MANAGEMENT PAPER

changing partners

a discussion paper on the role of the local education authority

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EDU 1
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Preface

Throughout its history, the Audit Commission has maintained a keen interest in the education service. Over the past 13 years, it has undertaken studies covering the full range of local education authority (LEA) activities, from the education of children under five to the provision of post-16 education. The Commission has also produced a number of reports that explore the management and governance of the education service. Perhaps the best-known of these reports was the 1989 Occasional Paper Losing An Empire, Finding A Role (Ref. 1), which addressed the tasks facing LEAs in the aftermath of the substantial changes introduced by the 1988 Education Reform Act.

The effect on the education service of the legislation enacted and proposed in 1997 is likely to be similarly profound to that following the 1988 legislation. The 1997 Education Act makes provision for the inspection of LEAs by Her Majesty’s Chief Inspector of Schools (HMCI) in both England and Wales, assisted by the Commission. And, within just over six months of the 1997 General Election, the Government has published two White Papers and a Bill on school standards. These contain proposals for extensive change in the relationships between central government, LEAs and schools.

To assist with this process of change, the Commission is undertaking a study of the role of local education authorities. The study aims to identify good practice in the work of LEAs, particularly their contribution to raising standards. The research programme for the study includes in-depth fieldwork at 10 LEAs, a survey of over 1,000 schools and the analysis of cost data from more than 30 authorities.

As with most Commission studies, this research will lead to a heavily evidence-based report, to be published in mid-1998. But the speed of the Government’s legislative programme means that new arrangements for the role of LEAs will almost certainly be on the statute book by the time such a report is published. Moreover, for the new arrangements to work effectively, it is important that national decision-makers and LEA officers and members debate and reach a consensus on the answers to a range of questions, many of which cannot be answered by empirical analysis.

Given these considerations, the Commission has decided to publish a ‘think-piece’ on the role of the LEA, in advance of the report that contains the full findings of the research programme. This paper differs from the standard Commission offering: it is more conceptual and discursive, aiming to highlight issues and raise questions rather than necessarily to provide answers.

Some of the 20 questions raised in this paper will be of primary importance to central and local government. Others will be of greater importance to the Commission, to assist with its future research programme and its work on LEA inspection and review.

The Commission is especially keen to receive feedback on the conceptual ‘models’ of LEA effectiveness that are suggested in this paper. And it would welcome views on its initial attempts to devise a ‘best value’ approach to education that would allow the alignment of government commitments to Education Development Plans and to the introduction of a general duty on authorities to pursue best value across all services.
The paper is written for officials, politicians and opinion-formers at national and local level who have responsibility for designing the new arrangements for the management and governance of education and for getting these new arrangements to work. These individuals will no doubt be engaged in intense discussions throughout the first few months of 1998 as the primary legislation is formed; but they will continue to refine and develop their thinking over the next few years as the legislation is implemented. This paper is intended to contribute to their discussions and reflections.

However the new national arrangements are constructed, there will be room for local discretion to reflect the history, culture and needs of an area and, in particular, the relationships between the LEA and local schools. Just as there is a need for a debate at the national level, so there will need to be discussion in each of the 171 LEA areas in England and Wales, enabling schools and LEAs to clarify roles and relationships. There is no single solution that can be prescribed centrally to fit every area: rather, the precise configuration of roles and responsibilities in each area will need to be determined by local stakeholders in discussion and debate. With this in mind, the Commission will be producing a short companion paper to this think-piece which is intended to stimulate discussion between LEA members and officers and the heads and governors of schools in their area.

These papers are the first products of the Commission’s study, which is being undertaken by a team comprising Greg Wilkinson, Steve Warburton, Ian Mackinder, Dave Barlow and Robert Arrowsmith.

Professor Maurice Kogan, John Evans and Robert Barr provided valuable consultancy assistance.

In preparing these publications, the Commission has benefited considerably from guidance offered by a study advisory group (the membership of which is detailed in the Appendix) and advice from many education officers and head teachers. Commission staff have also held helpful discussions with representatives from interested bodies such as the local authority associations, the DfEE, the Welsh Office, the Office for Standards in Education (Ofsted) and the Office of Her Majesty’s Chief Inspector (Wales) (OHMCI). The Commission is grateful to these organisations and to all the other groups and individuals who commented on drafts of the paper. As always, responsibility for the content and conclusions rests with the Commission alone.
The premise of this paper

Any paper on the management and governance of education will have a premise – the ‘first principles’ – upon which the subsequent argument is based. Clarity about first principles is vital in a paper on local education authorities (LEAs), given the strong feelings that the subject tends to arouse. In particular, it is vital to establish clear answers to three key questions:

• Is there a need for an intermediate body between the level of national institutions and schools?
• If so, what should be the remit of that intermediate body?
• Are LEAs the right institutions to fulfil this intermediate role?

There is scope to adopt a variety of positions in response to these questions; and to explore the questions in greater or lesser detail.* Some commentators have argued that the education system can manage without any intermediate tier between schools and national institutions. A more common response is to accept the need for some sort of intermediate body – recognising that without such bodies, schools cannot do their job properly – but to question whether LEAs can fulfil the role:

• Some commentators have argued that many LEAs are too small to operate effectively (and draw the conclusion that regional bodies should be established);
• Others argue that, given the history of LEAs’ relationships with schools and/or LEAs’ current professional and managerial capability, they cannot be the sort of ‘new-style’ intermediate body that the education system needs;
• A third response is to argue that the locally based responsibilities for education should be placed with a stand-alone ‘school board’, rather than with a multi-purpose authority;
• A related response is to argue that, since the involvement of democratically elected councillors prevents LEAs from being managed in a professional way, the ‘school board’ should be comprised of appointed ‘experts’ rather than elected representatives.

In contrast to the four views listed above, there are many who believe that LEAs – in their current form as democratically elected, multi-purpose authorities – should retain the intermediate role that is felt to be necessary for the delivery of high-quality education. Some supporters use the track record of leading authorities to show the value that LEAs can add. Others argue that the education service

* A comprehensive paper on the management and governance of the education service as a whole would not confine itself to LEAs, but would also address the role and remit of schools, and of central government and national institutions such as Ofsted and OHMCI. These questions are beyond the scope of this paper.
should be democratically accountable in ways that are sensitive and responsive to local community concerns, and that local councillors are the best means of providing this accountability.

Many supporters of LEAs argue that their multi-purpose character allows LEAs to do a more effective job than any conceivable alternative body. These supporters argue that a wide range of LEA activities – not simply those provided by the education department – impact on schools’ ability to educate children effectively. Co-ordination of these services – most easily achieved through the structures of multi-purpose authorities – can create a better climate for teaching and learning.

But the pro-LEA camp also contains those whose attachment to LEAs is solely pragmatic – who believe that LEAs should retain a role in the education service only insofar as they can perform effectively. For these commentators, any ineffective LEA should be replaced by some alternative organisation – and, should the great majority of LEAs prove to be ineffective over the next few years, these commentators would create some new type of intermediate institution to replace LEAs altogether.

There is a further aspect to the pragmatists’ case. Even if an alternative intermediate structure were desired, it would probably take a number of years to establish such new bodies. Taking the most pragmatic view possible of the situation, therefore, LEAs are necessary in the short-term because there is no practicable alternative. For LEAs, the upside of this view is the opportunity it offers them over the next few years to demonstrate that they can and do add value.

The position of the Government, as indicated by its Manifesto and the White Papers, Excellence in Schools (Ref. 2) and Building Excellent Schools Together (Ref. 3), is that (a) there is a need for an intermediate body in the management and governance of education, and (b) LEAs should have this role.

The Audit Commission has no remit to dispute Government policy. This paper is not, therefore, an attempt to explore issues of ‘first principle’ in any detail. Rather, this paper takes as given the Government’s position and raises a series of questions to stimulate debate about how government policy can best be implemented.

The paper contains observations – for both government and LEAs – on how the role of the LEA as intermediate body is best defined and assessed. It contains advice for LEAs on how they can perform their new role effectively. And it raises questions for government and Parliament about the statutory framework within which LEAs will be expected to carry out their new role.
1. Background – the challenges facing LEAs

1. Three principles lie at the heart of the Government's education reforms: a belief in the primacy of standards; a recognition that school effectiveness is central to achieving high standards; and a conviction that the principal responsibility for driving up standards must lie with schools. The Government is proposing a range of administrative, regulatory and cultural levers to create what it calls 'a combination of pressure and support' for schools. And, although many issues are as yet addressed only in outline form, it appears that the Government envisages a central role for local education authorities (LEAs) in the 'crusade' to raise standards.

2. Such a central role for LEAs represents a significant adjustment to previous government policy. Much of the education legislation of recent years tended to circumscribe LEA involvement in the management and governance of the education service. One LEA’s Chief Education Officer has argued that this has created a situation where LEAs were 'left with responsibilities (often as a last resort), very little power and no clear role' [Ref. 4]. The 1997 White Papers attempt to change this situation. In the words of the Welsh White Paper, the Government seeks to create 'a clear strategic role for LEAs in support of educational success'. LEAs will:

- Work in partnership with all schools in their area and with other key stakeholders in the education service – for example, with churches;
- develop plans for the education service and oversee their implementation;
- have 'challenging and supporting' roles in relation to school improvement; and
- be given some new powers to help them to ensure that all schools in their areas deliver high standards (although these powers are expected to be used in accordance with the maxim of 'intervention in inverse proportion to success').

3. From an LEA perspective, this picture is optimistic. Yet with opportunity comes responsibility and accountability. The White Papers make it clear that LEAs will be judged on their contribution to raising standards: for example, Excellence in Schools states that LEAs 'must demonstrate to their schools, to parents and the local electorate, and to the DfEE that they are doing a good job in improving their schools'. The principle of 'zero tolerance of underperformance' will apply as much to LEAs as to schools, with strong sanctions deployed when LEAs are found wanting.

4. And LEAs will continue to operate within a framework where two fundamental tensions exist. The first is between school autonomy and external intervention. LEAs will be expected to intervene when schools are experiencing problems. But they must also respect the principle that the main responsibility for raising standards lies with schools themselves; and they must appreciate that ham-fisted intervention may make things worse. Critically, LEAs will be held accountable for the performance of schools over which they have very limited powers of control and direction.

5. The second tension is between local and national interests – between making decisions at the local level and reflecting the legitimate interest of central government. LEAs must balance their views on what can and should be undertaken in their area against what the Government wants done across the country. Local decisions
may be subject to approval – and possibly amendment – by central government.

6. The next few years will be challenging ones for LEAs. They will be expected to play their part in the 'crusade' to raise standards, while managing the tensions outlined above. And, while raising school standards may be the Government’s top priority, education services extend beyond the teaching of school-age pupils. In statute and in practice, the work of LEAs is about more than supporting schools. Many LEAs set their work with schools in the context of a much broader vision that covers lifelong learning. Indeed, the Government is about to publish a White Paper on Lifelong Learning, which will place another group of LEA services and activities under the spotlight.

7. Moreover, it is important to remember that an LEA is a local authority with education responsibilities. An authority’s efforts in education cannot be seen in isolation from its efforts to tackle some of the ‘wicked issues’ – environmental stewardship, community safety, social exclusion, economic regeneration – that cross service and agency boundaries. Effective local authorities view their education services not as discrete entities but as services that are intimately connected with other parts of the authority, working together to implement an agenda that is determined as much by elected members and local stakeholders as by the requirements of central government. In short, just as the focus of an education service must extend beyond schools, so that of a local authority – as a multi-service agency – must extend beyond education services.

8. If LEAs are to respond effectively to these challenges, then the main stakeholders – local authorities, central government, schools, teachers and parents – will need a shared understanding of the following issues:

- **What is the role of LEAs in the management, delivery and governance of education?**
- **What are the features of an effective LEA – what should authorities do to perform their role well?**
- **How can the performance of LEAs be assessed – and how should they be held accountable?**
- **How can inspection, audit and review add value to the processes of holding LEAs accountable and securing improvement?**
- **What powers will the Government give authorities to secure an alignment between LEA powers and the responsibilities that flow from their new role?**

9. This paper considers these five questions. Its intention is to stimulate discussion that will:

- assist the Commission in its audit and inspection work;
- help LEAs to improve performance; and
- provide insights that may be of interest to government and Parliament as they construct new legislation for the education service.

10. Much of this paper explores apparently technical issues around the statutory framework, performance measurements and the like. But these issues have a direct bearing on what happens to the ultimate 'clients' – those engaged in learning, whether they be year-one pupils or mature students who are attending adult education classes. Structures and systems can harm learners' educational prospects and life-chances, or they can help to ensure that everyone’s experience of publicly provided education is fulfilling and life-enhancing. This paper aims to make the latter outcome more likely.
2. What is the role of LEAs?

11. In spite of the Government’s extensive interest in education, there appears to be no intention to ‘nationalise’ the education service. Although much of the education agenda is ‘national’ in that it is dictated by central government, there are many issues concerning the management of education that cannot reasonably be undertaken at a national level – either because of the sheer volume of decisions required or because of a need for in-depth local knowledge.

12. So, some activities need to be undertaken locally. But not all of these can be handled by schools. A policy of promoting lifelong learning, for example, extends beyond the responsibilities of any individual school. A range of other activities – for example, the planning of school places and the regulation, monitoring and audit of school performance and finance – could not properly be undertaken by schools, for practical and constitutional reasons. And there is a further set of activities – for example, the provision of educational and other support services – that schools, while capable of undertaking them within the institution or within federations of schools, may find easier and cheaper to receive from another body.

13. In short, four considerations:

- what, in relation to lifelong learning, needs to be undertaken locally;
- what, in relation to school education, needs to be undertaken locally; and
- what cannot be undertaken by schools; or
- what could be undertaken by individual schools or federations of schools, but which schools prefer to buy in;

generate a case for intermediate bodies to have a role in the management and governance of the education service. They yield a list of tasks that need to be undertaken at the intermediate level [APPENDIX 1]. They also provide a base for constructing a shared understanding of the role of the LEA.
Current consensus – the role of LEAs

14. Not all commentators accept the Government’s premise that LEAs should have a significant role in the education service. But among those who do, and among those national and local officials interviewed by the Commission, there is a surprisingly broad consensus about what the role of LEAs should be. Four main components of this role can be identified:

- **Articulating a vision, with a supporting strategy, for education in the area** – developing and communicating a vision that reflects the needs and interests of local communities and addresses the particular challenges of the LEA’s area, while responding to central government philosophy and policy. A vision, with a supporting strategy, for ensuring high-quality education in Salford is likely to be very different from that for Surrey – and it is not clear that these differences would be reflected adequately if decisions were taken nationally.

- **Acting as a vehicle for improvement** – attempting to stimulate progress from where the local population is now to where the LEA’s vision and strategy suggest the local population should be. Progress should be based on a process of continuous improvement [EXHIBIT 1] – and this process should not be confined to the worst schools, given the problem of underperformance in many ‘average’ and ‘middling’ schools. Currently, the main focus for improvement is education standards and the principal tools of management are key stage assessment and exam results, along with some other published ‘league table’

EXHIBIT 1
Securing improvement
Progress should be based on a process of continuous improvement.
information; the White Papers propose the introduction of an extensive regime of target-setting, probably based on these measures. But LEAs may also wish to focus on other aspects of education – for example, access to learning opportunities outside the period of compulsory school-age.

- **Ensuring equity** – and an inclusive system of education in local schools and other institutions. Such a system will be based not merely on compliance with the statutory requirements around race, sex and disability discrimination. It will also be based on a commitment to protect the interests of the difficult, the demanding (including children of exceptionally high ability) and the socially disadvantaged, and to prevent these sections of the community from being marginalised. In particular, LEAs are well placed to ensure, through the use of pressure and support, that schools bring about the effective participation of the lowest-achieving pupils in the education system. There are huge social and economic costs arising from the low levels of literacy, numeracy and basic skills among the bottom 10 per cent of the school-age population. A programme of educational improvement that concentrated on the top 90 per cent and ignored the rest would do little to reduce these costs.

- **Managing trade-offs** – dealing with tensions and conflicts between the interests of schools, pupils, parents and communities, and between competing demands on the LEA's scarce financial resources; and, on occasions, handling more fundamental conflicts – such as those that can occur between bringing about improvement and ensuring equity. The view of the Secretary of State for Education and Employment that 'If LEAs did not exist, we would have to invent them' (Ref. 5) may well have arisen from years of experience in resolving a myriad of problems around school admissions, exclusions, home-to-school transport arrangements, school reorganisations, arrangements for pupils with special educational needs, student awards, etc – many of which arise from conflicts between the interests of one party and those of another. Such problems cannot be solved fairly within an individual school (since the school is often one of the parties in conflict); nor would it be practical to tackle them in Whitehall or Westminster.
An LEA must maintain a complex, inter-connected set of relationships.

Advocate (eg: placements)  
Informer (eg: admissions)  
Enforcer (eg: attendance)  
Exhorter (eg: championing learning)

LEA  

Supporter (eg: financial advice)  
Directer (eg: failing schools)

Citizens / Pupils  
Schools / Providers

Current consensus – relationships

15. To fulfil its role, it is generally accepted that an LEA must maintain a complex, inter-connected series of relationships [EXHIBIT 2]. An LEA is not simply the ‘head office’ of the local education service, which monitors and provides support for schools, vital though these activities are. It also deals directly with individual pupils and parents. And it has contact with local communities – sometimes independently of schools and sometimes in partnership with schools, sometimes through officers and sometimes through elected councillors acting as ward representatives. And, as employers, LEAs have a highly significant relationship with the tens of thousands of teaching and non-teaching staff in county schools who have the day-to-day responsibility for turning the rhetoric about higher standards into reality.

16. The hat worn by the LEA in each of these relationships will vary: sometimes the LEA will be supporting, at other times directing; sometimes it will act as an advocate (or even as a champion of certain policies or cultural values), at other times as a judge. The challenge of ‘balancing pressure and support’ applies not only to education standards, but right across the range of LEA activities: sometimes the LEA will be pressurising schools by supporting individual pupils and parents (perhaps when a pupil has been unfairly excluded); at other times the school will be supported and pressure placed on pupils (perhaps when there is a problem with attendance).

Current consensus – style of relationship with schools

17. There is a lesser, but still substantial, consensus around the style of relationship that LEAs should adopt with locally managed schools. The 1988 Education Reform Act attempted, through the introduction of LMS, to move LEAs away from what was conceived as the ‘traditional’ relationship between a controlling local authority and a set of disempowered schools. The extent to which such all-powerful LEAs actually existed is a matter for debate. What can be stated with greater confidence is that the initial responses of LEAs to the 1988 Act fell into three main categories:

- **Traditionalists** – some LEAs attempted to minimise the impact of LMS and maintain as much power as possible;
- **Minimalists** – other LEAs reduced their operations to the bare statutory minimum,
leaving management and governance to a combination of empowered schools and market forces;

- **Enablers** – a third LEA response was to remain active, but to take action only in response to the wishes and aspirations of schools, and to facilitate solutions to schools’ problems.

18. Over the past four or five years, a consensus has emerged among many LEAs that none of these three positions offers the right balance between school autonomy and a capacity within the LEA to pursue the role now under discussion (and envisaged in the Bill). As a consequence, many LEAs are attempting to move to a fourth position – the **partnership** approach [EXHIBIT 3] – which combines the twin objectives of empowered schools and a proactive LEA. Within this approach, the LEA establishes a focus and direction for local education but is then flexible about the extent of its support for and intervention in school operations. The LEA judges the need for action according to (a) the school’s wishes and (b) an assessment of how well the school is performing and what it is capable of achieving.

19. The partnership approach is the most demanding of the four, because such judgements are difficult to make without causing school heads and governors to feel that their autonomy is being undermined. It is particularly challenging to achieve with ‘average’ and ‘complacent’ schools which, while not actually failing, are not improving either but resent any external pressure to do so. The approach is also difficult to put into practice because of limited LEA powers to intervene in schools that have not been declared in need of special measures (or ‘failing’)

* Though the 1997 School Standards and Framework Bill contains proposals to increase LEAs’ powers of intervention.

20. Further consensus is to be found around the tools and techniques available to LEAs to carry out their role. There is, however, no consensus about whether these tools and techniques are adequate; how best to use them; or what the relative use of each should be – this varies according to the management style

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**EXHIBIT 3**

**LEA style**

Many LEAs are attempting to move towards the partnership approach.
chosen by LEAs and local circumstances. The full contents of the LEA toolkit can be itemised under three headings: resources, culture and powers [BOX A].

Unanswered questions

21. While there is a broad consensus, disagreement remains over some of the issues outlined above. But perhaps more importantly, there is a series of key questions that remain unanswered:

- Is there a need for the role of the LEA to be expressed as a detailed list of duties and responsibilities?
- How should LEAs be assessed and held accountable for their performance?
- How can LEAs perform their role most effectively?

BOX A

The LEA toolkit

The contents can be itemised under three headings: resources, culture and powers.

- **Resource allocation for compulsory education**: within a series of national regulations, LEAs can take decisions about how much money is to be spent on education, how much is distributed to schools, what the balance between the primary and secondary sectors should be, what level of resources should be allocated to special educational needs, how the funding formula for revenue budgets is to be constructed, and how capital resources should be allocated. As multi-service bodies, LEAs can take decisions about the relative priority of education against their other services, and shift resources accordingly. They can also combine resources from education and other services to deliver educational objectives: for example, using social services resources to offer experiences to children under five, and using resources from economic development services to encourage lifelong learning.

- **Resource allocation for discretionary services**: the majority of services for post-school education are discretionary, as are a range of services that often fall within the education remit, such as the youth service. LEAs have the power to decide whether or not to engage in these activities, and if so how and at what levels of expenditure. Again, the multi-service character of LEAs will have an influence on these decisions.

- **Resources from other bodies**: LEAs can increase the level of resources for their local education service by bidding for resources from central government for capital expenditure and other grants, such as those dispensed under the Standards Fund. They can also acquire resources from other public bodies (including those at European level) and private organisations through partnership-based initiatives.

- **Service provision**: LEAs can provide support services for pupils and schools, whether directly to achieve educational objectives or, in the case of schools, to assist with efficient and effective management. In addition, given their multi-service character, LEAs are in a strong position to coordinate services between education and a range of other functions to tackle education objectives.

cont./
BOX A (cont.)

CULTURE

- **Strategic leadership:** by virtue of having an overview of local needs and provision, an LEA and its Chief Education Officer (CEO) are favourably positioned to formulate a strategy for education in their area and to build support for it among schools and local communities, across the local authority and in discussions and negotiations with national bodies, particularly the DfEE and Welsh Office.
- **Professional leadership:** the CEO, along with other senior officers, should possess both professional expertise and insight into what works in local schools. As a consequence, the CEO can highlight good practice in the management and delivery of education in schools, encourage local schools to adopt such practice and put pressure on poorly performing schools. This form of leadership is based on expertise and credibility, not control and direction.
- **Democratic legitimacy:** the fact that LEA members are elected gives them a strong platform from which to mediate between competing interests and objectives.
- **Exhortation:** if it is accepted that educational achievement is not simply a function of the relationship between a school and a pupil and that other factors – such as the part played by a child's family and his/her home environment, and any wider difficulties of low expectations within the local community – may be at work, there is a need to exhort and champion behavioural and attitudinal change. There may be something in the argument that elected members can undertake aspects of this work with more legitimacy than professionals.

POWERS

- **Planning:** the LEA's powers to plan school places and manage admissions provide opportunities to determine the local educational 'infrastructure': namely, the size, structure and character of schools.
- **Monitoring:** LEAs have powers to gather a wide range of information about the performance of their schools, and use it to monitor progress and detect problems.
- **Intervention:** LEAs have some powers to intervene in the management of schools, notably in the event of a school being declared in need of special measures following an Ofsted/OHMCI inspection.
- **Direct control:** LEAs have the power to rescind delegation in county and voluntary schools and, in extreme circumstances, to take over the management of a county school.
22. The first question can best be understood with reference to the idea of a 'job description for LEAs', which has been mooted by both Government and LEA sources. Some LEA members and officials would like this 'job description' to be an extensive list of services and activities that every LEA will be required to undertake. Yet neither the White Papers and associated Technical Consultation Paper (Ref. 6) nor the 1997 Bill contain any such list.* This approach leaves some LEAs feeling uncertain about precisely what they should be doing and, therefore, exposed to the possibility of criticism for not having performed satisfactorily.

23. At the heart of this debate is a distinction between ends and means. There is no need to prescribe in detail the activities that an LEA should undertake (the means), provided LEAs and government have agreed what would constitute satisfactory LEA performance in terms of outputs and outcomes (the ends). Since an LEA would be unlikely to avoid criticism if it had carried out all the duties in a notional job description but still failed to achieve the required outputs and outcomes, the value of an exhaustive job description is questionable, except as a basic checklist.

24. To date, however, no definition of satisfactory LEA performance has been constructed. Politicians and officials may be clearer about the broad role of the LEA than they are about what, precisely, LEAs are expected to achieve and how they should achieve it. This state of affairs suggests that the top priority is not to undertake further work on the content of a job description for LEAs (though, given frequent misunderstandings, it is important to explain the LEA roles and responsibilities to stakeholders, the public and the media). Rather, there is a need to:

- understand what constitutes an effective LEA – what policies, procedures and attributes appear to lead to successful performance; and
- establish definitions and measures of performance that will – among other things – clarify what exactly is expected of LEAs and what will be viewed as satisfactory and unsatisfactory performance.

These issues are explored in the next two sections.

* Though the Government has recognised that heads, governors and other stakeholders may benefit from a simple written description of what an LEA does.
3. What are the features of the effective LEA?

Introduction

25. There is no single 'correct' path to LEA effectiveness. Common sense and research evidence lead to the same conclusion: that effective LEAs come in a variety of forms, reflecting the diversity of local circumstances around the country. What matters is what works – and what works in Shropshire will not necessarily work in Southwark. Nevertheless, there are features that all effective LEAs appear to have in common. These can be listed under three broad headings:

• strategy;
• management processes; and
• culture.

Strategy

26. Strategy formulation is the process by which the LEA assesses the character of the local area, local communities and local institutions, and then determines – mindful of its own aims and those of central government, and with an understanding of the resource constraints on the authority – what it should do to perform its role to best effect. The form and content of LEA strategies will vary widely from area to area – indeed, the variation in local needs and local circumstances is one of the strongest arguments for a local role in the management and governance of the education service. But while their strategies will vary, all effective LEAs are likely to have adopted a strategic approach and followed certain stages in developing their strategies.

27. The starting point for an effective strategy is an extensive, evidence-based understanding of the composition and needs of the local population. The LEA should identify groups with additional needs – for example, children with special needs, minority ethnic communities, areas with high levels of deprivation, and other under-achieving sections of the local population. The LEA also needs information on the pattern of local educational provision, and the historic and current quality of education – both in terms of the quality of teaching and learning and the results achieved (academic – in terms of test and exam results, and non-academic – in terms of attendance, discipline, etc). Through the work of its advisers, educational psychologists, education welfare officers and other professionals, the
LEA should also have gathered a mass of information about the impact of the authority: this information will provide valuable feedback on where the LEA needs to undertake further work.

28. Using such information, an effective LEA strategy will:
   • express a set of aims for local provision;
   • identify a small set of priorities that, if pursued vigorously, would move the LEA towards achieving its aims over a three-to-five year period;
   • identify, in broad terms, the sorts of actions that the authority will take to pursue these priorities.

29. Setting priorities is at the heart of this process. The various managerial maxims, from ‘prioritise ruthlessly’ (Ref. 7) to the observation that ‘the person who has 25 priorities has none’ (Ref. 8), are of particular importance in education, where the range of possibilities for the use of scarce time and money is vast. But members and officers responsible for education will not have a free hand in setting these priorities. Wider corporate priorities will need to be reflected in educational strategy; and LEAs ignore the priorities of central government at their peril.

30. The LEA’s strategic processes must mesh with those of local schools and educational providers if they are to be effective. The best way of achieving this integration is to ensure that authority-wide priorities are discussed and communicated with local heads, governors and staff, with opportunities to influence the final formulation of strategy. This approach is more likely to secure ownership and to ensure that LEA priorities are reflected within schools’ development and improvement plans. Elected members will need to play a central role in these discussions.

 Processes

31. None of the LEAs visited to date by the Commission could be viewed as performing effectively in all aspects of its work. But many authorities have developed good practice in one or more aspects. From the sum of these practices, it is possible to outline a model of the processes that would characterise an effective LEA. This model builds on many of the insights in the Commission’s 1989 management paper on the role of the LEA, Losing An Empire, Finding A Role (Ref. 1). But the world of education — indeed, the world of public service provision more broadly — has developed hugely since 1989. Any model needs to incorporate the changes between 1989 and 1998, reflecting in particular the greater emphasis on raising standards. Accordingly, this paper updates the relevant parts of the 1989 publication to reflect the changed environment within which LEAs will be required to operate over the coming period. The new model consists of four main components:
   • **Target setting** — the processes by which overall strategic aims and objectives are translated into operational programmes, tasks and targets, for the LEA overall and for individual schools and sections of the community.
   • **Resource allocation** — the processes by which the LEA distributes revenue and capital finance to ensure that programmes, task and targets have the best chance of being achieved.

The LEA’s strategic processes must mesh with those of local schools and educational providers if they are to be effective.
• **Service delivery** – the processes by which the LEA designs, secures and – if appropriate – delivers services to achieve the programmes, tasks and targets within available resources.

• **Monitoring, review and intervention** – the processes by which the LEA:
  – assesses its own performance and that of schools;
  – identifies, praises and spreads good practice;
  – decides whether to modify or discontinue a service or programme; and
  – where appropriate, decides that the combination of pressure and support to schools has been insufficient and therefore that it needs to intervene in the management of a school.

32. Two further processes of a different nature are required to complete the picture of LEA effectiveness:

• **intra-authority and inter-agency working** – how the authority ensures internal co-ordination of its own departments (notably education, social services and libraries) and external co-ordination with other agencies that have a role in funding, delivering or facilitating effective education; and

• the gathering, dissemination and use of information by the LEA. Competence in these activities lies at the heart of the effective LEA [EXHIBIT 4].

33. Each of the six processes outlined above warrant examination and illustration in more detail. While much of what follows is common sense, it is not yet common practice.
Target-setting

34. For LEA priorities to stand the best chance of being implemented, they need to be reflected in detailed targets for individual schools, LEA services and other providers of education. Some targets will be quantitative, others action-based; and they are likely to focus on outcomes and on processes. For example, a school may want to increase the percentage of pupils achieving a given level in key stage tests, and it may also want to improve the ways in which teachers spend classroom time. Whatever form they take, targets are of greatest use when they are: relevant to established priorities; challenging yet achievable (avoiding the twin dangers of demoralisation and cynicism); owned by staff delivering the service; and motivating for those staff.

35. Central to effective target-setting is the use of information, which covers not just the composition and historic performance of a particular school or service but also that of other, similar institutions. The 'challenging yet achievable' target for an institution is often best determined by comparing it with a better-performing, similar institution. The LEA can play a valuable role in facilitating such comparisons by providing information and advising on its use. The information systems within most LEAs should provide schools with feedback on how they perform in comparison with other schools with similar pupil profiles (defined by the level of free school meals, sex and ethnic analysis, school size etc). These comparisons need not be just at school-level: they can be made by subject and by year-group – and even by teacher – allowing for sophisticated micro-level targets to be established within a school. The LEA can also help to establish benchmarking groups, or 'families', of schools that can learn from each other's practices and processes. At authority-wide level, similar opportunities exist to set targets for the efficiency and effectiveness of LEA services through comparisons with the services of other similar LEAs.

36. Evidence from the Commission's fieldwork suggests that target-setting is a process for which skills are thin on the ground – both within schools and within LEAs. This is not surprising, given the subtlety and difficulty of the task. The DfEE's recent publication on target-setting (Ref. 9) should prove of immense value to schools, but there may be value in further, locally based support. A number of heads have identified target-setting as a priority for help from their LEA – not necessarily in terms of providing information (though often the form in which it is provided could be more accessible) but in interpreting it, working out what the school could achieve and determining how best to structure a set of targets.

Resource allocation

37. The permanent financial pressure on authorities means that skill in allocating resources will be a key determinant of success. The effective LEA will ensure that decisions on resource allocation match decisions on strategic priorities. This requires not only directing money towards actions and programmes that will facilitate progress in priority areas, but also the reduction, or even cessation, of expenditure on services that are not priorities.
38. If the LEA has prioritised unethically, then this approach to resource allocation may cause political difficulties. Some LEAs have cut expenditure on discretionary awards, the youth service and other non-mandatory services in pursuit of their ‘number one priority’ of school improvement. Other LEAs – while still putting school improvement at the top of their priorities – have been able to maintain a wide range of discretionary service provision by eliminating low priority programmes and activities within the school sector. Whatever priorities are adopted, the effective LEA can defer the pain of service reduction by first exhausting every possibility for internal efficiency savings and by eliminating wasteful expenditure on surplus places and unnecessary small schools.

39. Many LEAs will need to review their budget-making processes if they are to target money more effectively. This may involve reconsidering the LMS formula to see if there are other ways of meeting the requirements for delegation that would allow the LEA’s priorities to be better met: for example, changing the balance between the primary and secondary sectors, or reviewing the range of services for which funding is devolved. But, in addition, some authorities give their members too few opportunities to consider non-delegated items of expenditure from a zero-base.

40. There is also frequent failure to delve beyond the expenditure heading for an LEA section (say, its inspection and advisory service), to examine its activities and assess the scope for using the same budget and staff resource in a way that offers a better match with LEA priorities. More detailed analysis of current activities can reveal a plethora of programmes and activities that have accumulated over the years without any consideration of their continuing relevance or effectiveness.

Service delivery

41. The LEA that wants to set priorities effectively should not stop at ruthless decision-making; it must also ensure that its decisions are implemented and that priorities are understood and acted on throughout the organisation. Services should be structured explicitly to deliver the LEA’s priorities, with regular opportunities taken to review the match between a service’s organisation and operation and the three or four top priorities of the LEA. And it is important to remember that an LEA’s service delivery responsibilities cover more than just services to schools. Services for individual pupils and parents should also be included within this process.

42. Although the LEA’s responsibilities may be broad, outside observers will pay greatest attention to those services that support the raising of standards in schools. In this area, there are extensive opportunities for LEAs to add value – principally through the creation of an ‘infrastructure’ that supports heads, teachers and governors.

43. An LEA’s Advisory and Inspection Service (AIS) will almost certainly take the lead role in providing services to raise standards. AIS work can support heads, senior staff and governors in planning and target-setting, especially through help with the preparation of development and improvement plans in schools. The AIS can also provide a further range of services that is more closely tailored to the needs of individual heads – for example, help with appraisal and coaching. Perhaps most importantly, the AIS can help individual teachers to perform more effectively – through the provision of curricular and pedagogic advice, and through the provision of in-service education and training.
44. The design and delivery of services should be informed by the perspective of the client – whether a head, a teacher, a child or a parent. Many clients will, if the process of strategy formation and priority setting has been done well, be aware of and supportive of the priorities. But the need for effective communication and negotiation over the detailed nature and content of the service will remain. Service level agreements (SLAs), service guarantees and statements of entitlement are all vehicles for formalising dialogue and negotiation.

45. SLAs and other arrangements should provide room for the LEA to target and tailor many of its services. Not every school or individual will require the same amount of service, nor will their problems be identical. A standard service package is therefore unlikely to be appropriate. LEAs must develop a repertoire of service options and ensure flexibility in their organisation and deployment of services. This should be based on a thorough understanding of a school’s or individual’s needs and of which service packages are most effective at tackling particular problems. For many services, the level of ‘buy-back’ will be a useful means of judging the extent to which LEAs have adopted these approaches.

46. A later part of the current section addresses the need for proper liaison and joint working within authorities and between agencies. While this has relevance for all LEA processes, it is particularly relevant to service delivery. Schools and parents expect an integrated package of services designed to meet their needs, not one where the actions of one part of the authority are contradicted, undermined or duplicated by the efforts of another. Such problems may arise even within an education department. On extreme occasions, there may be overlap and confusion between the work of different programmes or initiatives run by a single section. For example, one LEA has five separate and apparently unco-ordinated initiatives that are intended to raise levels of literacy within primary schools. As well as wasting scarce resources, the lack of co-ordination between these initiatives makes an effective outcome less likely – if not impossible. The Government might wish to consider whether its current range of bidding exercises helps or hinders LEA efficiency and effectiveness in this respect.

47. Effective LEAs encourage schools in their area to monitor their own performance, identify problems and apply their own solutions. Indeed, one of the proposals in Building Excellent Schools Together is for all schools in Wales to engage in an annual cycle of self-review which is supported by the LEA and validated by OHMCI. Nevertheless, the experience of many LEAs is that school self-correction is often not sufficient. In spite of good intentions, schools sometimes get into difficulties that they cannot solve themselves but which they do not necessarily bring to the attention of the authority.

48. Consequently, effective LEAs have sensitive mechanisms for monitoring the health and performance of all local schools, as well as for monitoring the performance of their own services. In part, these mechanisms involve regular checks of a range of school-level indicators. But numbers do not tell the whole story: just as a doctor would not make a diagnosis without seeing and talking to the patient, so there is also a need for the LEA to make judgements based on observation and an understanding of an individual school. Observation is necessary to assess aspects of performance like school ethos; and numbers can...
mask problems that observation and school visits detect. Knowing that there is a problem is not enough – it is also necessary to know why the problem exists. There is little value in even the most exquisite description of the problem if there is not also an understanding of what has caused the problem and what can be done to improve the situation. Quantitative evidence is rarely sufficient for this process of diagnosis and prescription.

49. But while some observation of all schools by the LEA may be necessary if the authority is to perform its role effectively, excessive observation would work against the principle of school self-management. The key question, therefore, is what the baseline level of observation should be.

To answer this question (and the answer may well vary between different parts of the country), it is necessary to consider:

- the LEA's requirements for information to satisfy itself that the school is doing a good job;
- the scope for LEAs to use information from a range of sources which provides more insight than can be gleaned from quantitative measures but which stops short of classroom observation;
- the case for regular observation of very good schools to understand what they are doing well (and then attempt to disseminate this good practice throughout the LEA's area);
- the case for leaving independent-minded heads of successful schools free from what they might perceive as 'outside interference'; and
- the role of Ofsted/OHMCi inspections in providing observational data and judgements.

50. The Government intends to provide guidance on these issues through its proposed Code of Practice for LEAs. In the meantime, however, many LEAs – in conjunction with schools in their area – have been working out answers for themselves. One method for achieving an understanding of schools in a way that has proved both cost-effective and acceptable to local schools is to use link inspectors: such staff can achieve synergy between the processes of monitoring a school on behalf of the LEA and delivering educational support to that school. There may be merit for both the Government and local authorities in learning from the experience of leading LEAs, and also from the arrangements that the Funding Agency for Schools (FAS) has established for gathering information (both 'hard' and 'soft') and intelligence about its schools.

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* The Code of Practice for LEAs will set out the principles that will govern the relationship between LEAs and schools, paying particular attention to the appropriate use of LEAs' intervention powers.
51. Effective monitoring should do more than simply detect problems in schools: it should also allow the LEA to identify what does and does not work, and then to encourage a refocusing of effort and resources from less to more effective practices. Such constructive outcomes require monitoring systems that allow the sharing and incorporation of learning.

52. This learning will be based not merely on experience within the LEA and local schools, but also on lessons from other areas – gathered, perhaps, through networking and benchmarking with progressive authorities. LEAs have promoted learning through the use of school families (in which heads and teachers network extensively to share problems and solutions) and through the use of good practice documentation – for example, Birmingham LEA’s ‘Butterfly Book’, which contains ‘bright ideas’ from primary school heads and staff about what they have found to be particularly effective.

53. Through such techniques, monitoring can help bring about the Government’s desired outcome of continuous improvement – a state of affairs that is possible only when all schools are stretched and challenged. In short, the value of LEA monitoring is not merely that it can detect failing, or near-failing, schools. It can also help average and good schools to identify where they can improve, and provide the right kind of information and insight to stimulate improvement in such schools.

54. Nor should monitoring be confined to schools. The LEA needs systems for checking the performance of its own services. Such systems should provide the authority with feedback on service quality as well as costs and efficiency. A key benefit of such arrangements should be the extension of successful practice and the abandonment of less successful policies, programmes and initiatives.

55. The results of monitoring and review will be of interest not only to LEA officers with responsibilities for service delivery and regulation, but also to members of the LEA and governing bodies. Members need information about the performance of individual schools and LEA services to assess progress in implementing their strategies, priorities and targets. And as argued in the Commission’s management paper on the role of school governors, Lessons in Teamwork (Ref. 10), monitoring information from the LEA will be of particular value in helping school governors to carry out their role effectively. The LEA can provide an independent perspective on the school’s performance in a way that the head cannot – and it can provide it to governors on a far more regular basis than the cycle of Ofsted/OHMCI inspections.

56. The functions of monitoring and review are closely linked to the function of intervention in schools causing concern or schools in difficulty. As argued above, identifying a problem is not simply a matter of examining quantitative information: similarly, decisions about whether and how to intervene cannot be taken in a mechanistic way. When considering problems that stop short of endemic failure, it would appear that what works in one school may not work in another – so there is an irreducible role for judgement.

Successful LEAs have developed a wide repertoire of techniques that can be deployed at different stages
of difficulty according to the nature and cause of the problem and the character of the head and governing body. But these techniques should be exercised in accordance with the principle that intervention should be at the minimum level necessary and at the earliest stage possible in order to restore the school to full health.

Intra-authority and inter-agency working

57. For every LEA, some degree of intra-authority and inter-agency working will be essential, partly as a result of the structure of education in England and Wales. Governance and management are spread across a range of local bodies – LEAs, schools, diocesan authorities, post-16 institutions, funding bodies and Training and Enterprise Councils. Equally important is the range of national bodies with an interest in education: the DfEE (in particular, its Standards and Effectiveness Unit), the Welsh Office, QCA and ACCAC (respectively, the English and Welsh bodies with responsibilities for the national curriculum and for assessment), Ofsted/OHMCI, the Teacher Training Authority and, when it is established, the General Teaching Council (or Councils, if there are to be separate bodies for England and Wales).

Information is the life-blood of an LEA.
Without it, none of the other LEA processes can operate effectively

58. Without joint working with some or all of these bodies, the education service of an LEA will lack cohesion. But joint working is also necessary where an issue of educational importance cannot be tackled by educational bodies alone. For example, an effective strategy to tackle truancy may involve not just an LEA’s education department but also its social services department, the police, other local authorities – for example, the district councils in a county area – and voluntary organisations.

59. Inter-agency working can also secure financial and other assistance for the local delivery of education. Given the tight grip that will be maintained on education expenditure over the foreseeable future, the effective LEA will seek opportunities to obtain resources from local businesses and outside agencies. Many LEAs that have worked co-operatively with other agencies to generate additional resources for local education have established initiatives that would have been impossible had they worked alone.

Information

60. Information is the life-blood of an LEA. Without it, none of the other LEA processes can operate effectively. It is the basis on which needs can be assessed and priorities determined. The quality of information will have a crucial influence on the precision and value of targets. Members and heads require financial information for the proper allocation of resources and for setting budgets. Information about clients and service outcomes supports the effective design and targeting of services. And information is essential for both monitoring service performance and deciding what to do in the event of difficulty or failure. Yet, in many LEAs, the effective management and use of information is still in its infancy.

61. Often, the problem is not a lack of information. The education service in England and Wales has generated and completed forms about almost every aspect of need and performance,* as well as built up banks of ‘softer’ data around

* Though few authorities have established comprehensive systems for recording individual pupils’ prior attainment.
appeals, complaints and issues raised by parents with their councillors. Difficulties lie more often in the quality, presentation and use of information.

62. Effective LEAs have identified the information required to formulate, implement and monitor strategy, and have then spent time with heads and service managers to identify operational needs for information. But few LEAs have reached the stage where all their managers and heads have adequate advice on how to interpret the information that they receive and then use it to make decisions, particularly about the management and performance of individual schools. This may be the competence in need of the greatest development in the education service over the next few years: without it, a regime based on statutory plans and target-setting is unlikely to be successful. For this reason, the use of information will be a core theme in all Ofsted/OHMCI/Audit Commission inspections of LEAs.

The limitations of processes

63. Although hugely important, an LEA's processes are not the whole story in terms of organisational effectiveness. Authorities can possess many of the attributes of good practice in their processes but still fail to secure good results. One answer to this conundrum lies in the realm of culture – the values, behaviours and character of relationships within an authority and local schools. Fieldwork undertaken by the Commission indicates that effective processes are not in themselves a sufficient condition of success, and that no overall assessment of effectiveness can ignore the issue of culture.

Culture

64. An LEA is more than a series of processes, decisions and information flows. It is also a bundle of personal interactions, behaviours and feelings which require at least as much management attention. Even the best organisational systems will fail to generate improvement unless accompanied by a series of less tangible attributes that encourage staff in the authority and schools to feel motivated and valued, understand what they should be doing, work together constructively and give enthusiastically of their best.

65. These attributes, best captured under the overall heading of 'organisational culture', can be classified under five headings:

- the character of relationships between the LEA and local schools, and between the authority and the local community;
- the leadership provided by the LEA, particularly by its Chief Education Officer;
- the extent to which the LEA and schools have shared values and a shared language;
- the degree of trust between the LEA and its schools [BOX B];
- the extent to which the LEA, while operating in 'partnership' style (see para 18 above), has been able to build a capacity for self-management within schools.

66. A strong, supportive and positive culture brings many benefits for LEAs. Strong leadership, shared values and effective relationships can provide a fast-track route to improvement, dispensing with the need for complex procedures and the exercise of statutory powers. In addition, an LEA with this sort of culture may be able to do things more cheaply (since rules and procedures generally cost money to administer, especially when they are resented by those on the receiving end). A high-trust LEA can delegate more to schools and spend less on central management and administration budgets, thereby attaining the ideal of high effectiveness and low central expenditure.
Moreover, the high-trust LEA can exploit possibilities around inter-school co-operation. For example, mutuality can flourish in the high-trust authority, allowing school balances to be pooled as a fund from which loans can be made to the schools with the most pressing needs, rather than simply those that happen to have the largest balances at any given moment. And ‘families’ of schools, established in LEAs such as Nottinghamshire and Leeds, can help heads and teachers to tackle problems at an early stage through effective support and guidance from their peers – thus reducing the need for intervention (and expenditure) by the LEA.

These attributes are difficult to measure and assess, although surveys concerned with LEAs’ and schools’ perceptions of the issues [BOX B] may go some way towards quantification. The task of creating and maintaining these attributes is far more challenging. Where they do exist, this is often thanks to the efforts of a charismatic, proselytising Chief Education Officer, with the space to perform because of previous organisational failure and a recognition within the authority – particularly at member level and from the authority’s Chief Executive – that major change was needed. Indeed, many of the most striking examples of cultural change in an education service are to be found in authorities where a wider change in corporate culture has taken place.

**BOX B**

**The high-trust LEA**

‘Trust’ has been defined as ‘the expectation that arises within a community of regular, honest and co-operative behaviour, based on commonly shared norms, on the part of other members of that community’ (Ref. 11). In the context of an educational community formed by an LEA and local schools, trust might be assessed with reference to:

- an LEA’s willingness to listen to the views of heads, governors and teachers;
- the extent to which schools are involved in forming overall policy and strategy;
- the extent to which schools are aware of, understand and support the LEA’s strategy;
- the openness of an LEA about its budget-making process;
- the degree to which schools feel that the funding formula is transparent and fair;
- the quality and extent of formal communication channels between the LEA and schools;
- the ease with which schools and the senior management of the LEA can make contact with each other outside of these formal communication channels;
- the speed with which the LEA responds to school requests;
- the degree to which the LEA keeps promises and commitments made to schools in general and to particular schools;
- the degree to which schools are confident that the LEA is on their side and will treat them fairly;
- the extent to which schools receive consistent messages from all parts of the LEA – from members, officers throughout the education service and officers from other departments.

29
69. There are examples of LEAs, bolstered by strong and determined political leadership, that are in the process of changing inappropriate cultures, supported by efforts at the corporate level. This work is to be commended, since without deep-rooted values of trust, respect, support and partnership, LEAs are unlikely to be able to contribute to any significant educational improvement in their area. Although such change can be undertaken only by the senior officers and members of an LEA, the Government has a role to play in encouraging authorities to focus on culture and relationships as well as on target-setting and development planning, and by fostering a climate of trust in its relationships with schools and authorities.

Summary
70. The effective LEA must have a strategy that focuses and prioritises efforts, a coherent set of management processes (of which target-setting is only one) and a set of cultural attributes that foster the highest levels of performance from all staff [EXHIBIT 5]. Attention to all three dimensions is necessary in any assessment of LEAs and in any attempts to achieve improvement and excellence.
71. This model of effectiveness represents an enormous challenge for most LEAs. Authorities need to:

- combine skills in system design and performance monitoring with skills of leadership and cultural change;
- have extensive, wide-ranging educational expertise as well as general management expertise;
- appreciate the critical importance of school self-management – and, as a consequence, the need to build schools' internal capacity for success;
- judge how to balance support and encouragement with pressure and intervention; and
- when intervention is required, understand what level of intervention is appropriate and what techniques will be most effective.

72. The model requires LEAs to be, at different times, a coach, a parent and a physician to the schools in their area. Outstanding performers in each of these roles understand the importance of ‘leaving things alone’.

73. Some critics may conclude that this combination of roles represents an unattainable ideal for a democratically elected public body and therefore that there is a case for rationalising the scope of the LEA role or reforming the character of LEA management (Refs. 12 & 13). Certainly, it is not self-evident that every LEA will be up to the task. Effectiveness will require capacity-building within LEAs, just as they should be attempting to build the capacity for effective leadership and management within their schools:

- some LEAs will need to change staff and acquire new competences;
- others will need to shed old ways of thinking and behaving, at both member and officer level;
- many will need to realign budgets and expenditure;
- some may find that their small size places limits on their ability to possess all the necessary expertise and resources in-house;
- others may find that their current levels of central expenditure are insufficient for this wide-ranging and complex role.

At a national level, there is a need to debate the resource implications for LEAs of performing the role effectively; and to consider whether all LEAs – whatever their size and geography – are equally well placed to perform this role. At LEA level, one of the key roles of external inspections should be to assess each authority's capability for effectiveness and to help rectify any shortcomings. Given the Government's resolute commitment to dealing with underperformance wherever it occurs within the education service – from the small village primary school to the large local authority – the issues above are of critical importance to LEAs.

74. Any model (and any process of external assessment) is only a means to the end of ensuring the right outcomes. Having articulated its strategy, developed a coherent set of management processes and achieved a high-trust culture, the effective LEA will also:

- meet agreed national and local targets;
- experience standards of achievement that are – to use the phrase in *Excellence in Schools* - ‘excellent, improving or both’;
- achieve the highest effectiveness for the lowest cost; and
- emerge favourably from comparisons with similar LEAs.*

* ‘Similar LEAs’ are those with comparable pupil populations in terms of size, socio-economic composition, ethnic mix and a range of other factors. Statistical analysis allows the creation for each LEA of a group of ‘neighbour’ LEAs with similar characteristics, against which comparisons can be made.
Thus the expectations and assessments of an LEA cannot stop at its processes and culture; they must also include the economy and efficiency and, above all, the educational effectiveness achieved within its area – ultimately, the effectiveness of the education provided in the individual classrooms of individual schools. Specifying what is expected, assessing performance and holding authorities to account for performance are complex challenges. The next section of this paper provides guidance on how to respond to them.

WHAT ARE THE FEATURES OF THE EFFECTIVE LEA?

KEY QUESTIONS ARISING FROM THIS SECTION

3. Is the model of LEA effectiveness outlined in this paper a helpful one – and if not, how should it be modified? What are the resource implications of this model? Are there limitations on some LEAs’ ability to perform effectively – and if there are, what can be done? (Paras 25-69)

4. Where should the balance be struck between the need for LEAs to gather observational data about the performance of local schools and the need to minimise ‘outside interference’ in the running of schools? In particular, what should be the baseline level of LEA activity in monitoring and observing school performance? (Para 49)

5. How can the culture of LEAs be assessed? How can culture be improved? How can all parties ensure that issues of culture, as well as issues of planning and target-setting, are given proper attention? (Paras 64-69; Box B)
Please pull out and copy

The issues explored in this paper raise a substantial list of questions for consideration by LEAs, central government and schools.

Officers and members within authorities, heads and governors of schools, and national policymakers and opinion-formers are invited to consider these questions as an aid to clarity and consensus about what LEAs should be doing, how they should do it and how they should be assessed and held accountable.

The Commission would be pleased to receive any responses to the 20 questions in this pull-out list. Please write to:

Andrew Foster, Audit Commission, 1 Vincent Square, London SW1P 2PN
Question

WHAT IS THE ROLE OF LEAS?
1. Is the definition of the role of the LEA outlined in this paper the right one? (Para 14)

2. Is there a need for a detailed list of duties, services and activities that LEAs must undertake, or is the broader 'job description' already outlined by the Government felt to be adequate? (Paras 22-4)

WHAT ARE THE FEATURES OF THE EFFECTIVE LEA?
3. Is the model of LEA effectiveness outlined in this paper a helpful one – and if not, how should it be modified? What are the resource implications of this model? Are there limitations on some LEAs’ ability to perform effectively – and if there are, what can be done? (Paras 25-73)

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5. How can the cultural attributes of LEAs be assessed? How can they be improved? How can all parties ensure that issues of culture, as well as issues of planning and target-setting, are given proper attention? (Paras 64-9; Box B)

HOW CAN LEAs BE ASSESSED AND HELD ACCOUNTABLE?
6. What is the demarcation between the national interest in LEA performance and the local interest? (Para 77; BOX C)
7. Is the suggested set of performance indicators appropriate for measuring LEA performance? Are there too many – and if so, which should be retained? How can these be sequenced to provide a route map of performance, for use by LEAs and other interested parties? (Paras 78-82; Box D)

8. Should all three suggested types of benchmark, with associated targets, be set? For each area of educational performance, who should set the benchmarks and targets? (Paras 83-5)

9. Is the suggested approach for assessing an LEA’s contribution to educational performance sufficiently rigorous, or is there a need for more strenuous attempts to identify relations of cause and effect between LEA activities and school-level performance? (Paras 86-8)

10. What planning process can best put into practice this benchmark and target-driven approach? What should be the relationship between the EDP/ESP regime and the Best Value regime? How can the risk of ‘plan proliferation’ best be avoided? (Paras 89-93)

11. What would constitute unsatisfactory LEA performance? (Paras 94-5)

12. Under what circumstances should an authority be designated a failing LEA? Who should construct this definition? Given the organisational and constitutional complexities of local authorities, what should the sanctions be against failing LEAs? (Paras 96-7)

HOW CAN INSPECTION, AUDIT AND REVIEW ADD VALUE?

13. What should be the purpose and character of external inspection and review by Ofsted/OHMI and the Commission? What is the best way of fitting together the regime of LEA inspections and the regime of Best Value? (Paras 100-5)
Question

14. Is the approach suggested in this paper the best way of aligning the processes of self-review/self-improvement, external inspection/review and external audit – and if not, what changes should be made? (Para 106)

HOW CAN LEA RESPONSIBILITIES AND POWERS BE ALIGNED?

15. How precisely will the White Papers’ and the Bill’s proposals allow LEAs to intervene in schools in difficulty and schools causing concern? (Paras 116-9)

16. Is there a case for licensing LEAs to operate different regimes of intervention? (Para 120-1)

17. How can LEAs’ responsibilities for educational performance be best aligned with their proposed powers in relation to the appointment of heads? (Paras 122-4)

18. Should LEAs be given any additional role in improving the standards of governing bodies? Could central government provide any assistance to this improvement process? (Paras 125-7)

19. Precisely what freedoms and constraints will LEAs face in relation to their funding powers – in particular, for monitoring school performance and for schools in poor health – as a result of the proposals in the White Papers? (Paras 128-9)

20. What powers, if any, should LEAs be given (or give up) to address continuing difficulties in the post-16 sector? (Para 130-1)
4. How can LEAs be assessed and held accountable?

Introduction

76. Translating broad rhetoric about the raising of educational standards into specific judgements about the performance of an individual LEA is profoundly difficult. Taking this step successfully requires at least three things:

- an understanding of the interrelationship between the national and the local interest in education;

- an understanding of the techniques for defining, measuring and assessing performance; and

- the development of arrangements for holding LEAs accountable. These arrangements require a recognition that (a) the locus of educational success is and always will be the school – a body that is relatively autonomous from the LEA; and (b) the contribution of the LEA to the educational performance of local schools may be open to question by the observer who seeks explicit relations of cause and effect.

National and local interests

77. If expectations of LEAs are to be expressed more clearly, the starting point must be an understanding of the demarcation between national and local interests. LEAs need to know the aspects of the education service for which central government determines objectives, and what those objectives are; and they need to know the aspects for which they have autonomy. Central government has already defined in some detail what it wants LEAs, working with local schools, to achieve [BOX C].

BOX C

The Government’s performance specification for LEAs and schools

Central government has already defined in some detail what it wants LEAs, working with local schools, to achieve

Outcomes to be delivered include:

For England, Excellence in Schools and subsequent policy announcements include the following educational targets:

- 80 per cent of pupils achieving level 4 at key stage 2 for English and 75 per cent achieving level 4 at key stage 2 for Maths, by the end of the current Parliament; and

- a target to be set for the percentage of pupils gaining 5 or more GCSEs at grades A-C.

The Government has translated these national targets for literacy into local targets for each LEA, prescribing a minimum performance level of 70 per cent. The Government has recently announced targets for each LEA.

contl.
For Wales, Building Excellent Schools Together includes the following educational targets:

- 95 per cent of classes to have satisfactory standards, and 50 per cent to have good or very good standards, by the year 2002;
- the percentage of pupils gaining 5 GCSEs at A-C and A-G to increase by 12 percentage points from the 1996 baselines of 42 per cent and 79 per cent respectively;
- performance of both boys and girls to improve in key stage tests, GCSEs and A-levels, and the extent to which boys underperform by comparison with girls to be cut by 50 per cent from 1996 results; and
- a significant reduction in the number of pupils leaving school without qualifications.

For both England and Wales, further target outcomes include:

- all schools to be excellent, improving or both;
- no five, six or seven year-old to be in a class of more than 30 pupils; and
- a place for every four year-old whose parents want one.

Processes to be established include:

- Education Development Plans (in Wales, Education Strategy Plans):
  - every school to set targets;
  - all LEAs and schools to comply with national literacy and numeracy initiatives;
- Early Years Development Plans;
- baseline testing;
- LEA Behaviour Support Plans;
- LEA Asset Management Plans;
- School Organisation Plans.

NB: Depending on the final form that these processes take, the list of centrally prescribed outcomes may increase.
Defining, measuring and assessing performance

78. Having established the demarcation between national and local interests, the next stage is to identify the techniques for assessing performance in achieving the specified outcomes. These techniques can be considered under two main headings:

• performance indicators; and
• benchmarks and targets.

Performance indicators

79. This paper has identified four main components of the LEA's role – developing a vision, acting as a vehicle for improvement, ensuring equity and managing trade-offs. Vision does not lend itself obviously to quantitative indicators. But each of the other three components of the role can – with varying degrees of difficulty – be assessed, at least in part, with performance indicators.

• It is relatively straightforward to identify performance indicators in the main areas where LEAs should be helping to bring about improvement. There are many widely accepted indicators of effectiveness, efficiency and economy in education, and the information is easy to collect in a consistent manner.* Indicators can also be devised to measure the 'customer satisfaction' of schools or of individuals for LEA services, though there may be problems with collecting such information consistently.

• It is more difficult to construct indicators to measure an LEA's performance in ensuring equity. Some understanding of the LEA's performance for pupils with special educational needs can be gleaned from a limited range of simple indicators; but a fuller assessment of equity requires an analysis of the fortunes of disadvantaged groups compared to the rest of the pupil population. In particular, there is a need to measure and monitor the performance of the least able 10 per cent of children, many of whom leave primary school with profound difficulties in reading and writing and finish secondary school with no GCSEs. It is vital to ensure that, in pursuing literacy and numeracy targets, LEAs and schools do not ignore the least able children. The consequences of this for other government policies – for example, combating social exclusion – would be severe.

• An even greater challenge is to find indicators to assess how LEAs manage trade-offs. The levels of complaints, objections and appeals relating to admissions, exclusions, special needs and the planning of school places form the obvious starting point. But relying exclusively on these measures could distort a judgement of how well the LEA had handled conflicts. An alternative approach is to see whether the relative levels of performance across all areas of activity are significantly at variance with those of similar LEAs – that is, to look for evidence of strong performance in one dimension (for example, education standards for the majority of pupils) being achieved at the expense of others (for example, exclusions, attendance or the educational outcomes enjoyed by the least able pupils).

* For some aspects of LEA activity, however – in particular, expenditure on management and administration – the national definitions and data collection methods are defective and in need of urgent improvement.
80. Alone, none of these indicators is sufficient for a rounded assessment of an authority. A basket of indicators, at LEA level and school-level, will be needed to produce a 'balanced scorecard' of performance in the authority [BOX D]. Inevitably, those indicators covering educational effectiveness will be largely school-based. So, an LEA's performance will be judged ultimately by the performance of schools in its area – even though its ability to control those schools is limited because of the importance of school self-management. It is inconceivable that the degree of school self-management could be reduced significantly. Therefore, LEAs would be well advised to accept the current distribution of power and, within it, identify effective means of ensuring the optimum performance of schools. In particular, the ability of the LEA to influence the work of schools – not just their heads, but also individual teachers – and to target scarce resources to schools in greatest need of support, will become crucial.

**BOX D**

**Key performance indicators**

A basket of indicators, at LEA level and school-level, will be needed to produce a 'balanced scorecard' of performance in the authority

**Educational performance – results**

- Key stage 1 results: percentage of pupils achieving level 2 or above
- Average rate of improvement per pupil: baseline – key stage 1
- Key stage 2 results: percentage of pupils achieving level 4 or above
- Average rate of improvement per pupil: key stage 1 – key stage 2
- Key stage 3 results: percentage of pupils achieving level 5 or above
- Average rate of improvement per pupil: key stage 2 – key stage 3

**GCSE results**

- average points scored per pupil
- actual points scored vs points expected from key stage 3 assessment

**A-level results**

- percentage of pupils achieving 5 grades A-C
- percentage of pupils achieving 5 grades A-G

**GNVQ results**

**Other post-16 examination results**

**Educational performance – inspections**

Average Primary Judgement Recording Statement (JRS) scores

- standards of achievement
  - quality of education
  - school ethos
  - efficiency
  - overall performance

- Average secondary JRS scores (as for primary)
- Percentage of schools in special measures
- Percentage of schools identified by Ofsted/OHMCI as having serious weaknesses
- Percentage of schools classified separately by the LEA as 'in difficulty' or 'causing concern'
- Average time taken for schools classified as 'failing' to come off special measures

*cont./
Educational performance – other
- Authorised absence rates
- Unauthorised absence rates
- Percentage of pupils excluded for fixed periods
- Percentage of pupils permanently excluded

Inputs, economy, efficiency and customer satisfaction
- Vacancy rates – head teachers; governors (separate measures for LEA-appointed, foundation and parent governors)
- Staff absence rates – teaching; non-teaching
- Percentage of schools where projected expenditure exceeds projected income by more than 5 per cent
- Schools’ balances as a percentage of schools’ revenue budgets
- Percentage of schools with number on roll (NOR) less than 75 per cent of More Open Enrolment (MOE) physical capacity
- Percentage of schools with NOR greater than 105 per cent of MOE physical capacity
- Education expenditure as a percentage of Standard Spending Assessment (SSA)
- Capital expenditure per pupil
- Non-delegated revenue expenditure per pupil:
  - management and administration
  - support for school improvement
  - other
- Delegated revenue funds per pupil: primary; secondary up to year 11; post-16
- Buy-back rates from delegated budgets where the LEA offers a service
- Headteacher/chair of governor/governor/teacher satisfaction rates with defined LEA services (particularly those in relation to school improvement)
- Number of formal member meetings per year

Equity
- Percentage of Special Educational Needs (SEN) assessments made within 18 weeks
- Percentage of pupils with statements
- Percentage of statemented pupils in special schools
- For each measure of educational performance: difference between the lowest decile of pupils and the median
- Rate of improvement of the lowest decile of pupils
- Relative attendance rates of the lowest decile of achievers at each key stage
- Relative exclusion rates of the lowest decile of achievers at each key stage
- Percentage of pupils leaving secondary school with no grade A-C at GCSE
- Percentage of pupils leaving secondary school with no grade A-G at GCSE
- Relative achievement, attendance and exclusion rates by sex
- Relative achievement, attendance and exclusion rates by ethnic category

NOTE: This list is offered for discussion. Whatever emerges eventually as the agreed list will need to support three separate initiatives – the production of LEA profiles, the delivery by Ofsted/Audit Commission of LEA inspections, and the production and monitoring of Education Development Plans.
**Educational performance**
- Key stage 1 results: percentage of pupils achieving level 2 or above
- Average rate of improvement per pupil: baseline – key stage 1
- Key stage 2 results: percentage of pupils achieving level 4 or above
- Average rate of improvement per pupil: key stage 1 – key stage 2
- Key stage 3 results: percentage of pupils achieving level 5 or above
- Average rate of improvement per pupil: key stage 2 – key stage 3
- GCSE results
  - percentage of pupils achieving five grades A-C
  - percentage of pupils achieving five grades A-G

**Other post-16 examination results**
- Inspection Judgement Recording Statements
  - standards of achievement
  - quality of education
  - school ethos
  - efficiency
  - overall educational performance
- Authorised absence rates
- Unauthorised absence rates
- Percentage of pupils excluded for fixed-term periods
- Percentage of pupils permanently excluded

**Inputs, economy and efficiency**
- Governor vacancy rates
- Staff absenteeism rates
  - teaching
  - non-teaching
- Balances as a percentage of school’s annual revenue budget

**Equity**
- For each measure of educational performance: difference between the lowest decile of pupils and the median
- Relative attendance rates of the lowest decile of achievers at each key stage
- Relative exclusion rates of the lowest decile of achievers at each key stage
- Relative achievement, attendance and exclusion rates by sex
- Relative achievement, attendance and exclusion rates by ethnic category

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**81.** Education is perhaps the most data-rich of all local government services, so there should be little difficulty in generating this range of indicators. The problem with a ‘balanced scorecard’ approach is that by creating so much information, an overall judgement may be difficult to reach. Too many indicators may not tell a consistent story.

**82.** One solution is to refine the ‘long list’ of indicators, focusing on the minimum number of indicators that will provide the maximum insight. Another solution is to devise a ‘route map’ by sequencing the indicators, so that assessment can begin with the highest-priority dimensions of performance. Such sequencing is essentially a political process, because it involves the setting of priorities. The sequence could start with indicators measuring performance against national targets for educational outcomes and then move to indicators of performance against LEA-determined targets for educational outcomes. Next in line would be indicators of school-level performance as measured by...
inspection judgements and, finally, indicators that related to an LEA’s economy and efficiency.

**Benchmarks and targets**

83. By itself, an indicator is simply a means of measurement: it is also necessary to express, in terms of the indicator, a benchmark level of performance.* Such benchmarks can take three principal forms:

- **Absolute** – for example, that 80 per cent of all pupils will achieve level 4 at key stage 2;
- **Time bounded** – for example, that every school or LEA will achieve an improvement on the previous period’s performance (unless it has reached the maximum score for that indicator); and
- **Relative** – for example, that the gap between the best and worst performers in a group (whether that group consists of all pupils in a school, all similar schools within an authority or all similar LEAs across the country) will be reduced.

84. In practice, a combination of all three forms of benchmark – with associated targets to ensure that the benchmarks are achieved – will be needed to realise government and LEA objectives. Such targets will need to be constructed with reference to the history, geography and composition of an area – factors which may work against achieving the highest levels of attainment.

85. While recognising the mitigating effect of such factors, the Government has indicated that it will not accept disadvantage as an excuse for failure to meet certain absolute standards. But it also asserts the desirability of driving up standards in every school, no matter how outstanding they are. And it is concerned to tackle underperformance in the many schools that achieve middling results but nevertheless lie behind

* Note that expressing ‘benchmark levels of performance’ is not the same as the process of ‘benchmarking’, which most commentators take to mean the process of comparing performance across a group of organisations.
schools with similar intakes that achieve very good results. Targets should stretch all schools, though some targets will be more demanding in order to meet minimum standards universally and bring up the less impressive towards the best [EXHIBIT 6] — ensuring that the best performers are not held back.

EXHIBIT 6

**Benchmarks and targets**

Targets should stretch all schools, though some targets will be more demanding in order to meet minimum standards universally and bring up the less impressive towards the achievement of the best.

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**Current performance**

i. School A, with low levels of disadvantage, is performing well

ii. Schools B & C, with similar levels of disadvantage, are both exceeding the minimum standard of acceptable performance, but C's performance is much worse than B's

iii. School D, with high levels of disadvantage, is achieving less than the minimum threshold performance

**Target performance**

i. Schools A to B to improve on previous best

ii. School C to improve and narrow the gap with similar school B

iii. School D to improve and pass the minimum acceptable threshold

Priorities for LEA support: the schools with the greatest improvement to make, i.e., C and D
Holding LEAs accountable

Fundamental questions

86. A benchmark-driven approach to performance measurement and assessment raises two important questions regarding responsibility and accountability: who decides how LEAs are to be compared and what the benchmarks and targets should be; and to what extent should responsibility for school-level performance be attributed to the LEA. Decision-making on comparative techniques (for example, the statistical families for grouping LEAs) should, as far as is practicable, be based on agreement between all the interested parties – LEAs, central government and external inspection/auditing bodies. Similarly, while central government has the power to impose targets, it would be unwise to do so in too many areas or at a level that was likely to be largely unachievable. Imposition is rarely the best way to secure ownership. There are signs that the Government is aware of this danger: for example, in the recent process of agreeing literacy targets, it allowed LEAs to determine their own targets within an indicative range put forward by the DfEE.

87. As regards responsibility, it would not be fair for the LEA to take all the brickbats or bouquets for the educational performance of the schools in its area. Accountability will not be served by making LEAs the scapegoats for any failure by schools to deliver the Government's targets. Nor would it be right to hold the LEA responsible for a local school's failure to discharge the statutory duties that fall on the school. The most pragmatic way forward is to view school-level success that has been preceded by appropriate and efficient LEA activity* as prima facie evidence that the LEA is doing a good job. A pragmatic approach also demands that failure by schools to achieve targets should, at the very least, lead to scrutiny of what the LEA has done to provide pressure and support to the school. The LEA should be criticised if its efforts are judged to be inadequate or poorly performed.

88. This approach may seem too cavalier for those who seek tangible evidence of a causal relationship between LEA activity and outcomes at individual schools. Certainly, a more robust judgement that the LEA's work was making a difference to educational effectiveness (that is, that school-level improvement would not have taken place without the efforts of the LEA)* requires an intricate analysis of the programmes that an LEA has run. It would require tracing the consequences of these programmes not just within particular schools, but within particular departments and, ultimately, with particular teachers. One vehicle for the detailed research needed to produce such evidence could be the Ofsted/Audit Commission inspection of LEAs. Unfortunately, the frequency of such inspections is currently every 12 to 15 years – insufficient for holding the bulk of LEAs accountable year on year. Since annual inspections would prove too expensive (and too much of a distraction from the drive to raise standards), the more pragmatic approach to judging LEA performance may have to suffice.

Putting a system into practice

89. Benchmarks and targets could form the basis not just for defining and measuring but also for assessing the performance of LEAs. One approach would be for LEAs to establish an integrated Education Performance Planning Process that incorporated national and local priorities. One set of targets could address national priorities (which the Government would have restricted to a small number of areas through ruthless prioritising) and ensure that local schools reached the benchmark levels of performance determined by central

* Whether assessed by quantitative indicators such as expenditure per pupil and school satisfaction ratings, by external inspection or by a combination of the two.
government. A second, larger set of targets could address the LEA’s own priorities and tackle areas of poor performance locally, as identified by inter-authority comparisons using generally accepted families. Some targets would be quantitative; others would take the form of action targets (for example, that a particular initiative will be implemented by a given date).

90. Some judgement would be needed to assess whether the LEA’s planning process was rigorous – in that it did not ignore areas of obvious weakness – and that its targets were stretching. LEA performance would then be assessed by comparing the results achieved against those targets. An LEA that met or exceeded its targets and those set for itself for its schools, while at the same time discharging its statutory duties properly, could not be viewed as giving cause for concern.

91. This approach would be one way of aligning government proposals for a new regime of ‘Best Value’ – covering all local government services – with the separate arrangements for key standards-related aspects of the education service – covered in England by Education Development Plans (EDPs). In England, this suggested education performance planning process would combine an EDP and a Local Performance Plan for the education service (as required by the Best Value initiative). English EDPs would be kept narrow in scope, relating only to issues of outcomes and processes that are necessary to deliver the Government’s national targets on education standards. Other government initiatives, such as that designed to reduce class sizes, would be included within the broader performance planning process and be assessed under the proposed Best Value arrangements. In Wales, it might be possible to encompass the entire planning process within the proposed Education Strategy Plans (set out in Building Excellent Schools Together).

92. Whichever way the system is constructed, it is important to avoid the danger of ‘plan proliferation’. LEAs need to engage in some sort of planning process to clarify objectives and design programmes that best achieve these objectives. But there are risks in being too prescriptive about the form that these processes should take. Too much central prescription not only prevents an individual LEA from responding to a given problem in a way that is appropriate for its area; it also ties up large amounts of head office time in following procedures and writing documents. Producing plans in accordance with government circulars takes time that could otherwise be spent working with schools and other stakeholders to drive up standards. Smaller LEAs may also lack sufficient planning staff to produce all these documents.

93. The potential for plan proliferation is already apparent – within the next few years, LEAs will need to produce, or make contributions to:

- Education Development Plans;
- Early Years Development Plans;
- Behaviour Support Plans;
- Asset Management Plans;
- School Organisation Plans;
- Special Educational Needs Plans;
- plans for implementing the Government’s policy on primary class sizes;
- plans for responding to national literacy and numeracy initiatives;
- Local Performance Plans (as required by the Best Value proposals);
- Children’s Service Plans;
- Community Safety Plans; and
- LEAs may also be required to produce formal plans in response to national initiatives to combat drug abuse and social exclusion.
94. However LEA activities are regulated, creating a common understanding of what constitutes unsatisfactory LEA performance will be important. Some sort of sanction might be required where there is:

- a significant breach of statutory duty;
- a failure to achieve any of the small number of targets that are deemed ‘top priority’ by central government; and/or
- a persistent or extreme failure to meet specific targets within the LEA's plan or to close the performance gap with other, similar LEAs.

95. The qualifications within each of these criteria (significant breach, failure to achieve top priority targets, and persistent and/or extreme failure) indicate the difficulty of establishing rigid rules. And they underline the irreducible need for judgement in assessing any mitigating circumstances or the extent to which performance against one set of objectives may be limited by trade-offs with another. But they also support the principle that not all failure should be met by external sanction. For target-setting to be worthwhile, the possibility of failure without punishment must be allowed. A ‘noble failure’ to achieve stretching targets is arguably preferable to the ‘success’ of the LEA that has managed expectations downwards and then surpassed a puny set of objectives but failed to meet the needs of its community.

96. Normally, judgements of performance would be made about individual LEA services, or about aspects of an LEA. It is much more difficult to reach a judgement about whether the performance of an LEA overall is unsatisfactory: in other words, whether the authority is a ‘failing LEA’ as opposed to having ‘failing services’. Whereas sanctions for failing services are relatively simple to devise – a change of manager, a change of policy, the use of competitive tendering or outsourcing – the sanctions for a failing LEA are less obvious. Moreover, a failing LEA is not analogous to a failing school: it is not a discrete entity in the way that a school is, and so is more difficult to ‘take over’. And, unlike a school, the ‘board of management’ of an LEA (its member-level structures) is made up of elected representatives. So, the issue of who makes decisions about definitions and sanctions is arguably as important as what those decisions are.

97. Although Excellence in Schools raises the notion of ‘failing LEAs’ (the Welsh White Paper contains no such reference), the Government has yet to explain what this means. For a target-based system of accountability to operate effectively, the Government needs to spell out the circumstances under which an LEA would be deemed to be ‘failing’. Such definitions are fundamentally political – and should therefore be made by elected politicians, not appointed officials.** The Government also needs to spell out the sanctions that may be used against ‘failing’ authorities and build support for the belief that external sanctions can lead to improvement.

* Contrary to headlines in the press, Hackney LEA has not been ‘taken over’ following the inspection report published in September 1997 (Ref. 14). The elected members and corporate management processes still have authority over the education service, although they are likely to be responsive to the views of the Improvement Team.

** However, officials in inspectorate and audit organisations are well placed to judge LEAs against definitions laid down by politicians.
98. Whatever the definition of ‘failing LEA’, it is unlikely that many authorities will be judged as such, just as it is unlikely that many would be judged ‘outstandingly successful’. The majority of LEAs are likely to fall between the two extremes: overseeing the work of schools across a range of standards, and delivering some services better than others. While formal plans and target-setting are important ways of helping these LEAs to improve, they are not in themselves sufficient – just as the mere setting of a target in a school does not guarantee improvement.

99. The bulk of middling authorities, as well as the small number of failures, will need insights into the features and characteristics of effective LEAs. They will also need mechanisms for developing these features and characteristics. In part, authorities will generate their own improvement by learning from models of good practice (such as those outlined in section 3 of this paper). But it is also important to consider the part that external inspection and audit and any formal processes of LEA self-review can play in securing improvement. The next section of this report explores these issues.

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**HOW CAN LEAs BE ASSESSED AND HELD ACCOUNTABLE?**

**KEY QUESTIONS ARISING FROM THIS SECTION**

6. What is the demarcation between the national interest in LEA performance and the local interest? (Para 77; Box C)

7. Is the suggested set of performance indicators appropriate for measuring LEA performance? Are there too many – and if so, which should be retained? How can these be sequenced to provide a route map of performance, for use by LEAs and other interested parties? (Paras 79-82; Box D)

8. Should all three suggested types of benchmark, with associated targets, be set? For each area of educational performance, who should set the benchmarks and targets? (Paras 83-5)

9. Is the suggested approach for assessing an LEA’s contribution to educational performance sufficiently rigorous, or is there a need for more strenuous attempts to identify relations of cause and effect between LEA activities and school-level performance? (Paras 87-8)

10. What planning process can best put into practice this benchmark and target-driven approach? What should be the relationship between the EDP/ESP regime and the Best Value regime? How can the danger of ‘plan proliferation’ best be avoided? (Paras 89-93)

11. What would constitute unsatisfactory LEA performance? (Paras 94-5)

12. Under what circumstances should an authority be designated a failing LEA? Who should construct this definition? Given the organisational and constitutional complexities of local authorities, what should the sanctions be against failing LEAs? (Para 96-7)
5. How can inspection, audit and review add value?

100. The 1997 Education Act established new powers for HMCI (England) and HMCI (Wales) – both assisted by the Audit Commission – to inspect LEAs, and a duty to inspect authorities at the request of the Secretary of State. In England, the inspections will be carried out in accordance with a published Framework (Ref. 15). In Wales, a different approach is proposed: OHMCI will start by inspecting the role of all LEAs in securing school improvement, and use this across-the-board reconnaissance to determine a future work programme.

101. These powers of inspection sit alongside the existing powers for external auditors to undertake financial and value-for-money audits of LEAs and schools.* Moreover, once English LEAs start to produce Education Development Plans, their progress against targets is likely to be assessed by the DfEE's Standards and Effectiveness Unit. In Wales, LEAs' performance against Education Strategy Plans will similarly be assessed by the Welsh Office. And all aspects of the education service will be covered by the Government's proposed 'Best Value' initiative, which will be overseen by the LEA's external audit regime. When LEAs own performance reviews are added to the picture, the scope for 'inspection overload' – matching the 'plan proliferation' identified in the previous section – is apparent. Therefore, it is important for all parties to work towards a clear definition of the purpose and nature of each inspection, review and audit and to ensure that each adds value.

102. External reviews must strike a balance between reaching judgements on an LEA's performance and helping the authority to determine where it needs to focus its efforts in order to improve – alone, neither is sufficient. Crucially, reviewers must report, publicly, to the full range of external stakeholders – including the Secretary of State, diocesan authorities, local parents and electors. Such reviews are almost certain to be less frequent than any process of internal review, though the aim must be to increase the current frequency of Ofsted/Commission inspections,** where possible through streamlining and refining the process.

* Currently, the external auditors' remit covers only county and voluntary schools but the 1997 Schools Standards and Framework Bill contains proposals to bring foundation schools under the same regime.

** The current proposals are that Ofsted and the Commission will undertake 12 LEA inspections a year – which, once all the outcomes of Local Government Review have been implemented, will result in LEAs being reviewed once every 12-15 years. This contrasts with the frequency of Best Value assessment, which is likely to touch each part of the education service once every four or five years.
103. External inspections of LEAs by Ofsted/OHMCI and the Commission will focus primarily on the contribution that authorities make to school improvement. The Ofsted/Commission framework document defines the scope of enquiry broadly, allowing inspections to look at individual pupils and to evaluate performance in the area of equity as well as educational effectiveness. But even this broad definition will not cover activities related to pre- and post-school education, nor to activities like youth services. It is also unlikely that the full range of management and support services could be covered in depth by every inspection.

104. Clearly, the process of external inspection will leave important opportunities for LEA self-review and external audit to add value. Not only does self-review need to occur more frequently than external inspections, but its coverage also needs to extend beyond services related to school improvement. Its role should be to work out what changes the LEA needs to make to achieve its strategic aims and objectives more effectively. Self-review should pay particular attention to the issues of culture and capacity-building, highlighted in section 3 of this paper; and it must focus on how well the authority is implementing changes. A self-review process, though developmental in character, is likely to find more judgemental reviews – notably those arising from the programme of external inspections – to be of value. And it can draw on a number of published models and frameworks, such as that developed by the Association of Chief Education Officers (Ref. 16).

105. The existing external audit regime, re-engineered to cope with Best Value requirements, will need to continue its value-for-money audit work in education to assess the services and functions not covered by LEA inspections. But Best Value will create additional demands. It will require auditors to:

- assess those aspects of the authority-wide performance plan that relate to education;
- monitor the LEA during implementation; and
- evaluate the LEA's overall performance relative to all its targets and highlight any unsatisfactory areas.

In addition, given its position and nature (in particular, its ongoing presence), it would make sense for the external audit function to have the lead role in assessing and reporting on the implementation of all recommendations and changes – including those flowing from the Ofsted/OHMCI/Commission inspections.
106. The imperative for all parties must be to secure maximum co-ordination. Models can be constructed to allow the best use of each organisation’s skills and resources [EXHIBIT 7]. For these to be implemented in a way that allows frequent follow-up while securing the best contribution from each organisation’s range of competences, the support and co-operation of all parties will be required.

107. Yet the most intricate arrangements for internal and external review, even when allied to sophisticated systems of planning and target-setting, cannot guarantee effectiveness if the statutory basis on which LEAs operate is deficient. In addition to looking at the strengths and weaknesses of individual LEAs, there is a need to consider whether LEAs as a whole are empowered to perform effectively.

EXHIBIT 7
Co-ordinating external inspection, external audit and self-review
Models can be constructed to allow the best use of each organisation’s skills and resources.
108. Authorities work within a legal and financial framework set by central government. If this framework did not properly align LEA powers and responsibilities – or give authorities sufficient flexibility in the deployment of resources – they would be hampered in performing the role that the Government has set out for them. In short, the Government would be guilty of willing the ends but not the means. With LEA-related issues having a high profile in the 1997 School Standards and Framework Bill, it is appropriate to consider, in the next section, whether there is proper alignment between LEA powers and responsibilities.

HOW CAN INSPECTION, AUDIT AND REVIEW ADD VALUE?

KEY QUESTIONS ARISING FROM THIS SECTION

13 What should be the purpose and character of external inspection and review by Ofsted/OHMC and the Commission? What is the best way of fitting together the regime of LEA inspections and the government regime of Best Value? (Paras 100-5)

14 Is the approach suggested in this paper the best way of aligning the processes of self-review/self-improvement, external inspection/review and external audit – and if not, what changes should be made? (Para 106)
6. How can LEA responsibilities and powers be aligned?

Analogies for the new role of the LEA

109. There are a number of analogies that can help in understanding the role of the LEA as envisaged in Excellence in Schools and as set out in the 1997 Schools Standards and Framework Bill. One is to see the LEA as the 'director' of a play or film in which schools are the 'actors'. This serves to clarify the principle that schools – not LEAs – are centre-stage in the process of raising standards, and that the role of the LEA is to coach, guide, persuade, support and encourage heads and teachers to give of their best.

110. Another approach would be to see the new LEA role as analogous, in certain respects, to that of the corporate centre within a progressive private company. Such companies have recognised the need for largely autonomous local business units that are small enough not to be hidebound by bureaucracy but empowered to respond quickly to local market conditions. But such autonomy needs to be reconciled with the interests of the company as a whole and the ultimate responsibility of the corporate centre to ensure performance. The resulting arrangements have been described as 'federalist' (Ref. 17). They seek to balance power between the different parts of the company on the basis of a clear understanding (akin to the written constitution of federalist states) of who can do what when. This understanding is based on the principle that decisions should be taken at the lowest level consistent with effective outcomes."

111. The value of the 'federalist' analogy is that it captures the principles, central to the proposals in Excellence in Schools, of (a) a balance of power and (b) multiple accountabilities. Clearly, schools will remain independently accountable for their performance – both to local parents and to the statutory process of external inspection. But the English White Paper also states that 'LEAs will be held accountable for the targets and undertakings which the EDPs contain'. Where LEAs do not play their part in driving up standards, the Government 'will not hesitate to intervene directly'. The challenge for the DfEE and Welsh Office, in consultation with other parties, is to arrive at a system that balances accountability with power. Too much autonomy for schools will leave LEAs unable to fulfil the role envisaged for them by the Government; too much power for LEAs will undermine the principle of school autonomy, sapping the morale and motivation of heads and teachers and undermining the school's sense of responsibility for its own performance.

112. Striking the balance is a complex challenge – and one that is not aided by the tendency of both supporters and opponents of LEAs to adopt unnecessarily polarised positions. It is unhelpful and unrealistic to contemplate any possibility of going back to the pre-LMS and pre-Ofsted/OHMCI world of LEA direction and control. The emphasis on school standards – which is due, among other things, to the work undertaken by Ofsted...
and OHMCI in identifying failure and underperformance — has led to a fundamental and irreversible shift in the balance of power away from LEAs and towards schools. But it is equally unhelpful to claim that the granting of any additional powers to LEAs will represent a return to ‘the bad old days’ and wreck the achievement of school self-management.

113. There is a third position — to ensure an alignment between LEA responsibilities and powers, while at the same time expecting LEAs to operate in a new way that owes more to culture and credibility than to command and control. The fact that some forward-thinking, ‘federalist’ companies have wrestled with this challenge — and, in a few cases, devised successful solutions around a ‘third position’ — suggests that it may be useful to pursue this analogy.

114. Within a federalist approach, three potential roles can be identified for the centre:
- the right to intervene when things start to go wrong;
- involvement in the appointment of key personnel; and
- the allocation of financial resources.

115. LEAs’ existing powers can be assessed against these three headings. In addition, there is merit in considering LEAs’ current powers and responsibilities for post-16 education.

Powers to intervene in the management of schools

116. Just as the federalist company believes in maximising the autonomy of business units, so the Government’s policy proposals are based on the principle of maximising school self-management. The case for LEAs having powers to intervene in school decision-making and management, thereby reducing (or, in extreme circumstances, removing) school autonomy, is threefold:

- If LEAs are to be held accountable for the performance of schools, then it seems only fair and reasonable that they should be given the means to rectify poor performance in those areas for which they are accountable.

- A school that enters a cycle of decline and is unable to tackle its problems will, by definition, be improved only by external intervention. If that intervention is to be timely and appropriate, it should be undertaken by a local body that is equipped with reliable information and the necessary credibility and competence. Within the current organisation of the education system, the LEA is the body best placed to perform this role.
• The underlying expectation of ‘reserve powers’ to intervene is that they will only rarely be used. A school's awareness of the LEA's powers normally makes it possible to resolve any difficulties through discussion rather than by statutory force. LEAs should ensure that they conform to the principle of 'intervention in inverse proportion to success', and use any such powers only in genuinely exceptional circumstances – because excessive use would create an environment in which the sole basis of legitimacy for LEA action was its statutory armoury rather than its credibility.

117. The case against LEAs having such powers of intervention is not simply that they run counter to the principle of school self-management. It is also based on the anxiety that some LEAs cannot be trusted to use these powers wisely. An irresponsible LEA with strong powers of intervention might misuse them to create a centralist, controlling regime, eliminating all of the benefits that have accrued from devolved management over the last decade.

118. The force of both positions within this debate has resulted in a set of Government proposals for extending LEA powers in a limited number of areas. The School Standards and Framework Bill incorporates the proposals outlined in Excellence in Schools for the introduction of an early warning system, whereby LEAs monitor the performance of local schools and, if they have concerns, can intervene in a number of ways:
• 'a discussion with the chair of governors and the head, including an offer of help';
• 'and possibly then a formal warning, requesting a plan of action from the school'; and
• 'where it remains uncertain that effective action is being taken', options to request an Ofsted inspection, appoint additional governors, and – 'ultimately' – withdraw budget delegation.

119. Depending on how they are interpreted (and the question of interpretation is unlikely to be resolved fully until the publication of the Code of Practice for LEAs), these proposals may give an LEA all the opportunities it needs to intervene effectively and to follow the good-practice principle of ‘the lightest intervention at the earliest time necessary to bring about recovery’. It is therefore important to clarify precisely what these proposals will allow LEAs to do. Questions include:
• under what circumstances LEAs will be able to insist on entry to schools and the ability to observe lessons;
• what information LEAs will be able to request from schools (including the grant maintained schools that will return to the LEA fold under the new school framework);
• the extent to which LEAs will be able to use powers of intervention when they cannot reach agreement with schools over improvement targets;
• the speed with which the various levels of intervention can be enacted;
• whether LEAs have to exhaust all the stages for schools that are causing extreme concern, or whether they can move straight to one of the stronger forms of intervention;
• how LEAs will be able to respond to the potential problem of an incompetent head and an ineffectual governing body;
• when – and with whose approval – LEAs have the power to impose a ‘fresh start’ approach or to allow one school to take over part or all of the management of another; and
• whether LEAs should be required to take action to close a school if all other reasonable efforts have failed – and whether an LEA would be viewed as ‘failing’ if it did not take such action.
120. An alternative approach to authorising every LEA to use a set of intervention techniques would be to 'license' individual LEAs to intervene in different ways, according to the circumstances of the authority and the Government's judgement of its capability and competence. The vehicle for this 'licence' could be the LEA's Education Development Plan, which will be subject to approval by the Secretary of State.

121. LEAs could make the case for the sort of monitoring and intervention regime (and resources) that they felt was necessary to achieve their targets. If approved, the necessary resources would be identified separately to the resources for delegation to schools via the LMS formula. LEAs' use of the approved techniques would then be monitored periodically by Ofsted/OHMCI/Audit Commission inspections and checks by the DfEE's Standards and Effectiveness Unit. Under this approach LEAs must demonstrate respect for – and adherence to – the principle of 'intervention in inverse proportion to success', since the 'licence' for the intervention techniques set out in an LEA's EDP could be revoked if there was evidence of 'unreasonable force' or the misuse of intervention powers.

LEAs must demonstrate respect for – and adherence to – the principle of 'intervention in inverse proportion to success'

Powers of appointment – headteachers and governors

122. The power of the corporate centre in the federalist company to make key appointments is not mirrored in an LEA's powers to appoint or dismiss headteachers. The appointment of a school's head is a matter for the governing body alone. CEOs only have the right of representation at governors' meetings relating to the appointment of a head. But under the School Standards and Framework Bill, LEAs will also have the power to make formal representations to a governing body where it offers a headship to a candidate whom the CEO believes to be unsuitable. And the Bill will also give LEAs the power, where they have concerns about the performance of a head, to make a written report of these concerns to the governing body, with the governors having a duty to explain the action they propose to take in the light of the report. But, the circumstances under which an LEA can insist on the removal of a head are very limited (not until a school has been declared to be 'failing' following an Ofsted/OHMCI inspection and, as a consequence, has had delegation withdrawn).

123. There are arguments for and against this balance of power. The Government has weighed up its perception of the merits of each set of arguments: Ministers' view is that a governing body's autonomy to appoint headteachers is so integral to its responsibility for school performance that the governing body's powers in this area must be sacrosanct. Consequently, LEAs are to get no extra powers, at the expense of governing bodies, over the shortlisting or appointment of heads.

124. Given this policy, it is important to ensure the alignment of LEA responsibilities. It would be wrong for an LEA to be held responsible for the poor performance of a head where the authority had expressed reasonable doubts about the appointment of that head. Of course it is to be hoped that, once the proposed system of headteacher accreditation* is operating fully and reliably, the risk of governors making a poor appointment should be much reduced. But, to ensure the best chance of governing bodies making good appointments while making transparent the
accountabilities of the LEA, it might be appropriate to:

- require LEAs to provide professional advice on a head's appointment to governors at the point of selection (the final interview) – even if the governors choose not to take this advice. This requirement could be for all categories of school – including voluntary and foundation; and

- consider how the Government, as part of its broader efforts to judge LEAs' performance in raising standards, can best gather information about authorities' use of their intervention powers, including those that relate to headteacher appointments and performance.

125. The problems of poor-quality governing bodies are not caused by any gaps in LEAs' statutory armoury. The main difficulty is that, in many parts of the country, there are not enough high-quality volunteers to serve as school governors. This might be addressed by systematic LEA campaigns to recruit new governors and secure greater involvement (via training and school visits) among those already in post. It might even be appropriate to make mandatory some form of initial governor training. The Government could support these campaigns by clarifying precisely what amount of time off (say three days per year) employers should be asked to grant to all serving governors, in the same way that councillors can be granted time off for their civic duties.

126. LEAs might also help raise the standards of governing bodies by keeping a pool of potential co-optees, drawn from local advertising and contact with local organisations such as the TEC and the Chamber of Commerce. This might require a modification to the approach of many authorities, where membership of a political party is a prerequisite of being an LEA governor.

127. LEA efforts to work in close partnership with their local governing bodies would be aided by clarifying their powers to attend governing body meetings (for all types of state-funded school, including foundation school) and to place reports on their agendas. Building Excellent Schools Together contains proposals for Welsh LEAs to provide governors with views on the comparative performance of their school's head. It also proposes that LEAs should be able to make a report to the governing body where there are serious doubts about a school's performance, and that the governing body should be required to consider such a report. This proposal, which is broader than the proposal for LEAs and governing bodies in England, may warrant wider consideration.

Powers of funding

128. LEAs' current powers over the allocation of financial resources, when compared with those of the centre in a federalist structure, are weak. The twin pillars of LMS – delegation and formula funding – limit the amount that LEAs can commit to schools in difficulty and to corporate tasks, such as monitoring and review. The School Standards and Framework Bill contains provisions on Local Management of Schools that will allow the Government to alter radically the arrangements for school funding. The Government has served notice of its determination to increase the amount of money that is delegated to schools, and to give LEAs the opportunity – dependent on the approval of their Education Development Plans – to 'ringfence' only those resources that are required for corporate tasks.

* The White Papers propose that all first-time appointments to headteacher posts will be required to hold a professional headship qualification which demonstrates that they have the necessary skills for the head's role. It is envisaged that the Teacher Training Agency's National Professional Qualification for Headship will form the basis of the new mandatory qualification.
129. As with the proposals for powers of intervention, this measure could give LEAs all the freedom that they need. But, as before, there would be value in further clarification. For example:

- Will authorities be able to retain centrally all funds associated with the work of monitoring school performance and school health?
- Will authorities be able to hold a central fund for discretionary aid to schools in difficulty?
- Will limits be set for the levels of central expenditure – and, if they are, how will the current, inadequate definitions of management and administration expenditure be revised to ensure that any limits are fair and meaningful?
- Will such limits be set at a single percentage of education expenditure for all LEAs, regardless of size, even though smaller LEAs may face diseconomies of scale?
- How will expenditure on capital works, structural maintenance and LEA-wide facilities be treated?
- How will the balance between mainstream and Special Educational Needs (SEN) funding be set and implemented?
- If SEN funding is to be held centrally, what devices will be introduced to stop schools ‘bidding up’ a child’s level of special educational need to secure more resources?

Powers in relation to post-16 provision

130. The Commission has previously commented extensively on LEAs’ powers to manage the supply and allocation of school places. Trading Places (Ref. 19) highlighted a range of concerns about the adequacy of LEAs’ planning powers, and the Government’s proposals for reform address many of these concerns. But little debate has taken place since the 1997 General Election on the planning and management of post-16 education. Each LEA has a different configuration of post-16 provision and not every area is experiencing difficulties. But the problems in many parts of the country – overprovision, dysfunctional competition, market failure, struggling incorporated institutions, expensive school sixth forms and small sixth forms unable to offer a broad curriculum – are unlikely to diminish over the foreseeable future.

131. Many of the problems affecting post-16 provision stem from the fragmentation of powers, once held by LEAs, between the Further Education Funding Councils (FEFCs), FE institutions, GM schools and LEAs. If economy, efficiency and educational effectiveness are to be maximised, there may be a case for reviewing policy and the division of responsibilities in this area. Once again, the two critical challenges are to improve value for money and to align powers and responsibilities. With these challenges in mind, questions for consideration* might include:

- Should LEAs be given extra powers and responsibilities to orchestrate local provision?
- Should any LEA powers and responsibilities be transferred to other agencies – in particular, the FEFCs?
- Should more formal arrangements for co-ordination between the different agencies be introduced?

* These questions need not lead to answers that apply uniformly to every part of England and Wales: given the diverse pattern of post-16 provision, there may be a case for deciding that different approaches are appropriate for different areas of the country. In areas where the vast majority of places are in incorporated institutions, it might be sensible to transfer planning and funding responsibilities for schools from the LEA to the FEFC; conversely, in areas where school-based provision is the rule, responsibilities currently held by the FEFC could be transferred to the LEA.
Summary

132. LEAs struggling to come to terms with the new role envisaged by the Government should not imagine that the absence of new powers will be accepted as an excuse for poor LEA performance, either now or in the future. LEAs dissatisfied with the contents of the Schools Standards and Framework Bill should note that the best authorities have, in recent years, achieved a great deal without wider powers. But it is also important to note that many of the best LEAs have succeeded through creating the right culture, often driven by the efforts of a charismatic CEO.

133. Culture can, under certain circumstances, be a substitute for gaps in legislation. The problem is that establishing the right culture can take many years. Moreover, it would be unwise to depend on the appointment of charismatic individuals for the implementation of policy – there are unlikely to be enough in the education sector to go round all 171 local education authorities. Appropriate legislation, acting as a statutory ‘long-stop’, is not merely the only route to guaranteeing that all LEAs can perform adequately; it is also the best basis on which the less charismatic CEO can start to build the sorts of relationships that lead, over time, to effectiveness. But while a CEO can lack charisma, s/he must be endowed with the wisdom to work through influence and persuasion. Statutory authority should be deployed only in the last resort. If LEAs want the Government to trust them with additional powers, they may need to demonstrate that they are worthy of that trust by using powers sparingly and sensibly.

HOW CAN LEA RESPONSIBILITIES AND POWERS BE ALIGNED?
KEY QUESTIONS ARISING FROM THIS SECTION

15. How precisely will the White Papers’ and the Bill’s proposals allow LEAs to intervene in schools in difficulty and schools causing concern? (Paras 116-19)

16. Is there a case for licensing LEAs to operate different regimes of intervention? (Para 120-1)

17. How can LEAs’ responsibilities for educational performance be best aligned with their proposed powers in relation to the appointment of heads? (Paras 122-4)

18. Should LEAs be given any additional role in improving the standards of governing bodies? Could central government provide any assistance to this improvement process? (Paras 125-7)

19. Precisely what freedoms and constraints will LEAs face in relation to their funding powers – in particular, for monitoring school performance and for schools in poor health – as a result of the proposals in the White Papers and the Bill? (Para 128-9)

20. What powers, if any, should LEAs be given (or give up) to address continuing difficulties in the post-16 sector? (Para 130-1)
7. Conclusion

134. The issues explored in this paper raise a substantial list of questions for consideration by LEAs and central government, with occasional input from the Commission and Ofsted [CENTRE PULLOUT]. For the Commission's part, research is also needed into a range of issues, with four areas warranting particular attention [BOX E]. Evidence is needed to test some of the models described in this paper and to inform the work of LEAs, auditors and inspectors. The Commission and Ofsted will also need to ensure that LEA inspections help all authorities to improve as well as highlight those authorities that perform poorly. Perhaps most importantly, all parties need to be sensitive to issues of culture as well as process, and to understand that planning and target-setting are only part of the approach that the effective LEA needs to adopt.

135. The issue of LEA effectiveness requires urgent attention. The report of HMCI (England), assisted by the Commission, into Hackney LEA (Ref. 12) reveals how dire the consequences can be when an authority fails to perform its role.

BOX E

The Commission's programme for further research

Four areas warrant particular attention:

- **Making comparisons** – current bases for inter-authority comparisons need to be refined to ensure that statistical ‘family’ and ‘neighbour’ groupings are appropriate and useful. Some aspects of performance measurement require further thought – in particular, the use of value-added methods. The comparative analysis undertaken by auditors and inspectors should also be informed by extensive and robust databases of comparative information, covering issues of effectiveness and of cost.

- **Understanding LEA effectiveness** – while there is extensive research into what constitutes an effective school, there is little into what constitutes effectiveness in bodies that support and regulate schools. The model in section 3 of this paper is intended as a starting point for such a research programme: it requires development and refinement. More extensive checklists need to be established for good practice in LEA processes – in particular, how information can be gathered, disseminated and used to best effect. Authorities and reviewers would both benefit from greater understanding of how some LEAs have been able to establish the right culture.
**BOX E (cont.)**

- **Management and administration** – the current debate about LEA expenditure on central management and administration costs is hampered by ambiguity and a lack of reliable information. The definition of ‘management and administration expenditure’ used for section 122 returns can be interpreted in many different ways and therefore cannot form the basis of meaningful comparison or targets. A tighter definition, combined with an analysis of LEA accounts to identify actual levels of spending against this definition, would usefully inform the debate (as well as helping to clear what the Secretary of State for Education has termed ‘the funding fog’ (Ref. 20)). Such research could also explore what allows an LEA to be highly effective while incurring low non-delegated management and administration costs.

- **The views of school heads, governors and teachers** – effective partnerships require an extensive understanding of the other partners. Yet much of the debate about the role and future of LEAs has taken place without seeking a systematic input from school heads, governors and teachers. The views of schools should be of great importance in determining the work of LEAs – in particular, identifying those areas where schools need more help than LEAs currently provide. But the views of schools might also contribute to the debate about future arrangements for delegating funds and responsibilities. For all these issues, there may be important differences between the primary and secondary sectors.

The Commission is pursuing these issues through an extensive research programme (see Preface). While much of this research will be of interest chiefly to LEAs and those involved in their inspection and review, there are two areas where the research might be of interest to national policymakers: the development of new definitions and benchmarks for management and administration expenditure; and the views of schools about whether, and if so how, delegation should be extended.

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effectively. In the absence of a properly functioning LEA, the result is not necessarily one of liberation and empowerment for schools; instead, it can be one of chaos and jeopardy.

136. Not all schools have sufficient internal capacity for recovery and improvement; and not all pupils will find a safe and rewarding place in an atomised school system. Some sort of agency will always be required to address such problems: but while this role currently resides with LEAs, change is not inconceivable. LEAs have no inalienable right to exist in perpetuity: like other parts of local government, they can be reformed or abolished by Parliament at the drop of an Act. Given the present Government’s commitment to driving up standards, persistent failure by LEAs to deliver successful outcomes is unlikely to be viewed sympathetically from Westminster. And the Government is assembling a battery of powers and mechanisms – including the
potential withdrawal of LEA powers, the externalisation of LEA functions and the establishment of Education Action Zones – that could allow LEAs to be supplanted.

137. LEAs stand at a critical point in their history. Following the 1997 General Election, there has been a change of partner in central government, with a new administration that is keen for LEAs to make an extensive contribution to the raising of standards. If LEAs are now the proper partners of central government, many are also ‘changing partners’ -themselves undergoing profound internal changes. Many LEAs are making the transition to a new way of working that attempts to manage the complexity arising from the spread of power between central government, authorities and schools. In this new environment, the critical success factor for LEAs will be their ability to act as agents of change, and to bring about improvement and excellence in their partners at school level. Together, these factors offer LEAs the chance to play a central role in the great national endeavour to tackle educational underachievement and its huge costs. Failure to respond to this challenge may call into question the existence of LEAs in their current form. Success in this role will bring immense benefits, not merely to the authorities themselves, but also to the future strength and prosperity of society as a whole.
Appendix 1

THE MANAGEMENT AND GOVERNANCE OF EDUCATION: TASKS FOR AN INTERMEDIATE BODY

1. CHAMPIONING EDUCATION – ENSURING LOCAL UNDERSTANDING AND COMMITMENT
   • Articulating a local vision for education – with the raising of standards at its heart – and securing support for this vision from local schools and communities
   • Steering the efforts of statutory, commercial and voluntary bodies to ensure that children have the best opportunity to fulfil their educational potential – in particular, through developing an environment that allows children to learn and teachers to teach to best effect
   • Steering the efforts of statutory, commercial and voluntary bodies to encourage lifelong learning and promote access to opportunities for learning

2. PROVIDING AN EDUCATIONAL ‘INFRASTRUCTURE’
   • Supplying school places – opening, closing, expanding and contracting schools
   • Allocating school places
     - supplying information and advice to parents about admission to local schools
     - co-ordinating the operation of admissions policies
     - ensuring that every child has a place (including directing schools to take a child)
     - ensuring compliance with relevant government policies – eg, class size limits
   • Organising the revenue funding of schools
     - organising and operating a scheme for local management
     - allocating funds to schools in accordance with the scheme’s formula
     - co-ordinating bids for central government grants
   • Organising the capital funding of schools
     - co-ordinating and prioritising bids
     - allocating capital resources
     - providing IT networks

3. MONITORING AND REGULATING THE LOCAL PROVISION OF EDUCATION
   • Gathering information (quantitative and qualitative) about school activity and performance
   • Challenging under-performing schools to do better
   • Intervening in weak schools, schools causing concern and failing schools
   • Ensuring the adequacy of arrangements for the curriculum at each school – including the teaching of the National Curriculum and the provision of religious education (shared with individual schools)
   • Ensuring the avoidance of political bias and the encouragement of moral values (shared with individual schools)
4. ENSURING THE FAIR TREATMENT OF PUPILS, PARENTS AND SCHOOLS

- Ensuring that pupils' special educational needs are recognised and responded to
- Ensuring the proper operation of admissions arrangements and Appeals
- Judging school decisions to exclude pupils
- Receiving complaints from heads, governors, teachers, pupils, parents and citizens about education matters; mediating; and resolving problems and disputes wherever possible

5. PROVIDING SUPPORT FOR PUPILS

- Ensuring pupils' attendance at school
- Ensuring home-to-school transport
- Ensuring the availability of free school meals
- Grants to pupils for clothes, travel, post-school education etc
- Overseeing the education of children educated other than at schools
- Ensuring the education of children excluded from schools
- Providing advice to pupils and parents on education matters

6. OFFERING EDUCATIONAL SUPPORT TO SCHOOLS

- Providing information and advice to heads, teachers and governors – on the curriculum, teaching, pupil behaviour, school management, plans and targets, comparative performance etc
- Disseminating good educational practice and advising on its implementation
- Training for teaching and non-teaching staff
- Administering and operating national educational initiatives (eg those on literacy and numeracy) within the locality

7. OFFERING OTHER SUPPORT TO SCHOOLS

- Health and safety
- Property and building services
- Legal, personnel and financial advice
- IT support & services
- Advice and administrative support for the governance of schools
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References

The Audit Commission has produced a number of studies covering issues related to education. The following may be of interest to readers of this paper:

**Counting to Five**
A Review of Audits of Education for Under-fives
Update, 1997, 26 pages, 2859400703, £10

**Counting to Five**
Education of Children Under Five
National Report, 1996, 68 pages, 011886422X, £10

**Under-fives Count**
A Management Handbook on the Education of Children under Five

**Trading Places:**
The Supply and Allocation of School Places
National Report, 1996, 48 pages, 1862400040, £15

**Adding Up the Sums 4**
Comparative Information for Schools 1995/96
National Report, 1996, 44 pages, 0118864270, £10

**Lessons in Teamwork**
How School Governing Bodies Can Become More Effective
Management Paper, 1995, 28 pages, 0118864076, £6

**The Act Moves On**
Progress in Special Educational Needs
Bulletin, 1994, 24 pages, 0118861409, £6

**Getting the Act Together**
Provision for Pupils with Special Educational Needs
Management Handbook, 1992, 94 pages, 0118860887, £9

**Getting in on the Act**
Provision for Pupils with Special Educational Needs: the National Picture
National Report, 1992, 60 pages, 0118860992, £8.50

**Unfinished Business**
Full-time Educational Courses for 16-19 Year Olds
National Report, 1993, 96 pages, 0118860952, £9

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The Government's proposals for education offer considerable opportunities for local education authorities (LEAs) to play a part in the 'crusade' to raise standards, and to promote lifelong learning. For these opportunities to be realised, there needs to be clarity and consensus on:

- what the role of LEAs should be
- what LEAs need to do to perform this role effectively
- how LEA performance can be measured and assessed
- how LEAs should be held accountable, and
- how LEA responsibilities and powers can best be aligned.

This discussion paper explores these five issues. It raises a series of questions to stimulate debate about how government policy can best be implemented and how LEAs can provide better value for money. It is essential reading for Chief Education Officers and senior managers in the 171 LEAs in England and Wales, as well as for policy makers and opinion-formers in the field of education.

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