LOSING AN EMPIRE,  
FINDING A ROLE:  
THE LEA OF THE FUTURE

SUMMARY
The strategy and organisation of each Local Education Authority (LEA) will have to be revised to reflect the changes introduced in the Education Reform Act 1988.

LEAs must become adept at managing in a pluralist environment, where powers and responsibilities are shared - upwards with the Secretary of State advised by the National Curriculum Council, the School Examinations and Assessment Council and other bodies, downwards with individual schools, colleges and their governors, and outwards with parents and other interested groups from the community.

This new role could be as rewarding as the old, but only if the LEA redefines its strategy in a manner consistent with the Act, explains it clearly to the other players, and ensures that the staff, skills and systems are in place to deliver it. This must be achieved, too, in a cost-effective way. The delegation of many responsibilities to schools and colleges means that costs will need to be reduced at the centre.

There is scope for local discretion in defining the new role, but successful strategies will include elements of six distinct approaches. The LEA will be:-

(i) a leader, articulating a vision of what the education service is trying to achieve;

(ii) a partner, supporting schools and colleges and helping them to fulfil this vision;

(iii) a planner, of facilities for the future;

(iv) a provider of information to the education market, helping people to make informed choices;

(v) a regulator, of quality in schools and colleges;

(vi) a banker, channelling the funds which enable local institutions to deliver.

All these elements are important, and none can be neglected. Nor can the need to ensure that the strategy is accompanied by organisational changes which allow it to be translated into action.
INTRODUCTION

1 The Education Reform Act 1988 will, over time, substantially change the role of local education authorities. It increases the responsibilities of schools and colleges, and reduces those of the centre. Associated with this there must be a switch of resources, with relatively more expenditure at institution level and less at the centre.

2 Some go further than this and argue that it makes LEAs entirely redundant, since they no longer directly control educational institutions in their areas. The Commission does not share that view. Nor, it seems, does the Government. But it is certainly true that if LEAs do not grasp the implications of ERA and respond positively to them they could become marginalised.

3 This would be unfortunate. Although LEAs may have lost their 'empires' there remains an important role for them to play. Schools and colleges can benefit from support and leadership - to a greater or lesser extent depending on their capabilities. There is also a vital role in monitoring and assuring quality and providing information to parents, students and governors to allow them to carry out their new responsibilities.

4 This paper explains the nature of these new roles and what they mean for LEAs in practice. But first it is important to understand the way in which ERA and, indeed, other recent legislation on which it builds, has changed the allocation of responsibility for educational provision at local level.

1 NEW RESPONSIBILITIES

5 The environment within which LEAs will manage in the future is far more complex and heterogeneous than it has been in the past. That is deliberate. The Government has sought to create greater diversity and competition in educational provision and also to give greater choice to parents. So an area may in future include, as well as independent schools and the existing pattern of county and voluntary schools in the maintained sector, a City Technology College and a range of grant maintained schools. With greater choice for parents and an end to the LEA's ability to constrain capacity at individual schools, there may be much greater volatility in the system as pupils switch from one LEA school to another or even in and out of LEA provision.

6 The extent to which this will happen will vary from place to place. But underlying what will undoubtedly be a confused picture for some time are three shifts of power and responsibility away from the LEA (Exhibit 1):

— an upward shift to national bodies;

— a downward shift to schools and colleges; and

— an outward shift to parents.

Exhibit 1
POWER SHARING

There are three shifts of power away from the LEA

7 LEAs should recognise these shifts and adapt their procedures. Refusing to do so, campaigning against alternative types of provision and refusing to co-operate with new CTCs or grant-maintained schools, is hard to reconcile with the LEA's duties.
POWER SHARING: UPWARDS

8 The Education Reform Act gives a variety of powers to the Secretary of State. Perhaps the most important relate to the way in which funds must be delegated to schools and colleges. Though LEAs were given some latitude in proposing schemes of delegation the criteria are tight and severely restrict the LEA's ability to direct funding on any basis other than pupil and student numbers.

9 The Secretary of State also has important new powers in relation to the establishment of the national curriculum, advised by the National Curriculum and Schools Examinations and Assessment Councils. LEAs have less discretion about the curriculum taught in the schools they maintain and must implement assessment arrangements on a national model.

10 In further education, upward power sharing has been established rather longer. Since 1985, work-related further education development plans have had to be agreed with the Training Agency, or its predecessors before the agency releases its share of funds to LEAs (currently £118 million in England and Wales).

POWER SHARING: DOWNWARDS

11 Nominally, schools and colleges are an integral part of the local education authority. In the past that has been very largely the fact as well as the formal position. Most expenditure and resourcing decisions have been taken by the LEA, that is by the elected members of the authority within a framework of national laws and regulations and with the advice of officers.

12 Even before the Education Reform Act a trend towards greater delegation was beginning to become apparent, though on nothing like the scale now envisaged. In future, the LEA will still determine the aggregate budget, but many more expenditure and resource decisions will instead be taken by governors of schools and colleges. In particular, staffing levels and appointments at individual institutions will be their own responsibility. This major change will remove the LEA's detailed control over those institutions.

POWER SHARING: OUTWARDS

13 Parent power has been steadily on the increase since the Education Act 1980, but ERA, coupled with the Education Act 1986, introduces a step change. Parent and business representation on governing bodies is increased; in schools there are annual meetings of parents to receive the governors' general report; parents have greater choice of school with the removal of 'artificial' capacity constraints; they may vote to apply for grant maintained status. In a few places parents may also, of course, send their children to a City Technology College.

14 So what is left of the cake when these three slices have been taken away?

15 The answer is: a good deal. First, the LEA retains responsibility for the total amount of resources devoted to education in the area. Although the way in which those resources must be allocated is increasingly tightly constrained it is still open to local education authorities to spend more or less on education as a whole and, indeed, although the community charge regime loads the full burden of additional spending on to individuals, there will in future be no grant loss to the authority as a result of higher spending. The Government has taken powers which would allow it to 'cap' the community charge, but this is unlikely to affect the great majority of education authorities.

16 There are many other powers, too. Box 1 (overleaf) summarises them. The authority will, for example, issue a policy statement on the curriculum. It will prepare for the implementation of the national curriculum by supporting schools and providing in-service training for teachers. It will set target enrolment figures for each programme area in each further education college. It can also, in certain circumstances, withdraw the delegation of budgets to a school. And, perhaps most importantly, it retains the power to inspect schools in order to monitor the quality of education provided in them.

17 The Government has made it clear that it sees this key responsibility as continuing to rest at the local level. In relation to schools LEAs have the duty under ERA to exercise their functions in order to secure that the school curriculum, including the National Curriculum and the associated assessment arrangements, is being delivered in accordance with the requirements of the Act and in an effective way. They will also have to maintain appropriate machinery for considering complaints about the curriculum provided in schools from parents and others.
The LEA is, in short, central to the success of the reform package. There is a risk that in focusing attention on the reductions in their powers, some LEAs may not recognise this, and adopt a 'minimalist' posture, letting schools and colleges operate with the barest minimum of support. Others may recognise their importance, but harbour such serious doubts about the long-term consequences of ERA that they lack the motivation to make the reforms work. Still others may seek actively to thwart elements of the reforms, on the grounds that they create two tiers of educational provision in the locality. These views may be sincerely held, but the Commission cannot support them. The LEA's duty is to promote excellence in education within the law.

Box 1

The Local Education Authority

**THE KEY CHANGES**

<table>
<thead>
<tr>
<th>National curriculum</th>
<th>The curriculum for all pupils in maintained schools to be balanced and broadly based. Subjects of study and national requirements for assessment and testing of pupils laid down by the National Curriculum Council.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Management of Schools and Colleges</td>
<td>Expenditure on schools and colleges to be funded via individual institution budgets calculated by a formula. For most schools and colleges management of this budget to be delegated to governing bodies.</td>
</tr>
<tr>
<td>Open enrolment</td>
<td>Loosening of restrictions on numbers of pupils enrolling at particular schools. The LEA may not 'artificially' restrict capacity.</td>
</tr>
<tr>
<td>Grant-maintained schools</td>
<td>Transfer of certain maintained schools away from LEA control following a parental vote and approval by Secretary of State.</td>
</tr>
</tbody>
</table>

**THE LEA'S DUTIES**

— "...to secure that there shall be available for their area sufficient schools for providing primary education...and for providing secondary education... offering such variety of instruction and training as may be desirable..."

— "...to secure the provision for their area of adequate facilities for further education."

**WHAT THIS MEANS IN PRACTICE - the LEA retains important responsibilities in seven key areas.**

- **Finance/Resources**
  - determine overall levels of funding, share out resources by formula and operate local management schemes. Manage schools with no delegated budget. Advise on teacher and other appointments;

- **Curriculum**
  - issue a policy statement on the curriculum, showing how the national curriculum will be implemented in its area, and help schools to prepare curriculum development plans;

- **Planning/provision**
  - plan provision of facilities for primary, secondary and further education taking account of those institutions outside the LEA's control;
  - provide schools, youth and community services and provide for pupils and students with special educational needs. Secure provision for further education. Decide on provision for the under-5s. Operate procedures on parental choice and appeals;
  - prepare a curriculum policy for pupils 5-16 and students 16-19 and contribute to the implementation of the National Curriculum;

- **Quality Assurance**
  - inspect LEA-maintained institutions and monitor their performance and schools' delivery of the National Curriculum. Evaluate the success of local management schemes in improving the quality of teaching and learning; operate complaints machinery;

- **Information**
  - publish information on admission arrangements, financial information, institution budgets and outturns and provide information on the educational performance of individual institutions. Advise on governors' reports;

- **Training**
  - define educational and other grounds for withdrawal of governors' delegated management authority and ensure that monitoring systems are adequate to detect where there are grounds for withdrawal;

- **Sanctions**
  - encourage corrective action to prevent the need to invoke withdrawal.
3. FINDING A ROLE

19 An LEA thinking about its future must do so against the background of a clear understanding of the new power relationships. But there is another crucial dimension: the needs of the local area and the skills of the people within it.

20 Some schools and colleges may find it easy to assemble governing bodies with the motivation and competence to manage with very little support from the centre. Elsewhere this will not be true in the short term and perhaps not in the long term either. The LEA is under a duty to train governors in their new role but it needs to make a clear sighted assessment of the extent to which its institutions are ready to take on the new responsibilities. This does not mean that the LEA can choose whether or not to hand over power; it cannot. But it can take a different view of the way its own functions should be organised to provide assistance to its institutions.

21 Having put these three building blocks in place the LEA can begin to develop its strategy. That strategy should not be simply a statement of intent. It should be a set of objectives linked to a clear plan for achieving them.

22 In developing this strategy there is considerable scope for local discretion. Some will derive from different assessments of local competence and others from different views of the role of the authority and its institutions. But in the Commission's view any successful strategy will include six distinct elements (Exhibit 2).

Exhibit 2
SIX ROLES FOR THE LOCAL EDUCATION AUTHORITY
Any successful strategy will include six distinct elements

The LEA as:

(i) Leader/Visionary
(ii) Partner
(iii) Planner
(iv) Information Provider
(v) Regulator Buyer
(vi) Bank Manager

23 Those who manage or operate a service from day to day frequently do not have the time to contemplate the future. They may also not see the way in which their own activities relate to those of others. It is the role of the centre of the local authority to set overall policy objectives and to define the context within which schools and colleges operate.

24 There are some concrete aspects to this leadership role. For example, the authority may set its own policy on under-5 provision, both in terms of its level and its character. It remains directly responsible for the Youth Service, the Careers Service and Adult Education. It should also set a policy on further education provision. But there are other, less tangible, policies relating, for example, to the needs of children from ethnic minorities which may nonetheless be crucial in setting a tone and describing the expectations which individual institutions should meet. Another aspect of the leadership role relates to the function of the inspectorate. The LEA may certainly influence the attitude of individual institutions to the achievements of pupils and students and their assessment by the way it monitors effectiveness and particularly the framework it sets for its inspection services.

25 The LEA centre can also set guidelines for co-operation between schools and colleges and can encourage the maximisation of usage of educational facilities throughout the authority. It can and should rake the lead in promoting continuity between phases, i.e. between primary and secondary and between secondary and further education.

26 All these things should come together in a clear statement of what the education authority is trying to achieve for school children and students in its institutions. This statement should be capable of translation into specific targets and actions. It should also be forward looking and should take account of possible changes in the environment which are outside the authority's control. It will need to be capable of adjustment to accommodate the possibility that schools within the authority choose to opt into grant maintained status. Few LEAs are enthusiastic about the opting out provisions; that is perhaps to be expected. But an LEA strategy which sets its face against such opting out may lock the authority into an unsustainable position. Its aims should be to ensure that all schools in the area are good schools. With such a policy, an authority should be in a position to help schools which want to opt out without compromising its overall objectives.
The LEA can also take the lead in developing links between educational institutions, voluntary bodies and local employers - or with other local authority services such as police. It can promote the benefits of parental, business and community support for schools and colleges. It can promote cooperation with other neighbouring authorities, to make best use of scarce specialist advice, for example. In all these ways the LEA can be the champion of the educational service throughout its area, creating a positive environment within which schools and colleges conduct the real business of teaching.

(ii) PARTNER

28. Schools and colleges will need support in the new environment. That support should not maintain the institutions in a 'client' or subservient role. Rather it should be designed to assist them to achieve autonomy. Specifically, schools will need help and guidance in:

— delivering the curriculum;
— allocating and controlling the financial resources at their disposal;
— making best use of human resources; and
— development and planning.

29 There is enormous scope for the centre of the LEA to help and support institutions in all these areas. The basis of support on the curriculum must be the LEA's statement of policy which must in turn take account of the requirements of the national curriculum. Schools must prepare curriculum development plans in support of bids for specific grants related to the introduction of the National Curriculum. It is for LEAs to decide on the general form that schools' plans should take and to give guidance, training and support to schools in drawing them up. It is also the LEAs' task to bid for relevant Education Support Grants or LEA Training Grants on the basis of schools' needs for resources and in-service training as identified in their plans. LEAs will have a further role in monitoring schools' progress in carrying out their plans.

30 Authorities should also promote cross-school and cross-college initiatives and provision, for example in music, minority modern languages and other subjects which can benefit (in terms of quality and cost-effectiveness) from provision on a wider basis than an individual school or college can provide.

31 The LEA is required to take an interest in the way in which institutions manage financial resources since if the governors are not complying with the requirements of a local management scheme or are not managing the institution 'in a satisfactory manner' the authority may withdraw delegation.

32 This is an extreme step and will be taken only in extreme circumstances. These circumstances will be all the more rare if LEAs take a positive role in advising institutions on the difficult management issues they will face. As Kenneth Baker, then Secretary of State, said, 'LEA officers will find that they are helping institutional managers to make decisions rather than taking these decisions themselves'. The secret of success will be the development of good relations with the institutions based on consultation and co-operation which is seen to be beneficial to both sides. The LEA should already be exploring the extent to which schools will need assistance in managing delegated budgets. There may be services which the LEA can provide at the centre and which schools will wish to buy back. These should be packaged with the needs of the schools in mind and offered to all institutions in the area.

33 The same considerations apply in the case of management of staff resources. The LEA has, again, certain rights and duties, notably to give advice on some appointments. There is also an important role in in-service training since some local education authority training grants are made direct to the LEA rather than to individual institutions. In the case of the technical and vocational education initiative (TVEI), for example, the LEA is the contract holder so will need a relationship with schools which reflects its direct accountability. There is also a direct role in the case of staff associated with Education Support Grants and of any other staff funded by central government through specific grants.

34 Beyond that governors will, of course, in the future be directly responsible for appointments and for maintaining the staffing complement in their school or college. But the LEA can take a more or less pro-active role in providing advice both on appointments themselves and on disciplinary and grievance procedures, conditions of service and compliance with employment legislation.
35 The extent to which schools are prepared to enter into a partnership with the LEA will depend on the extent to which they share its educational philosophy. Where they do not, they may look for a more distant relationship or, indeed, seek to opt for grant maintained status. One authority has chosen to describe the nature of the relationship it seeks to establish with its institutions as that of a club’. The analogy is a good one. Schools will not participate in planning and collaborative activities unless they accept the club's rules and share its objectives.

36 Development and planning at institutional level can be encouraged and facilitated by the central education department. That means helping schools establish systematic arrangements for taking decisions about priorities, for example by encouraging the preparation of school development plans as well as funding selected initiatives to meet local priorities. Authorities have choice about the size of the development funds and on how to disburse them.

37 The major question for LEAs which wish to support their institutions actively concerns the mechanisms which they adopt for providing help and guidance. Hither-to the advisory service has been the main route for advice to teachers on the curriculum or on training needs. There has been less advice to head teachers, principals and governors, except on appointments. This will need to change. First, the scope of advice and support will need to be enlarged. Schools and colleges will need help in dealing with their financial affairs, purchasing, building maintenance and the rest. Second, the diagnosis of educational problems will need to go deeper. Recommendations must be couched within the resources available to the institution itself. Each institution must be managed within its own budget share and potential improvements must be diagnosed in relation to the way the institution has applied its resources. Third, the destination of the advice will need to be changed. Much more will have to be addressed to governors and head teachers or principals.

38 Authorities will need to consider the composition of their advisory teams. Specialist advice on financial matters will come best from an accountant and many LEAs have developed a local management of schools (LMS) unit with the necessary expertise. In the past a source of friction between institutions and LEAs has been the multiplicity of points of contact with 'the county' or 'the borough'. Setting the balance between ease of contact and breadth of expertise will be difficult. The way in which LEAs resolve this point will influence their relationships with their institutions. They would do well to gain a clear understanding of the attitudes of head teachers, principals and governors to the authority and the perceptions they have of its strengths and weaknesses in the past.

39 LEAs may also need to support schools in the event of conflicts between governors and head teachers. Such disputes may, if allowed to develop, jeopardise the quality of teaching so the LEA has a locus to intervene. The first step will be an attempt at informal mediation. If that fails then a formal inspection could be ordered, with withdrawal of delegation as the final sanction.

40 Whatever the nature of the support authorities provide to their institutions, there are also important issues to solve on the way in which it is provided. Though many LEAs will find the notion unfamiliar there may be cause for entering into contractual arrangements whereby services are provided by the centre to an agreed specification and at an agreed price.

(iii) PLANNER

41 The LEA’s primary duties under the 1944 Act are to secure that there shall be available for the area sufficient schools for providing primary and secondary education and to secure the provision of adequate facilities for further education have not been changed by the new legislation. But the environment within which the LEA must plan facilities and capacity has become more complex and more volatile. It is likely to involve greater shifts of pupil numbers from school to school, at least in the short term. And schools may apply for grant maintained status. On the evidence of applications seen so far they are frequently prompted by proposals for closure, reorganisation or change of character made by the LEA in pursuit of its planning objectives for the area's education provision as a whole.
42 Nonetheless, the LEA cannot abdicate its responsibilities. What is needed is a much more sensitive and consensual basis for facilities planning. The fundamental basis must be an objective assessment of need. But the wishes of individual schools acquire greater importance in the process as do those of parents and parent and other governors. Some authorities are more used to operating open planning procedures than others. They should be more successful in the new environment.

43 Planning for the non-compulsory age groups is of a different character. Here the national curricular arrangements do not apply and the assessment of need must be based on client demands or the interpretation of client needs by teachers and others and the demands of potential employers (in the case of further education, certainly). A variety of groups provide interpretation of client need: work related further education (WRFE), and the TVEI initiative extension imply a large input from the Training Agency, and the Department of Education and Science, and the Welsh Office on just what the needs are. In forming its own assessment the LEA will need to take account of these inputs and those of potential employers.

44 What is important above all is that the LEA's decisions and proposals should be seen to well founded in an assessment of educational need, through an open process of discussion and consultation and one whose priorities are understood and accepted broadly in the authority and its institutions. The process must be more systematic than it often is now, when planning decisions are sometimes based more on hunch than analysis.

(iv) INFORMATION PROVIDER

45 LEAs are under a duty to provide a considerable amount of information about educational provision and policy in their area. They must, for example, publish: arrangements for admission of pupils to schools, policies in respect of provision of school meals, milk and school uniforms, general arrangements for grants, information in respect of entry of pupils to public examinations, general arrangements for provision of special education, home to school transport and so on. They must also publish annual statements on the budget and the outturn of capital and recurrent expenditure for each school under the LMS scheme.

46 The post EPA environment raises important issues about the type of information the LEA should provide. To some degree EPA establishes the characteristics of a market in educational provision. It is not a completely free market. Choices are heavily constrained by the availability of different sorts of provision, by physical capacity limitations, by the cost of transportation which parents must bear and by admission policies set by individual institutions. But the Government's clear intention is to allow more choice to be exercised by the ultimate consumer or, at least, his or her parent or guardian.

47 These choices will be exercised more intelligently and effectively if they are based on up-to-date, accurate and meaningful information about schools and colleges in the area. The LEA may play a crucial role in furnishing this information in the way which is useful to parents and students. But it is not obliged to do so, and significant policy differences on this question are already apparent.

48 For example, LEAs may choose to provide information on grant maintained schools or City Technology Colleges in their area or they may not, taking the view that these institutions have fled the nest, so to speak. LEAs ought to provide such information as part of their general role in encouraging effective provision of education in their area.

49 More significantly, in the long run, there is the question of availability of information about the performance of individual institutions. Some authorities are developing school profiles which bring together information on the financial, educational and physical performance of the institution, in a way which maximises its accessibility and value to parents facing the critical choice of where to send their children to be educated. The provision of information to allow effective decision making is a positive
rote for the LEA and one which will help to ensure that such market mechanisms as have been introduced operate as effectively as they reasonably can.

(v) REGULATOR/BUYER

50 The fifth role available to the LEA is closely related to the fourth. An authority can look on itself as an agent for its ultimate clients: as a body which procures education on their behalf. Out of the funds which client representatives vote for the purpose the authority enters into contracts with institutions as suppliers of education. It pays them and expects a service to be delivered direct to the client. Many aspects of that service are now specified by the National Curriculum, WRFE plans and by the authority’s own policies within those frameworks, but there is clearly scope for significant variation in the means of delivering the service and effectiveness of delivery. In this way, one of the duties of the authority is to assure itself and its clients that the service is delivered as effectively as possible. This requires monitoring and inspection. The Government have insisted that LEAs will remain responsible for monitoring the progress of institutions.

51 The way in which inspection should be performed and performance evaluated is controversial. The perils and pitfalls of simple indicators of educational performance are well known to educationalists but perhaps less so to the general public. There is a difficult balance to be struck between operating an inspection function whose output is of use only to professionals, and at the other extreme, publishing raw information which may be positively misleading. One of the skills which inspectors must develop is that of expressing their findings in a way which addresses the concerns of non-experts.

52 The Commission believes that LEAs will need to adopt a far more structured approach to inspection and should seek to convert the results of these inspections into publicly available information on school performance. Its views on the organisation and role of LEA inspection and advisory services have been published in a separate paper (Assuring Quality in Education, October 1989). The paper also describes the basis of a school statistical profile which could bring together information on financial, physical and educational performance.

(vi) BANK MANAGER

53 It is important for LEAs to recognise that they do remain ultimately responsible for determining the quantum of resources to be devoted to education in their area. This duty remains unchanged after ERA, though the financial environment within which these choices are made has been overhauled. Decisions on increased funding at the margin will be even more sensitive than they were before as the ‘gearing’ of the Community Charge means that each additional of educational spending must be funded from an additional £ raised from domestic charge payers, while grant and non-domestic rate income remain unchanged.

54 Reaching a decision on the level of resources needed to deliver the authority’s policies effectively will in some ways be more complicated than it was before. The increased volatility of pupil distribution will make a difference, as will the grant reductions implemented when schools opt into grant maintained status. It will be important, therefore, for the authority’s planning and funding policy to be more forward looking and more flexible. LEAs will need to develop the skill of contingency planning to a far greater extent than they have done hitherto. They will also need to develop more open channels of communications with head teachers and governors to assess the implications at individual institutions of different funding levels.

THE MIX OF ROLES

55 The six different roles discussed above are intended to be collectively exhaustive but are certainly not mutually exclusive. Each authority will certainly adopt a combination of them, giving different degrees of prominence to different elements, depending on the needs of the area and its own policies. It is already apparent that LEAs are choosing different mixes. Apart from the club manager referred to above, one authority has articulated a vision of itself as a provider of services to institutions, which recognises the widest possible spectrum of provision both local education authority and other. Another has adopted a role which is far more directive and prescriptive, indeed which is implicitly founded on the assumption that ERA will make relatively little difference to the power relationships in its area.

56 It is implicit in the local democratic basis of educational management in this country that authorities should reach different conclusions. But in the view of the Commission there are some features which should be common to all strategies. In particular:
— they should all include clear statements of educational objectives;
— they should provide support for schools and colleges which allows them to progress towards an agreed level of autonomy;
— their approaches to budget setting and resource allocation should be founded on an assessment of the needs of the ultimate client relationship;
— they should incorporate monitoring information systems which are robust, useful and user-friendly.

4. **DELIVERING THE STRATEGY**

57 Unless an authority chooses - unwisely - to pretend that nothing has changed, the new approach it agrees will have immediate implications for its structure, staffing and costs.

58 The whole education department will need to be reoriented to fulfil the new role. Many LEAs will need to undertake much more in the way of inspection then they have hitherto, and that inspection most fit into a framework of monitoring which draws on a wider information base, for example the results of national tests and assessment.

59 The scope of advice will have to be enlarged too. It must encompass financial and management issues as well as the more usual advice on subject specialisms and classroom teaching and learning. And it must be directed towards governors, headteachers and principals as well as departmental heads and individual members of teaching staff.

60 In consequence the organisation and staffing of inspection and advisory functions will have to be reconsidered. This will have to cover the integration of educational inspection with non-educational monitoring and is likely to involve changing the accountability of some officers so as to fit them into the structure of the inspection and advisory service; some tasks may be transferred from the current service, for example more in-service training may be delivered through advisory teachers.

61 These changes, and similar ones are likely to imply a need for additional staff. The Government has recognised this and approved additional inspector and adviser posts. There is also likely to be a need for additional support on financial management. On the other hand there will be scope for savings elsewhere and, overall, expenditure on administration and support services should certainly fall over time.

62 Once schemes of local management have settled down to routine operation there will be less need for central staff to deal with issues of day to-day operation, and even the effort required for resource allocation should reduce.

**COSTS**

63 It is difficult to quantify the extent of the savings that may be available at the centre of the LEA. This is, in part, because current administration and support service costs in LEAs vary enormously. A recent auditor's analysis of costs in two neighbouring metropolitan authorities found a number of areas in which one LEA's costs were twice as high as the other's, even when adjusted for differing workloads (Exhibit 3).

64 In the Commission's view, central costs ought to be reduced under local management of schools and colleges, leaving scope either for increases in expenditure at the institutions themselves or for reductions in overall spending. But those savings will not be easy to achieve particularly since, in the short run, there may be an increase in workload as new administration arrangements are established. Authorities will have a better chance of reducing costs and providing
Centrally Costs: A Comparison of two Neighbouring LEAs (1988-89)

Central Costs vary enormously

<table>
<thead>
<tr>
<th>Selected indicators</th>
<th>Authority A</th>
<th>Authority B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Careers service: pupils per officer</td>
<td>1045</td>
<td>516</td>
</tr>
<tr>
<td>School staffing: pupils per officer</td>
<td>2134</td>
<td>1540</td>
</tr>
<tr>
<td>School meals: pupils per officer</td>
<td>4568</td>
<td>1379</td>
</tr>
<tr>
<td>Special projects: students per officer</td>
<td>5569</td>
<td>1706</td>
</tr>
<tr>
<td>Youth service: students per officer</td>
<td>3217</td>
<td>2028</td>
</tr>
<tr>
<td>Other services: students per officer</td>
<td>8911</td>
<td>1974</td>
</tr>
<tr>
<td>Total difference – Staff (FTE)</td>
<td>+222</td>
<td></td>
</tr>
<tr>
<td>– £ thousands</td>
<td>2305</td>
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</tr>
</tbody>
</table>

*Source: Audit Commission study*

A more effective service, if they set guidelines on the way they would hope to see their control costs evolve. Box 2 provides a checklist of the main areas of central expenditure and an indication, based on the Commissions research, of the areas where spending should rise, fall or stay the same. Uncertainties remain, but LEAs may find it useful to map their own experience and plans against this forecast.

**MEMBERS**

65 It will be important for members to take a close interest in the development of the LEA’s staffing and costs in the interim period. There will also need to be a rethink about the role of the education committee itself. Much of the Committee agenda workload which members now bear will not be relevant, as decisions are delegated to governing bodies. A recent audit report at a large metropolitan LEA revealed the existence of 37 separate Education Committees holding a total of 265 meetings in one year at a cost, in attendance allowances alone, of £200,000 (or the equivalent of some 15 teaching posts.) This cannot be allowed to go on under the new arrangements. Another metropolitan LEA examined had one Education Committee, meeting 7 times a year. It is not clear that the quality of education suffers as a result.

66 Education committees will need to think more about the future. They must understand clearly that their direct management role has gone. They will need to plan more carefully, and to devote more effort to reviewing performance, if they are to fill the quality control functions envisaged for them under the Act.

67 These changes allow an opportunity for members to change their approach. In some authorities there has been a tendency for members to act unnecessarily on detailed management issues that are best left to officers. In the new regime the officers themselves will be involved somewhat less in management detail and somewhat more in overall policy and strategy. Members will need to raise their sights in a corresponding way. Their job will be even more clearly one of setting policy and monitoring progress. They will be the final interpreters of need as expressed by all the various groups which form the education partnership. They, with the advice of officers, will formulate the overall approach and roles of the authority on the lines discussed in this paper.
## Box 2

### Likely Effects of ERA on Administration Costs

<table>
<thead>
<tr>
<th>Central Administration Costs in relation to:</th>
<th>Likely change + or -0 or ?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning &amp; caretaking</td>
<td>–</td>
<td>Delegated; competitive tendering</td>
</tr>
<tr>
<td>Maintenance</td>
<td>–</td>
<td>Some delegated. LEA monitors</td>
</tr>
<tr>
<td>School reorganisation</td>
<td>0/-</td>
<td>A new climate, but the LEA must pursue economies</td>
</tr>
<tr>
<td>School Meals</td>
<td>–</td>
<td>May be delegated; competitive tendering</td>
</tr>
<tr>
<td>Payroll and creditors system</td>
<td>0</td>
<td>Paperwork and decisions will change but not caseload</td>
</tr>
<tr>
<td>Staff complementing</td>
<td>–</td>
<td>Extent of change depends on number of schools outside LMS</td>
</tr>
<tr>
<td>Personnel matters, industrial relations</td>
<td>0/-</td>
<td>Centre has less control but case load remains</td>
</tr>
<tr>
<td>Special education</td>
<td>0</td>
<td>Statementing/integration policy unchanged</td>
</tr>
<tr>
<td>Inspection and advisory services</td>
<td>+</td>
<td>Increased inspection role, more advice and liaison on part of LEA</td>
</tr>
<tr>
<td>Training and development</td>
<td>+</td>
<td>Many changes in the pipeline - teachers, heads governors need more training</td>
</tr>
<tr>
<td>Information exchange</td>
<td>+</td>
<td>Local management and LEA monitoring imply greater and more immediate information flows</td>
</tr>
<tr>
<td>Planning</td>
<td>0</td>
<td>Central role in planning/policy articulation remains</td>
</tr>
<tr>
<td>Youth &amp; Community services</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Education welfare</td>
<td>0</td>
<td>Discretionary exception</td>
</tr>
<tr>
<td>Pupil support</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Awards</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Adult education</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Further education</td>
<td>–</td>
<td>Theoretically lower level of activity at centre.</td>
</tr>
<tr>
<td>Member/committee support</td>
<td>–</td>
<td>Fewer operational decisions by members, fewer individual cases, fewer committees?</td>
</tr>
</tbody>
</table>

*Note:* The changes discussed here relate to ERA only. In addition there will be changes in administrative activity resulting from direct load changes e.g. falling rolls or schools.
Members could therefore continue to have an important role if they take on the role of reviewers and constructive critics of a system over which to a large extent they will have lost direct control. They will retain responsibility for the general direction of policy, control over the resourcing process and the connections between the various departments of the authority. They will also exercise their major function; to represent their constituents. At a more detailed level their work may include 'arm's length' dialogue with governors as part of their assessment and resource allocation functions.

There will be considerable scope for simplification in committee arrangements: a simplification which in itself may make for a better understanding by the general public, and by members themselves, of what members are elected to do.

CROSS-AUTHORITY CO-OPERATION

In the past, LEAs have tended to work in highly autonomous ways. This may not be appropriate in the future. The Commission’s paper on Assuring Quality in Education shows that there could be significant benefits in co-operation for inspection purposes, particularly in specialist subjects.

**Exhibit 4**

**THE REORGANISATION OF THE LEA**

A structured approach may help to focus the reorganisation process

<table>
<thead>
<tr>
<th>Consider powers and duties [see Box 1 for typical list]</th>
<th>Examine general needs of clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulate specific policies, e.g. provision for under S’s</td>
<td>Formulate general policies; adopt a mix of the 6 main roles; generate a vision of future</td>
</tr>
<tr>
<td>Formulate tasks which will allow policies to be pursued. [See Box 2]</td>
<td></td>
</tr>
<tr>
<td>Formulate possible organisational structures which could deal with the range and volume of tasks</td>
<td>List tasks undertaken with present organisational structure</td>
</tr>
<tr>
<td>Reorganise current structure and specify management units and their roles.</td>
<td></td>
</tr>
<tr>
<td>For each management unit set up control processes: aims, monitoring and target arrangements, reporting mechanisms</td>
<td></td>
</tr>
</tbody>
</table>

There could be other fruitful areas, too. The more fluid environment in which planning takes place argues for collaboration. Many of the new relationships described above will need careful development. LEAs will have much to learn from each other's mistakes - and successes.

**TAKING ACTION**

Many LEAs are thinking hard about redefining their role; some are further advanced in the process than others. In a few cases major reorganisations have been put in train. In these circumstances specific recommendations to all authorities would be inappropriate. But work done by auditors in some authorities already suggests that a structured approach to redefining the authority's role can pay dividends (Exhibit 4). Auditors are available to assist in the process, using material developed for this paper, where authorities see benefit in an independent assessment.