headmasters' Conference independent school, provides a clear commentary on the benefits of expanding parental choice in tax-funded education and provides an outline of the mechanisms to deliver it.

He argues that state-funded schooling has given us much to celebrate, but increasingly is seen as failing to deliver high standards and failing to provide choice and diversity in provision. Public opinion is demanding such improvements, and government, too, knows that reform is inevitable.

There needs to be a debate to identify how to deliver best value to pupils, teachers and schools. Specifically, the author recommends:

- abolition of the surplus places rule to allow successful schools to expand;
- abandonment of central control and bureaucracy, allowing teachers to teach and local heads to manage;
- a new mechanism to ensure that state funding follows the pupil to the school of their choice.

From these changes, particularly by attaching the funding to the pupil, new capacity will emerge, increasing competition and diversity and responding more closely to parents' wants — particularly those in deprived areas who cannot escape from today's restrictive and often inadequate state system.

Other papers to be published in this series during Spring 2002 tackle key subjects including the role of ICT and broadband connectivity in schools, the shape and content of the curriculum, funding and the role of vouchers as a mechanism for delivering parental choice, setting and maintaining standards, and alternative models for delivering state-financed education.

Matthew Young

Government in education — a catalogue of failure

Synopsis

Local-authority rationing means that parents have no guarantee of being able to send their child to the state school of their choice. Indeed, because of the 'surplus places' rule, the most desirable schools are oversubscribed but are not allowed to expand to meet their demand.

The problem is worst in the most deprived areas, where parents cannot afford to move to a better catchment area or to go private. The abolition of the assisted places scheme, flawed though it was, ended the last possibility of escape.

In response, the government set up Education Action Zones — but on such a limited and flawed model that they have provided no systematic answer to the problems facing state education. Meanwhile, the greater use of non-state service providers is thwarted by widespread but misguided criticism of 'education for profit'.

Parental choice among diverse education providers is the only solution. 'Charter' schools, funded by the state but independently managed by non-profit groups, may provide a solution in the UK, as they do elsewhere. The public is ready for such new thinking.

The end of the assisted places scheme

One of Labour's first acts when it came to power was to axe the Assisted Places scheme. Under this scheme, children of lower-income families could attend independent schools, with all or part of the fees being paid by the government (subject to a means test). At its peak, some 45,000 such places were created.

But while the scheme was laudable in its aim of broadening access to non-state education (indeed, an Adam Smith Institute report suggested that it should be trebled in size), it had some significant flaws. It focused high spending on relatively few pupils and was only open to the brightest pupils.

It may therefore have been right to scrap the scheme, but unfortunately it was not replaced by anything that gave fairer and broader access to quality education for lower-income families.

The barriers against parents' choice

The state has a statutory obligation to provide primary and secondary school places to all children of school age. Parents living within zones defined by their Local Education Authority (LEA) apply to a list of schools in this catchment area but as

Justesen (2002) points out, there is no guarantee that they will be accepted by their first choice of school. Indeed, LEA and government policies actually get in the way.

Government policy is that no 'surplus places' may be created in an area as a result of parents choosing one local school rather than another. The result is that many of the most popular schools have long waiting lists, while many other children are placed in alternatives that their parents are not happy with. Some parents who can afford it move house to be in the catchment area of a better school; others turn to the appeal process; and others, frustrated, send their children instead to independent schools where their desired outcomes are likely to be reached, albeit at a price.

This issue of parents having to place their children in schools that they regard as less desirable is by no means confined to economically deprived areas of the country, but it is perhaps most acute in them. In response, the government turned to private sector partnership as one method for trying to rejuvenate the schooling in these target areas, under a flagship scheme called the Education Action Zone.

The flawed basis of education action zones

Education Action Zones (EAZs) were designated in areas of economic deprivation, and in order to help generate 'radical' ideas for improvement, the school involved have been released from some of the statutory requirements over pay, conditions and curriculum.

But a cornerstone of the project is that the government has depended heavily on trying to attract private sponsorship to boost state educational funding. Why, though, should any company want to sponsor a project aimed at helping a poor-quality school system in an economically deprived area? For the positive publicity, to improve local staff morale, or because of its ethical standpoint?

Shared good practice and fresh expertise in the management of schools can have enormous benefits. But it is arguable whether the private sector can ever make an extensive or consistent difference when it is only on the outside looking in. When firms are seen as sponsors rather than investors, they have no real stake; they find it hard to justify the expenditure to their shareholders; they are less willing to take the

THE SURPLUS PLACES RULE

The surplus places rule is that (with some limited exceptions) no new school can be established in an area where there is already spare capacity. The purpose of this rule is to ensure that school facilities are fully employed and not duplicated unnecessarily, and that capacity can be planned and distributed fairly over the whole area.

However, the effect of the rule is that successful and popular schools become oversubscribed and cannot reproduce their success by starting new schools in the locality. Instead, parents are turned away and their children are forced into schools which, though they may be unpopular and unsuccessful, simply have spare places. It is like the state banning a busy restaurant from laying extra tables because there are spare places in an unpopular one next door.

Genuine innovation would require new schools to open and offer their successful formulae to parents. Taking over failing schools is not enough. Innovators have to be free to start afresh, take risks, and stand or fall on the basis of their performance.

risks inherent in 'radical' change; some have worried about the prospect of bad publicity if the zone fails. And often, there are just too few firms in deprived areas who have cash to spare. So it is not surprising that most zones significantly undershot their sponsorship targets.

The resistance against alternatives

The private sector has for a long time supplied specialist education services to LEAs (including all types of provision for Special Needs pupils). LEAs spend over £250 million a year on these private Special Needs contracts alone. But this has not aroused significant political indignation, since the contracts are all with not-for-profit bodies.

Furthermore, commercial profit-making groups do operate private contracts to supply administrative, maintenance and catering services: but this again is accepted as being outside the 'core' service of education.

Indeed, the role of the private sector in state schools is expanding, though slowly and grudgingly. Thus at the end of 1999 the government ordered the London borough of Islington to contract out its education services, following highly critical reports from the schools inspection body, OFSTED. Soon after, government money began paying private bodies to provide the educational consultancy services (effectively, how to better run state school systems) in the Abbey School in Surrey LEA, and in the London borough of Hackney. Today, there are at least seven major educational service companies providing direct consultancy services to the state.

But any moves in this direction face a barrage of criticism. Many in the teaching unions especially feel that such a basic fundamental public service like education should never be contracted out, and certainly not 'for profit'.

In fact, much of this criticism is misguided. Independent schools in this country do not operate to create profits. They retain perhaps 2% of their fee income to build up and invest in large capital projects, such as the development of ICT centres. But clearly, this is different from a true profit in that it is all reinvested in the school rather than being returned as a dividend to shareholders.

Interestingly, the Association of Teachers and Lecturers have stated that they would accept the concept of government-funded private contracts for education provision if it were on a not-for-profit basis. Effectively, this is similar to what has been done in other countries (such as the United States, Denmark, and New Zealand, already documented in Adam Smith Institute reports by Stephen Pollard and Mogens Kamp Justesen) through the creation of Charter Schools. These are tuition-free, independent schools funded by the state and managed by private trusts or companies that have much greater freedoms than traditional public-sector schools.

The lessons to be learnt

The education initiatives of recent governments all have a common theme — failure. The input from the private sector has been all about trying to rescue dire situations where the state system is failing. Nowhere has the non-state sector been given the

chance to compete fairly with the LEAs to provide best-value education (even on a not-for-profit basis) irrespective of location or educational performance.

But there are clear signs now that the public desire for choice and diversity, for a less rigid state-funded school system, and for one that can deliver what they want, is strong.

CHARTER SCHOOLS

Charter Schools operate in New Zealand and the United States (where there are now more than 2000 of them). The education authorities grant a charter to private, charitable or parent-led groups to provide a specified standard of education, and pay a per-capita fee roughly equal to the spending in the public sector.

Charter Schools therefore do not need to charge admission fees, and are available even to the very poorest. They do not typically operate a selection policy, except sometimes to select students with special needs.

Charter Schools open up the tax-funded sector to a whole new variety of providers, bringing innovation and customer-focus into education. Indeed, they seem to work best when freed from as much state regulation as possible.

Essential for success is that there should be no "surplus places rule" — in other words, Charter Schools that are performing well should be able to expand and attract students from schools that are failing.

The public wants diversity

Synopsis

Despite having been taxed to provide for the costs of state education, parents in the UK choose to pay fees for half a million non-state school places. They pay largely for the high quality of education that they perceive is provided and the strong guarantee of a successful outcome — the transition to a good higher education destination. Opinion surveys show that over half the population would choose private education if they could afford it, citing higher standards as the main reason. A huge majority would like to see public funds being used to extend access to the independent sector for lower-income groups.

If state-sector supply were meeting parents' demand for quality places, then the private sector would be struggling for clients. Instead, parents send half a million of their children to independent schools, sometimes at considerable cost.

This is not a measure of Britain's elitism, but a measure of the real problems and lack of choice in state education. What a parent wants from a private school is not simply the ability to fulfil and extend their child's academic potential, but to do so in a certain way: and this includes elements like the quality of the school environment, smaller class sizes, teacher retention, and 'value added'. These aspirations are not confined to any particular social class.

A MORI survey of the attitudes of parents towards private education (conducted annually for the Independent Schools Council) revealed that 64% of state-sector parents would have liked their child to be educated in the private sector — and 62% of these positive respondents were Labour voters. Key findings included:

- 52% of parents believe that independent school standards are higher than those in state schools (the highest figure in the last ten years of this annual survey);
- 68% of parents believe that there is a role for the independent sector in the UK education system;
- 53% of parents would choose an independent school for their children if they could afford it, and around 70% cited higher standards as their reason.

Only 18% of parents opposed the idea of using state funding for widening access for lower-income groups to independent schools, and the case for doing so is strong.

The government has made much progress in improving state schools; and new state-funded but independently-run Charter schools could indeed have a role. But to extend choice and diversity rapidly, and as far as possible, it will obviously be necessary to use and expand the existing capacity of today's independent sector too.

The democratisation of non-state schooling

Synopsis

There is a real gap in provision for lower-income parents who are not satisfied with their children's state school. Some may be helped by subsidies from the schools themselves — but only a tiny number compared with the demand. A (growing) number even resort to educating their children at home.

Independent education need not be prohibitively expensive: some 200,000 private school places currently have fee levels equal to the cost of educating pupils in the state sector. But for many families, already paying tax to support state education, even this is too much to bear. So there would seem to be a considerable unfilled demand for some alternative, such as tuition-free Charter schools.

These schools should have considerable independence, matching many of the freedoms that parents have when they educate their children at home.

Amidst all the evaluation of state and private sector schooling, the ideology and the perceptions, it seems refreshing to point out that you don't actually have to send your child to school at all. The government is quite happy for you to take responsibility for your children's schooling and educate them yourself, and some 140,000 pupils (1.5% of all UK children of school age) are currently taught at home.

The Education Act (1996) requires that:

"The parent of every child of compulsory school age shall cause him to receive efficient full-time education suitable:

- to his age, ability and aptitude, and
- to any special educational needs he may have, either by regular attendance at school or otherwise."

Parents who educate their children at home simply have to prepare them for life in modern civilised society and enable them to achieve their full potential.

They are also freed from a huge range of regulations to which state schools and their staff are expected to conform. Home educators *do not* have to:

- have premises equipped to any particular standard
- have any specific qualifications
- cover the same syllabus as any school
- adopt the National Curriculum
- make detailed plans in advance
- observe school hours, days or terms

- have a fixed timetable
- give formal lessons
- reproduce school type peer group socialisation
- match age-specific school standards
- have regular contact with the LEA.

It is the LEA's duty to ensure that an appropriate education is being provided, however, and to satisfy this, parents may:

- write a report or provide samples of work
- invite an inspector to their home, with or without the child being present
- meet an inspector elsewhere, with or without the child
- have the educational provision endorsed by a recognised third party
- provide evidence in any other appropriate form.

What a refreshing approach to delivering and monitoring education! And it is one that has been a parental right since the Education Act of 1944, protected by law ever since.

But this does prompt a fundamental question. If the government is happy for individual parents to provide this form of education and to give them incredible freedom to do so, should they not also in principle be willing to grant a Charter to *groups* of parents to form their own independent schools, and to state-fund them?

At the moment, though, the established independent school sector is the main alternative to the state schools.

The widening demand for independent schooling

The independent sector supplies about 550,000 pupil places, approximately 7% of the national total of school places. The Independent Schools Council's annual census (representing 80% of all children in independent schools), released in April 2001, reveals some interesting features about the growth and provision of the sector.

The numbers of pupils receiving Assisted Places in the 561 participating schools fell from 25,580 in the academic year 1999-2000 to 19,624 in 2000-2001, as one full cohort of students left and was not replaced. And yet the total number of pupils recruited by the former Assisted Places schools actually *rose* by 2%.

In other words, the 45,000 Assisted Places look like being entirely replaced by pupils with fee-paying parents. Thus the demand is rising for the private sector — but at the expense of the lower-income groups.

Making independence affordable

How, then, has the private sector managed to fill its supply of places? Clearly, many parents have seen independent education as a family priority and tightened their belts to make it possible. Just over 30% of the intake into private senior schools still comes from the state primary sector. And crucially, 32% of all private sector places have some form of subsidy, whether it be a scholarship, bursary, or other discount.

Some schools have always had philanthropic foundations. For example, Christ's Hospital School in West Sussex subsidises boys' and girls' boarding education. Around 40% of its parents pay nothing toward the £13,000-per-pupil annual cost, and most of the 825 pupils' parents exist on salaries below the average national family income. However, the school funds its philanthropy from legacies and donations forming investment endowments dating back 400 years: the number of places which such schools can provide is tiny compared with national demand as a whole. Many independent schools have no endowments but exist solely on fee income, and thus have little or no ability to subsidise increased numbers of discounted places to widen access to lower-income families.

Of the 490,600 places in Independent Schools Council (ISC) schools, some 421,000 are day places, representing about 85% of the total. Of these, 95% are priced at £6000 or below. Furthermore, about 40% (200,000) of private-school places charge fee levels equal to or less than the £3000 it costs to provide a state school place; and education entrepreneurs are already looking at how to boost this low-cost, but high-quality, supply further.

Some schools have stepped up their fundraising in order to compensate for the loss of the Assisted Places scheme. In 1998, Manchester Grammar School launched a Foundation Bursary Appeal to raise money for means-tested bursaries so that:

"boys from families of modest means can take up places which they deserve on the basis of their entrance examination performance. Such places should be available to boys regardless of race, colour, creed, or the social and economic standing of their parents."

The school cites its desire to be a "genuine meritocracy and a marvellous social melting pot". This is a very praiseworthy attempt, by a prominent school with acknowledged high standards, to provide a means by which lower-income groups can gain a place purely on the basis of merit. It aims to overcome the shortcomings of Assisted Places, but again has limitations in that a fund of £10 million was needed to provide 30% of the school's places in the form of bursaries in perpetuity. The fact that it has managed to achieve this speaks highly of the scheme, its managers, and the desire on the part of the school, the local community and parents for it to succeed.

However, the likelihood of most private schools being able to raise this kind of money for bursary places is very small indeed. City schools with a strong reputation, consistently successful outcomes and large corporate and residential catchments may be able to emulate the achievements of Manchester Grammar School's Bursary Appeal; but the majority of independent schools will not be able to.

The independent sector potentially has a major role to play in providing high-quality education and facilities to those of modest means in a fairer and more transparent way than did the Assisted Places scheme. For many independent schools, however, additional reliable external funding will be required. This is the idea behind the Open Access Scheme in Independent Schools (OASIS), developed by the Independent Schools Council. The principle of Open Access is that independent schools should be enabled to take any pupil on merit (academic or other), but irrespective of their ability to pay.

Opening access even more

Synopsis

Independent schools have promoted the principle of Open Access through the creation of bursaries from schools and local charities.

Currently, the intake is academically selective; but there is no reason why the Open Access scheme could not extend to the whole range of private schools and thus to pupils with talents other than just academic ones.

In the context of Charter schools and Open Access schemes, 'selection' can actually be a positive thing, allowing children to attend schools best suited to their needs and aspirations. Because of catchment limits and the surplus places rules, this healthy ability to find the right school is not something they can be sure to get from the state sector.

An example of Open Access in action

The Sutton Trust, a philanthropic foundation established to broaden educational opportunities, was one of the first bodies to put the principle of Open Access into practice.

The first Sutton Trust scheme was launched in May 1999, with the first cohort of pupils entering the Belvedere School (an independent girls' day school in Liverpool) in September 2000. Admission is academically selective, and based upon results in entry tests, family background, and primary school reports. Parents are means-tested annually, with the financial assistance required to meet the school's £4,300 annual fees being met by two charities.

One of the Trust's stated aims is that "by making these schools more open, their character will change and they will become recognised as centres of excellence for the talented of all backgrounds." But while the aspirations of the Sutton Trust are eminently meritocratic, will the managers of independent schools really want the character of their school to change that much? The managers and clients of these private institutions may well be keen largely to preserve the academic, cultural and

OPEN ACCESS

The principle of Open Access is to make independent schools accessible to all pupils, regardless of their ability to pay. This could be achieved by endowments, scholarships or bursary schemes for pupils from low-income households. Or it could be achieved by the government education budget following the decisions of parents, whether they choose a state or an independent school — as in the Dutch and Danish education systems.

Schools could select their intake on any criteria, which need not necessarily focus on academic ability. Indeed, there is a strong case for ensuring that Open Access means just that, and extends to the whole range of independent schools and to pupils with needs and talents other than academic ones.

social balance which presently exists. It raises an uncomfortable question — do people send their children to private schools solely because they are perceived to offer excellent teaching and academic outcomes, or because of the range of extra-curricular opportunities, or because they represent a community of parents and pupils with broadly similar expectations, aspirations and values? Clearly it is for all these reasons, but the relative attraction of these different features will depend on the individual demands of each parent and on the character of the particular school. We must appreciate that the nature of independent schools is very broad, from the totally meritocratic to the highly elitist.

Open Access schemes are thus unlikely to work to the degree that the Sutton Trust hopes across the whole gamut of the existing private sector: frankly, it is not all so egalitarian. This suggests that we must go further, supplementing the capacity of today's non-state schools with new, state-funded but independent Charter schools.

The limits on supply

The Sutton Trust analysed the top 100 independent day schools in the UK (all found within the first 133 schools in *The Times* academic league table), and found that they accounted for a quarter of all Oxbridge entries and a large proportion of the entry to the Russell group of universities.

The Trust argued that opening these schools up to the most able children, rather than those from economically advantaged backgrounds, would be fairer. The government, it is said, could do this by contributing the cost of the (unused) state school place to offset the fees charged by the independent school accepting these deserving pupils.

But there are problems. Firstly, some pupils of high academic ability would simply be replaced with others, of similar ability. Only by expanding the supply of places could you really serve the needs of all pupils from all backgrounds.

Secondly, many of these schools have fee levels higher than the cost of providing a state school place, so if we are expecting the state to pay no more than it is paying now, there is still a gap which low-income households may not be able to meet. With some 30% of independent school places already subsidised through scholarships and bursaries, there are no surplus funds to extend subsidies further.

SELECTION

Generally, people speak of 'selection' meaning preference on the basis of purely academic ability, and this is often regarded as divisive.

However, there is another form of 'selection' — the attempt to ensure that we find the right school for the right pupil. For example, many Charter Schools have been established precisely to benefit those pupils of lower academic ability who are failed by the present system, and 'select' these pupils preferentially.

Diversity in the provision of education gives parents the opportunity to choose schools that more closely match the particular aptitudes or interests of their children — such as those which emphasise sport, or drama, or science.

The key issue is that there are simply not enough places available at top independent schools for the numbers of academically able children who would demand them under Open Access or through the government paying, on their behalf, what it would cost to educate them in the state sector. We need to create more capacity.

To create new capacity would seem to require either that the government subsidises the expansion of already-established, high-achieving independent schools (a mildly unlikely prospect), or that we create more independent school places — particularly in those areas where there are few independent schools — by means of new, state-funded (but independent) Charter schools.

This would require relaxation of the 'surplus places' rule, and would cause some transfer of the most academically able pupils from existing state schools, something which would be resisted by many people. But the latter concern could be overcome if the Open Access scheme were available to children of all abilities, and to schools which catered for all abilities, not just the most able. Indeed, as Pollard (2001) points out, where Charter schools in the United States practice selection, it is usually to select and help the least gifted pupils; so the worry about selection may well be overstated anyway.

The OASIS project

In 2001 the Independent Schools Council (ISC) published a consultation document entitled 'OASIS: Open Access to Schools in the Independent Sector'.

It set out the belief that a national Open Access scheme could be devised, using the ISC schools, to help raise standards throughout the education system. It acknowledged that philanthropic attempts to create Open Access have been successful but are very limited in their scope, and that only the state has the resources to make a national system workable.

The ISC makes clear the need to overcome the weaknesses and failings of the Assisted Places Scheme, and that opportunities should be provided in the full range of ISC schools, not just the academically highly selective ones. Funding would be pegged at a level no higher than is spent on pupils in the state sector, and safeguards built in to prevent financial abuse of the scheme by better-off parents. The main problem would be how to bridge the gap between the state funding contribution and the independent school fees: so the scheme would require participating schools to offer free places to families below a certain income, while others would be expected to contribute.

The OASIS idea would not be mere tokenism: participating schools would have to sign up to provide a minimum number of places at each entry age, and the aim would be to get the widest possible number of schools participating. Of course, in some areas, particularly areas of deprivation, there may be few existing independent schools, and this is perhaps where the creation of new Charter schools could add special value to the scheme. It would certainly do much to break down the barriers between state and independent sectors in the UK.

Non-state management

Synopsis

To increase significantly the school choice and quality available to parents in all regions of the UK, the government should allow the best providers to come forward and bid for operation of schools. Capacity and choice can be increased to a degree through a voucher system and by creating tuition-free independent Charter schools run by not-for-profit bodies, but rather than just contract out the running of failing schools (as currently happens) the government should examine the potential of allowing commercial operators to enter the market. In the United States, commercial groups raise capital through private investment and set up groups of schools, most notably in disadvantaged areas and with intakes reflecting the local demography.

There is a strong link between high-quality schools and improving neighbourhoods, which suggests that the operating freedoms and approach which commercial school groups have in the US is precisely what is needed to kick-start recovery and progress in areas in which existing UK government policy has proved severely limited in its ability to bring about radical change, improvement and choice.

An example of fresh thinking

The establishment of independently-run Charter schools is not just a way of extending the number of school places in the UK. It is a way of introducing new ideas and new ways of working that could greatly improve what schools do.

Edison Schools (formerly the Edison Project) is an example of how such fresh thinking is coming into Charter schools in the United States. Edison's aim was to design "innovative schools that could operate at public sector school spending levels", and after the first Edison-run schools opened in 1995 there are now 136 schools under their management, with 75,000 students.

Edison runs existing public-sector schools under contract, as well as new independent Charter Schools. It has responsibility for implementing the curriculum, managing technology, controlling the management systems, and is accountable to the local authority for the performance of the school. Most notably, the schools are open to students of all abilities, and are funded by the state.

One of the management's aims is to organise schools into smaller communities, and in the short time that they have been operating Edison schools have maintained a good record of achievement. The majority of these schools contain pupils below the average ability level of the district in which the school is located, with many of them in economically disadvantaged urban settings and serving a wide range of ethnic origins. But attendance rates of 94% are achieved. Edison designs 75% of the school's curriculum, with the aim of making it challenging for the intake, and there are other impacts in that the school day and year are longer than is typical of the public sector.

Edison equips each school with technology, providing each family with a computer, and there is strong and regular parental involvement.

Some ideologues continue to argue that public education ought to be provided by public-sector employees. But even the project's critics admit that student achievement in difficult schools has been raised for every racial group, due to better curriculum, longer days, strong parental involvement, and more-effective teacher training.

Edison struggles financially, and lost over \$30 million in 2000-1. The company is yet to make a profit (though it hopes to by 2004), and thus it hardly seems to be the profiteering enterprise that some imagine. On a cost basis it has proved more effective to take over failing schools than to start new ones, but there has been no shortage of those in urban areas of the United States

New investment

Ultimately, whether commercial companies such as Edison are granted contracts to take over failing public sector schools in the UK will depend on the public desire for pragmatism to override ideology. At the moment, management contracts are granted only to not-for-profit companies, but clearly they cannot provide the same level of added investment to boost improvement that commercial groups can.

However, if Open Access is to fulfil its potential, and expand beyond the limited supply that the existing independent sector can offer, new state-funded independent Charter schools will need to be created (whether as new builds or via redesignation of some existing state schools). Clearly, the government can only be expected to supply per-capita funding equal to state school spending levels, though this alone should create large number of Open Access places. But in areas where fee gaps at existing independent schools need to be bridged, or where money for new builds and development needs to be raised, commercial investment may be the key.

James Tooley (1999) argues that the profit motive can be a powerful incentive to engender the required investment. He applies the following corporate perspective to the issue of poor educational service in some areas of the state sector:

"One of the most depressing spectacles in the current educational set-up is of an excellent state school in a deprived area, and there are a few with long waiting lists. The school has a successful formula, strong and dynamic leadership, but it doesn't occur to anyone to do other than turn poor parents away — parents whose children are then consigned to the indifferent mediocrity of neighbouring schools. What other business would treat potential customers like this?"

Improving outcomes

Commercial companies that take over failing schools or start new, independent ones must have strict quality objectives to ensure performance, and the establishment and maintenance of a successful outcome.

All companies in competition must have strong research and development that ensures they are aware of current and likely future needs, and can adjust resources and delivery methods to meet these needs. Education has much to gain from this powerful driver too.

As Stephen Pollard (2001) points out, in order to achieve the best outcomes for their pupils, the schools would need to have freedom of delivery and management — for example, the ability to pay staff appropriately, and to deliver a challenging and self-determined curriculum.

And would commercial management be such a threat to the existing state school system? Surely only to the inefficient, under-funded and failing elements of it. And indeed, this threat would become an opportunity to improve choices and outcomes for the less economically advantaged groups.

Would it matter if the UK continues to resist the non-state management of existing state schools? Not as long as the government relaxes some of its statutory requirements, and provides transferable per-capita funding to provide genuine Open Access. This will enable local people to create independent Charter schools where they are needed, supporting both the expansion of the Open Access scheme for all abilities and raising educational standards in a wide number of economically disadvantaged areas.

Key recommendations

- Abolish the surplus places rule, allowing popular and successful state schools to expand and giving more families access to them. Rein in today's centralised controls and allow state schools to provide the kind of service which they believe local parents actually demand.
- Empower lower-income families to have full access to the range of educational possibilities through an Open Access scheme, in which the government contributes to the cost of non-state education, up to the same amount that it presently spends on providing a place in the state sector.
- Make the scheme embrace pupils of all ability and schools designed to cater for them, so that selection on the basis of on academic ability is replaced by a system that finds the right kind of school for each pupil.
- Acknowledge that existing independent schools could not meet the huge pent-up demand for choice that this system would liberate. Empower parents, teachers, and non-profit groups to establish new, Charter schools that are financed by the state on a per-capita basis but independently run and managed.

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See also:

The Sutton Trust: www.suttontrust.com

The Edison Schools: www.edisonschools.com

NW Regional Education Laboratory: www.nwrel.org

Manchester Grammar School: www.mgs.org

Christ's Hospital School: www.christs-hospital.org.uk

Birmingham City Council Grid for Learning: www.bgfl.org

Institute of Education, London: www.ioe.ac.uk