Performance Review in Local Government Education
Acknowledgements

Draft material developed by Jack Sprigg
with Peter Brokenshire

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Preface

This booklet is part of 'Performance review in local government: a handbook for auditors and local authorities'.

The handbook has been prepared by the Audit Commission as a working document to help auditors and local authorities appraise the effectiveness, efficiency and economy of services. It should help to focus attention on aspects of services that appear wasteful or capable of improvement, and to identify aspects of services that merit further investigation. It should also help to promote debate on how quality in services is to be assessed, alongside the quantifiable measures of efficient performance.

Summary of contents

The handbook consists of ten sections:

- Introduction
- Education
- Environmental Services
- Housing
- Law and Order
- Leisure and Libraries
- Planning and Transportation
- Social Services
- Central Services (to be published in 1987)
- Statistical Supplement (to be published annually from 1987)

This preface is reprinted for reference at the start of each booklet.

The introductory booklet gives the background context to the need for performance review, considers arrangements for it within an authority, and explores some of the difficulties which authorities may face in measuring performance and implementing change.

The service-specific booklets, like this one, provide for each service:

1 A brief description of the main elements of the service, and a discussion of the key issues in examining the performance of the service in terms of value for money. This section includes a bibliography of useful government and other publications.

2 A more detailed series of review questions which will help to guide the assessment and improvement of current arrangements for managing the service. Useful references and performance indicators are shown alongside the relevant questions. These include indicators of effectiveness (for example inspectors' reports, trends in usage, public attitudes) as well as quantifiable measures of efficiency (for example pupil/teacher ratios, m² per client).

Some of the questions in the performance review guides relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor's interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resources usage.
The indicators listed in this booklet are not accompanied by a value. They simply designate what is to be examined, for example clients per employee, costs per m\(^2\). However, there are some norms, standards or benchmarks which are widely accepted, or which have been positively identified during detailed reviews by the Audit Commission or some other recognised body. Where these exist, the appropriate value or range of values, for example X clients per employee, £Y per m\(^2\), will be listed in the *statistical supplement*, which will be published annually.

Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and the given norm, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

**The approach of the handbook**

This handbook does not suggest that there should be uniform approaches to service provision, or standard levels of output. It recognises that the very essence of local government is variety, but emphasises that variety should stem from the efficient and effective meeting of local needs, rather than from poor management or inadequate policy making.

Three themes therefore run through the handbook:

1. **The need to emphasise the outputs of services, and relate these to inputs.**
   Success in the public sector lies in the quality of the services provided. In general, the balance needs to be tipped from the current emphasis on inputs by providers, to an emphasis on the outputs received by the public. In some services, measures of output are clear. In others, where detailed research has not been carried out, the approach needs to be more cautious, particularly for services where the outputs may well be contentious, for example social work or the police service.

2. **The need to make best use of available resources.**
   Performance appraisal is often portrayed as mere cost cutting. But in essence it is about querying whether money is being spent on those things that will improve the quality of services now and in the future. For example, money tied up in low-occupancy schools is money that cannot be used to pay for more teachers, or be diverted to provide care for the growing number of elderly people in our society.

3. **The need for performance review to be an integral part of the management process.**
   At officer level, departmental managers should be keeping services under continual review. Many problems can be dealt with by the officers working within agreed policies. The members' responsibility is to satisfy themselves that the service is being managed properly and to examine in more depth those issues which have policy implications.
Using the handbook

The handbook has been prepared with auditors, officers and members in mind.

Auditors may find the handbook a useful adjunct to The Local Government Auditor (The Black Book), giving a service by service guide to value for money issues. The handbook documents and builds on a lot of the good work that has already been done around the country.

Officers may find it a useful statement on service delivery and performance. It has been developed in discussion with many professionals in the field. Chief officers may find it useful for questioning middle managers, and middle managers may find it helpful for raising issues of quality and effectiveness, when auditors are questioning efficiency and economy.

Members may find it a useful guide to the audit approach, and a helpful basis for reviewing, and where necessary challenging the approach of officers with regard to the performance of particular services.

The scope of the handbook

The handbook documents, for each service, the key elements which contribute to its success or failure, the key criteria on which to justify its continued existence.

It does not attempt to give an exhaustive description of every facet of every service, nor every issue of policy, quality, professional judgement or effectiveness. It simply represents the state of the art, drawing together the available information and work done so far. Constructive criticisms and contributions would be welcomed, particularly on issues which are omitted, or only briefly covered, in this edition.

An update service is planned, beginning in 1987 with a new section on central services, minor amendments to the service-specific sections and a statistical supplement. Thereafter the handbook will be revised in whole, or in part, according to changes in policy and practices around the country.

Comments should be sent to
The Director of Management Practice,
The Audit Commission,
1 Vincent Square,
London SW1P 2PN.
Introduction to the service
The range of pupil numbers, school numbers and expenditure levels is so wide that it would be misleading to suggest a 'typical' authority. Provision varies because of differences in policy as well as differences in the efficiency with which resources are managed.

A major area of policy difference between local authorities is in provision for under fives. All authorities have a duty to provide schooling for children starting in the term after their fifth birthday. Before that time, provision is discretionary and may take one or more of the following forms:

- nursery schools
- nursery classes within primary schools
- integration into ordinary classes within primary schools
- preschool playgroups administered by social services
- preschool playgroups run by the voluntary sector (PPA etc), which receive support from the DES/DHSS or Welsh Office, and from many local authorities.

On average, about 43% of four year olds attend school, half of them in nursery schools or nursery classes in primary schools. About one-third of three and four year olds attend preschool playgroups for two or three half days a week.

Trends
Over the last ten years there has been a rapid decline in the numbers of nursery and primary school pupils. Teacher numbers have also fallen but at a much slower rate. To some extent this has been due to the desire to improve the level of provision and there have been difficulties in maintaining the curriculum whilst adjusting to falling school rolls. Numbers of pupils are expected to begin rising from 1986 but not to reach earlier levels.

Expenditure
In 1985/6 expenditure in England and Wales on nursery and primary education was estimated at £2.9 billion net (£59 per head of population).
Current management issues

LEAs have a duty to provide efficient education appropriate to pupils' needs. It follows that there are two main aspects to the management of nursery and primary education: reviewing the allocation of resources to educational ends and reviewing the management of those resources. Officers, members and auditors will place different emphasis on these two aspects. However, an understanding of both is essential if nursery and primary education is to be both effective and efficient.

The major policy issues for LEAs are:

1. Deciding on the local aims and purpose of education.
2. Adopting a curriculum for primary schools needed to achieve the aims and purpose of the educational system.
3. Setting standards and targets in agreement with school heads and governors and monitoring their achievement.
4. Meeting parents' wishes in the allocation of school places and taking account of their views in other matters.
5. Matching provision to demand at a time of changing school rolls.
6. Managing and deploying teaching and other resources.

Each of these issues is discussed briefly below, and taken up in more detail in the performance review guide overleaf.

Educational ends

Whilst there is widespread support for certain basic educational aims, there are differences in the emphasis placed upon such considerations as:

- the development of lively, enquiring minds, the ability to question and argue rationally and to apply themselves to tasks and physical skills
- the acquisition of knowledge and skills relevant to adult life and employment
- the effective use of language and numbers
- respect for religious and moral values, tolerance of other races, religions and ways of life
- understanding the world and the inter-dependence of peoples
- appreciation of human achievements and aspirations
- the development of personality and character.

(Source: The School Curriculum (1981) HMSO)

The view expressed in 'Better Schools' is that education should 'equip all for the responsibilities of citizenship and ... employment', and that 'preparation for working life is one of their principal functions'.

In Scotland this is expressed as 'producing responsible citizens' and addressed to fundamental questions such as 'what can they do? 'what can't they do?'

Over the last 30 years the curriculum has broadened. There has been more active participation by pupils, and computers are now widely used. The needs of handicapped children and children from ethnic minorities have received more attention.

At the same time more support is needed from parents, who are often more articulate about their children's interests, the schools' performance, and their own rights in the choice of school. The extent to which parents appeal against
school allocation and complain about school conditions or their children's progress are important indicators of effectiveness. However, in considering them, it should be recognised that parental interest itself varies and also that disputes over allocations often arise from the LEA's need to amalgamate or close schools.

Evaluation of performance needs to take place both at LEA and at school level. Some LEAs and/or individual schools will have particular problems arising from local demographic and other factors (for example unemployment, one parent families, ethnic mix, urban decay, population sparsity) which may affect overall levels of performance compared with other authorities or schools. Education performance is statistically associated with pupils socio-economic backgrounds and this needs to be taken into account when comparing results in one authority with another.

An indication of effectiveness will be found in HM Inspector of Schools' reports or those of local inspectors. Other indicators may be found in comparisons with APU (Assessment of Performance Unit) criteria, absence rates and parental demand for places in particular schools.

The employment by LEAs of good advisers and inspectors is recognised as a cost effective way of promoting better educational standards and good management practice.

The management of resources
Some LEAs have not yet fully dealt with the problems of falling school rolls.

The problem is not simply one of a general change. In some localities within an authority the child population will be rising, in others falling, with corresponding impacts on individual schools. Nationally, pupil numbers will begin to rise again shortly. Some LEAs also have large numbers of very small or very old schools. The major issues of scale and location of provision are therefore very complex.

Falling school rolls increase to some extent the problems of maintaining the curriculum. However, they also present opportunities for rationalisation, for example by providing larger schools in areas where this is considered both feasible and desirable from a policy point of view. Primary schools are often seen as a focal point for the local community, in both rural and urban areas; and therefore closure decisions will often take into account social as well as educational and financial factors.

The allocation of teaching staff should be on an activity led basis (ALS), ie it should be related to the needs of the curriculum and of the out-of-class activities teachers are expected to undertake. Comparable criteria should be employed to allocate non-teaching staff, though for these headteachers are best left to determine their own activity led needs, within overall budget levels.

Efficiency and economy in the deployment of teaching and other resources are generally indicated by unit costs and resource usage, for example pupil/teacher ratios, m² per pupil. Comparisons with other authorities provide a useful starting point for considering efficiency and economy. However, care must be taken to compare like with like.
In comparing unit costs, account should be taken of the mix of primary and middle (deemed primary) schools. The latter tend to have higher unit costs and lower pupil/teacher ratios. Comparisons are best pursued after 'normalising' the mix between comparator authorities. For example, pupil numbers might be weighted according to age group to compensate for the (average) differences in the costs of teaching them.

**Bibliography**

*Accountability in Education* (1978) NFER
Examines values, standards and accountability.

*The School Curriculum* (1981) HMSO
Discusses curricula to meet the role of education in our society.

Considers future demand, deployment and performance assessment of teachers.

Reports by HMI on Effects of Local Authority Expenditure Policies on Education Provision in England (1983 and 1984) DES
These discuss key factors in effective education provision and the effect of policies on them.

An important publication reviewing progress and problems in schools.

*Quality in Schools* (1985) HMSO
Study of school education and staff appraisal.

Good practice in school buildings maintenance.

*Report of Working Group on Falling Rolls and the Size of Schools* (1986) DES
Sets out the educational and cost consideration, government targets and practicalities of rationalising schools.

Includes a review of clients' views of provision for the under fives.

*A Statement on Performance Indicators in the Education Service* (1986) CIPFA

*DES Assessment of Performance Unit*
Produces various reports, booklets, occasional papers etc which provide guidance to teachers on attainment by pupils in mathematics, English language, science, foreign languages, design and technology.

Much of this report is applicable to all educational sectors. It deals with falling school rolls as well as non-teaching costs. The report is based on an Audit Guide on non-teaching costs, available separately from the Audit Commission.
Performance Review in Local Government — Education

Looks at ways this can be done.

An important guide since school buildings account for 70% of local government energy costs.

Includes further references to falling school rolls and control of teaching resources (but note that considerations in primary schools are not always the same as for secondary schools).
Performance review guide

This section sets out a detailed series of questions which will help to guide the review and improvement of current management arrangements.

Some of the questions relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor’s interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resource usage.

Useful performance indicators and reference documents are shown alongside the relevant questions. Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and accepted norms, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

Review questions

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<td>Proportion 3-4 year olds in supported preschool playgroups</td>
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<td>Proportion 'statemented' children under five</td>
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1. Aims and purpose of nursery and primary education

Has the LEA determined and clearly published its policies on the purpose and aims of the local education system, and the part to be played within it by nursery and primary schools, for each locality in the area?

- This should include the policies for the education of the under fives whether in nursery schools/nursery classes/the primary system and also attitudes to playgroups and liaison with Social Service Departments and other providers.

- Considerations for primary education should include national educational policy as well as the views of educationalists and parents, and the needs of ethnic and other minorities.

- The LEA should be properly informed on local social, economic and demographic problems and trends which may have a bearing on the nature of educational desirable in individual schools, and their likely effect on educational performance.

Have the policies been generally accepted by school governors?

References in Committee reports correspondence and minutes of governors’ meetings
### Review questions

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<th>Key Indicators/References</th>
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<td>Has the LEA issued a general statement of policy on the 5-16 curriculum, providing for continuity between the primary and secondary school systems?</td>
<td>Statements available</td>
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<td>• Most LEAs have done so and most schools have set out their aims in writing.</td>
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<td>Are sufficient resources and training provided for curriculum development?</td>
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### 3 Setting standards and targets

| Have aims, objectives and target results been agreed with school heads and governors, for all parts of the curriculum? | LEA/HM Inspectors' Reports |
| Is the Education Committee positively involved in the consideration of and response to the findings of HM Inspectors and local inspectors, and is action seen to be taken on them? | |
| Is there a local Advisory and Inspection Service? | Teachers per Adviser/Inspector |
| • This is regarded as a cost effective way of improving standards and spreading good management practice. | |
| What are the duties of Advisers and Inspectors at the LEA? | |
| Does the LEA require or encourage school evaluation (or self-evaluation) and staff appraisal? | Appraisal summaries |
| Does the LEA require schools to conduct and report on pupil assessments and are the results monitored by the LEA? | |
| Are the results of the Assessment of Performance Unit (APU) researches familiar to and used by management and teachers in monitoring results and dealing with problem areas? | Comparison with APU criteria |
| • These can be converted by further work into robust diagnostic tests for use in schools. | |
| Is there a positive policy of matching teaching skills to curricular needs in schools? | Proportion of graduate teachers (%) |
| Is staff development adequately budgeted? | Expenditure per teacher on INSET |
Review questions

4 Relationships with parents

Do the trends in parent reactions to allocation of school places suggest that action needs to be taken to improve communication with parents, or to revise allocation procedures?

Is the value of subjects included in the curriculum explained to parents?

Does parental reaction suggest their lack of support for educational policies generally or their concern about the quality of education provided by individual schools?

Are attendance rates monitored together with parent complaints to ensure that problems are identified and dealt with?

5 Matching provision to demand

Does the LEA have adequate arrangements for assessing the current and future scale and problems of provision for localities throughout the area?

Are the problems of changing school rolls being dealt with?

- Members should be supplied with and advised on the implications of census statistics and other information, e.g. existing provision, its location and condition and possibilities for future use.
- Minimum teaching areas by age cohort, grouped for different school sizes, are set out in The Education (School Premises) Regulations 1981, which also deal with other accommodation, recreation areas and playing fields.

Is nursery education provided in nursery schools, and/or in nursery classes in primary schools?

- This may have an effect on occupancy.

Key Indicators/References

Appeals against allocation
Proportion of LEA pupils leaving for schools in other authorities (%)

Attendance rates compared with other schools and previous years
Levels and types of parental complaints

[See: Obtaining Better Value in Education: Aspects of Non-teaching Costs in Secondary Schools]

Comparisons with other LEAs/other schools within the LEA of:
- school place occupancy (%)
- m² per pupil
- pupils per school
[See: Report of the Working Group on Falling Rolls and the Size of Schools]
Review questions

6 Managing resources

6a Teaching staff

Does the LEA maintain a continuous review of current and long term teaching and other resource requirements?

How do teaching staffing levels compare with other LEAs?

Is staffing for teachers activity led (ALS) and agreed with headteachers?

- Basing staffing on curriculum needs is more likely to result in a good match of needs and resources than other formulae based criteria. (The latter usually consist of basic allowances related to pupil numbers and ages, with allowances for special circumstances such as remedial teaching, small school, English language problems.)

- Curriculum based staffing should take into account teachers' non class duties, ie staffing should be fully activity led (ALS).

- Staffing policies should include positive arrangements for staff development, including adequate inservice training (INSET) to deal with current curricular and other local problems.

- Actions taken to deal with changing resource needs should include:
  - redeployment of staff
  - changes in recruitment patterns and levels of part time teaching
  - consideration of arrangements for premature retirement and voluntary severance.

- Such changes take time and planning should cover long term as well as short and medium term requirements.

- Interviewers for the selection of staff, particularly headteachers, should be advised by officers trained in staff selection.

- 'Ring fencing' – filling posts entirely from displaced or other existing staff within the authority before broadening the field – should be avoided.

Key Indicators/References

Comparisons with other LEAs/within the LEA of:

- pupil/teacher ratios (PTR)
- average class sizes
- teaching periods per pupil (TPP)
- class contact ratios (ie the the proportion of timetabled hours spent by teachers, including heads and deputies, in front of a class)
- net cost per pupil (£)

Teaching cost per pupil (£)

Criteria for staffing

Staff changes between schools and in total
Review questions

- Note that the age cohort structure needs to be taken into account in making comparisons, e.g. middle schools may distort resource patterns. The incidence of nursery classes and children with special educational needs in primary schools also needs to be taken into account.

Are headteachers allowed to deploy their staff as they consider appropriate for local needs within overall limits?

Is effective use made of supply and part time staff?
- Some headteachers require their staff to prepare advance lessons for supply and other teachers covering their absence.

6b Non-teaching resources

What are the arrangements for non-teacher staffing, i.e. educational support staff, premises related staff, admin/clerical staff?
- Levels may be based on criteria assessed centrally or, preferably, delegated to headteachers within overall cost limits. (Headteachers should be advised on the principles of activity led staffing.)

Has the adequacy of non-teaching support been questioned by HMI?
- Educational Support Staff may be 'traded off' with teachers.
- Teachers are sometimes over employed on administrative duties.

Do comparisons with other LEAs/between schools within the LEA suggest scope for improvement?

Are cleaning standards monitored?

Do schedules exist for particular cleaning tasks and their frequencies?

How does expenditure on schools maintenance compare with other LEAs?
- The LEA should know the extent of any accumulated maintenance deficit.
- Many problems in school building maintenance arise from faulty design. Where new schools are being built the LEA should be aware of these matters.

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<td>HMI Reports</td>
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<td>Pupils per employee Cost per pupil (£) Cleaning area per hour (m²)</td>
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<td>Cost per m² (£) – day to day maintenance – all maintenance</td>
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### Review questions

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| What is the proportion of planned maintenance?                          | Planned maintenance % total maintenance expenditure  
[See: Maintenance and Renewal in Education Buildings]                     |
| Are arrangements for day to day maintenance controlled centrally or delegated to headteachers? | [See: Obtaining Better Value in Education: Aspects of Non-teaching Costs in Secondary Schools and Non-teaching Costs for more detailed guidance on support staffing, cleaning, maintenance and delegation.] |
| What is the total extent of delegation to headteachers?                  | List of delegated responsibilities                                                                                                                     |
| Are arrangements for purchasing books, materials and other supplies satisfactory? | Comparisons between/within authorities: 
- cost per pupil (£)  
- commodity prices  
[See: Reducing the Cost of Local Government Purchases]                       |
| Is the number of books considered adequate?                             | Books per pupil                                                                                                                                          |
| Has the Authority agreed an energy policy statement on the control of consumption and guidelines for an investment programme to improve energy efficiency? | Normalised performance indicator  
[See: Saving Energy in Local Government Buildings for detailed guidance]     |
| • 10% of the energy budget is the likely investment needed.               |                                                                                                                                                    |
| Is there a programme of training and publicity for users, particularly school caretakers? |                                                                                                                                                    |
| Are consumption targets set and monitored?                              | Cost per pupil (£)                                                                                                                                       |
| • Education buildings account for 70% of local government energy expenditure. |                                                                                                                                                    |
| Are LEA policies on the use of transport for pupils and other purposes kept under review, and are usage and running expenditure monitored? | Hectares per pupil                                                                                                                                      |
| Is the level of land holding kept under review?                          |                                                                                                                                                    |
| • Under utilised land is costly and there is thought to be scope for improvement in some areas. |                                                                                                                                                    |
Secondary

Introduction to the service
Authorities vary widely in the type of secondary schools they provide. Some have middle schools, some retain grammar schools, some have sixth form or tertiary colleges. However, they share a common problem: how to cope with changing, in most cases markedly declining, school rolls.

Trends
The number of secondary school pupils reached a peak in 1979 and is expected to fall by nearly 40% by 1991. Thereafter, only a modest increase is forecast.

The number of teachers has also fallen but at slower rate and lagging a year behind. Pupil/teacher ratios (PTRs) have therefore steadily 'improved', i.e. the number of pupils per teacher has fallen.

Further falls in PTRs are expected as class sizes are slightly reduced and class contact ratios are lowered to provide for changes in the curriculum and for increased inservice training for teachers.

Expenditure
In 1985/6 expenditure in England and Wales on secondary schools was estimated at £4.1 billion net (£83 per head of population).

Current management issues
LEAs are required to provide efficient education appropriate to pupils' needs. This involves reviewing the allocation of resources to educational ends and reviewing the management of those resources. Education is a continuous process, and therefore the major policy issues facing LEAs with regard to secondary schools are in essence much the same as those for primary education.
Major current issues are:

1. Deciding on the local aims and purpose of education.
2. Adopting the curriculum for secondary schools needed to achieve their stated aims and purpose.
3. Setting aims, objectives, standards and targets with school governors and heads and monitoring their achievement.
4. Meeting parents' wishes in the allocation of school places and taking their views into account on other matters.
5. Matching provision to demand.
6. Managing and deploying teaching and other resources.

Each of these issues is discussed briefly below, and taken up in more detail in the performance review guide overleaf.

Educational ends
The issues of the purpose and aims of education are dealt with in the Introduction to the chapter on nursery and primary education. Similar considerations apply in secondary education.

There is a general acceptance of the need for a continuing broadly based curriculum for pupils up to 16 years.

Provision for 16-19 year olds varies between sixth forms, sixth form colleges and/or the ordinary further education system. The LEA should have a clear view of the social and educational benefits, costs and practicalities of different schemes.

Educational changes in the last decade have included a broadening of the curriculum, more active pupil participation, use of computers in the classroom, increased association with parents and greater attention paid to the needs of handicapped pupils and ethnic minorities.

The introduction of the new GCSE exam, and new Technical and Vocational Education Initiative (TVEI), will make new demands on resources for books, equipment, staff and inservice training (INSET) to support the new style of more practical teaching and assessment that is involved.

LEAs will have their own views on educational priorities, which will be influenced by local problems arising from demographic and other factors, for example unemployment, urban decay, ethnic mix. The extent to which local policy aims and objectives are met must be a major indicator of effectiveness.

An indication of effectiveness will also be found in the reports of HM Inspectors of Schools and LEA inspectors. The employment of advisers and inspectors helps in the evaluation of performance and the spread of good practice. A number of adverse reports from inspectors may indicate management failing in the Education Department rather than (or as well as) poor performance at an individual school.

Schools' examination results are telling effectiveness indicators. The findings of the APU (Assessment of Performance Unit) will help to pinpoint for some curricular areas where pupils are finding difficulties. It should be clear that results and problem areas are being carefully reviewed, together with information on the destination of school leavers, into work, further education, YTS, or unemployment.
Educational achievement has been found to be statistically associated with the socio-economic background of pupils. Comparisons of educational results between authorities or schools are therefore best made between areas with similar socio-economic groupings (see Statistical Bulletin 13/84).

More support is needed from parents, who these days tend to be more vocal about the performance of schools, the interests of their children and their own rights in the selection of schools. The LEA should give consideration to the ways in which parental opinion is surveyed.

The incidence of appeal against allocations of school placings and the expressed preferences of parents for individual schools are useful performance indicators. However, the variability of parental interest must also be borne in mind. Many appeals and complaints arise from the rationalisation of schools, brought about by the need to deal with falling school rolls. Whilst some of these will be inevitable, the LEA should ensure that its procedures for changing provision are carried out clearly and sensitively.

Other indicators of effectiveness may be found in attendance rates, where again parental interest is an important factor.

The management of resources

Currently, LEAs are faced with falling school rolls continuing into the next decade. The scale and locality of provision centre on this problem and require constant attention. The problem is most acute in rural areas, where population is thinly spread, and in inner city areas, where the population is declining fastest.

Decision making about provision is complicated by the uneven incidence of change in the child population and the size, location and condition of existing provision.

Whilst the rapid fall in numbers has exacerbated problems in maintaining and improving the curriculum, it has also presented opportunities for rationalisation in the size and location of schools. The extent of these opportunities, however, varies greatly.

Authorities are changing their patterns of provision, but not as fast as the school population is changing. In its report 'Towards Better Management of Secondary Education', the Audit Commission states that within the next five years there could be the equivalent of 1000 completely empty secondary schools around the country. Surplus capacity is expensive because upkeep costs of premises, heating and lighting etc remain nearly the same, even though pupil numbers fall; and cost per head of teaching rises when schools get smaller but teaching staffs do not. Nationally, potential savings on teaching and non-teaching costs are in the region of £700 million a year—resources which could be used to pay for teachers and books to improve the quality of education.

The relocation of teaching staff should be activity led (ALS), ie it should be related to the needs of the curriculum and of the out-of-class activities teachers are expected to undertake. Comparable considerations should be employed for non-teaching staff, though for these headteachers should be able to determine their own activity led needs, within overall budgetary limits.

Unit costs and management ratios should be available to management so that efficiency and economy may be monitored and appropriate decisions taken on resource allocation.
In examining comparative performance indicators, the age structure of pupils, the policy on middle schools and sixth forms and the extent to which special educational needs are dealt with within secondary schools need to be taken into account.

**Bibliography**

*Accountability in Education* (1978) NFER
Examines values, standards and accountability in education.

*Guidelines of environmental design and fuel conservation in educational buildings*, Design Note 17 (1979) DES

*The School Curriculum* (1981) HMSO
Discusses schools curricula to meet the role of education in society today.

Future demand deployment and performance assessment of teachers.


These discuss key factors in effective education provision and the effect of policies on them.

Deals with factors leading to effective education.

*DES Statistical Bulletin 13/84*
Reports research into, and the correlation between, school leavers' attainment and socio-economic and other background pressures.

An important publication reviewing progress and problems in schools.

*Quality in Schools: Evaluation and Appraisal* (1985) HMSO
HMI study of school education and staff appraisal.

Good practice in school buildings maintenance.

*Report of the Working Group on Falling Rolls and Size of Schools* (1986) DES
Sets out the educational and cost consideration, government targets and practicalities of rationalising schools.

*A statement on performance indicators in the education service* (1986) CIPFA

*DES Assessment of Performance Unit*
Produces various reports, booklets and occasional papers which provide guidance to teachers on attainment levels and problems for mathematics, English, Science and design and technology.
This report deals with the problems of falling school rolls as well as non-teaching costs. The report is based on an Audit Guide on non-teaching costs, available separately from the Audit Commission.

An important guide since school buildings account for 70% of local government energy costs.

This report also reviews management response to falling school rolls as well as the improvement of teacher staffing and performance.

Detailed guidance to auditors on reviewing management of secondary school teaching resources.
Performance Review in Local Government — Education

Performance review guide
This section sets out a detailed series of questions which will help to guide the review and improvement of current management arrangements.

Some of the questions relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor’s interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resource usage.

Useful performance indicators and reference documents are shown alongside the relevant questions. Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and accepted norms, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Aims and purpose of secondary education</strong></td>
<td></td>
</tr>
<tr>
<td>Has the LEA determined and clearly published its policies on the purpose and aims</td>
<td>Policy statements available</td>
</tr>
<tr>
<td>of the local educational system and the part to be played within it by</td>
<td><strong>[See: The School Curriculum, and Better Schools]</strong></td>
</tr>
<tr>
<td>secondary schools for each locality in the area?</td>
<td></td>
</tr>
<tr>
<td>• These should take account of national educational policy as well as the</td>
<td>Employers’ assessments of school leavers</td>
</tr>
<tr>
<td>views of educationalists, employers, parents and the needs of ethnic and other</td>
<td></td>
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<tr>
<td>minorities.</td>
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<tr>
<td>• The LEA should be properly informed on local social, economic and demographic</td>
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<tr>
<td>problems and trends which may have a bearing on the nature of education</td>
<td></td>
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<tr>
<td>desirable in individual schools, and their likely effect on educational</td>
<td></td>
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<tr>
<td>performance.</td>
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<tr>
<td>Has the LEA decided on its policies for educating the 16-19 year olds and the</td>
<td>Policy statements available</td>
</tr>
<tr>
<td>part to be played by secondary schools?</td>
<td></td>
</tr>
<tr>
<td>Have these policies been generally accepted by school governors?</td>
<td>References in reports to Committee</td>
</tr>
<tr>
<td></td>
<td>Correspondence and minutes of governors’ meetings</td>
</tr>
</tbody>
</table>
Review questions | Key Indicators/References
---|---
### 2 The curriculum

Has the LEA issued a general statement of policy on the 11-16 curriculum?

- Most LEAs have done so and most schools have set out their aims in writing.

Are sufficient resources and training provided for curriculum development?

Are all schools large enough to provide the curriculum?

### 3 Setting standards and targets

Have aims, objectives and target results been agreed with school heads and governors, for all parts of the curriculum?

Is there an Advisory and Inspection Service?

- This is regarded as a cost effective way of improving provision by spreading good practice.

Is the Education Committee positively involved in the consideration of and response to the reports of HMI and local inspectors, and is action seen to be taken on them?

Does the LEA require or encourage school evaluation (or self-evaluation) and staff appraisal?

Is there a positive policy of matching teaching qualifications to curriculum needs in schools?

- There should be adequate budgeting for staff development to meet this purpose, including training and opportunities to acquire and apply experience through transfers, exchanges and secondments.

Are the findings of the Assessment of Performance Unit (APU) researches familiar to and used by management and teachers in monitoring standards and dealing with problem areas?

- These can be converted by further work into robust diagnostic tests for use in schools.

### Secondary Key Indicators/References

<table>
<thead>
<tr>
<th>Statements available</th>
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</thead>
<tbody>
<tr>
<td>Teachers per Adviser/Inspector</td>
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<tr>
<td>LEA/HM Inspectors' Reports</td>
</tr>
<tr>
<td>Appraisal summaries</td>
</tr>
<tr>
<td>Educational value added, eg comparison of 'A' levels obtained with 'O' level achievement, comparison of schools with similar socio-economic characteristics</td>
</tr>
<tr>
<td>Proportion of graduate teachers (%)</td>
</tr>
<tr>
<td>Expenditure per teacher on INSET</td>
</tr>
<tr>
<td>Comparison with APU criteria</td>
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</tbody>
</table>
[See: Statistical Bulletin 13/84]
<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
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</thead>
<tbody>
<tr>
<td><strong>4 Relationships with parents</strong></td>
<td></td>
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</tbody>
</table>
| Do the trends in parent reactions to allocation of school places suggest that action needs to be taken to improve communication with parents or to revise allocation procedures? | Appeals against allocation  
Proportion of LEA pupils leaving to go to schools in other authorities (%)  
Proportion of out-county pupils (%) |
| • It should be recognised that discontent may arise from the Council’s need to close a popular school in its efforts to deal with falling school rolls. |                                                                                          |
| Does parental reaction suggest their lack of support for educational policies generally or their concern about the quality of education provided by individual schools? | 'O' and 'A' level and CSE pass rates  
Proportion of pupils entering:  
- post-compulsory schooling  
- full time further or higher education  
- YTS  
- employment within 6 months |
| Are educational results being maintained or improved?                            | Attendance rates compared with other schools and previous years  
Level and types of parent complaints |
| Are attendance rates monitored together with parent complaints to ensure that problems are identified and dealt with? |                                                                                          |
| **5 Matching provision to demand**                                               |                                                                                          |
| Does the authority have adequate arrangements for addressing the current and future scale and problems of provision for localities throughout the area? | % children in temporary classrooms  
[See: Obtaining Better Value in Education and Towards Better Management of Secondary Education] |
| Is the Council addressing the problems of changing school rolls?                 | Comparisons with other LEAs/other schools within the LEA of:  
- school place occupancy (%)  
- m² per pupil  
- pupils per school  
[See: Report of the Working Group on Falling Rolls and the Size of Schools] |
| • Members should be supplied with and advised on the implications of census statistics and other information, e.g. existing provision, its location and condition, possibilities for future use and the school estimated pupil numbers for the next ten years. | First year intake numbers  
Staying on rates for sixth forms |
| • Minimum teaching areas by age group for different school sizes are set out in The Education (School Premises) Regulations 1981, which also deal with other accommodation, recreation areas and playing fields. |                                                                                          |
| • A six-form entry is generally regarded as the minimum viable for curricular purposes. |                                                                                          |
| Are there adequate arrangements for liaison between schools and LEAs with cross-boundary catchment areas? |                                                                                          |
Review questions | Key Indicators/References
---|---
6 Managing resources
6a Teaching staff

Does the LEA maintain a continuous review of current and long term teaching and other resource requirements?

How do teaching staffing levels compare with other LEAs?

Is staffing for teachers activity led and agreed with headteachers?

- Basing staffing on curriculum needs is more likely to result in a good match of needs and resources than other formulae based criteria. (The latter usually consist of basic allowances related to student numbers and ages, with allowances for special circumstances, eg remedial teaching, small school, English language problems.)

- 'Curriculum based' or 'curriculum led' staffing (CLS) should take into account teachers' non class duties, ie staffing should be fully activity led (ALS).

- Sound management information is needed, eg some system of curricular and staffing returns.

- Staffing policies should include positive arrangements for staff development, including adequate inservice training.

- Actions taken to deal with changing resource needs should include:
  - redeployment of staff
  - changes in recruitment patterns and levels of part time teaching
  - consideration of arrangements for premature retirement and voluntary severance.

- Such changes take time and planning should cover long term as well as short and medium term requirements.

- Interviewers for the selection of staff, particularly headteachers, should be advised by officers trained in staff selection.

- 'Ring fencing'—filling posts entirely from displaced or other existing staff within the authority before broadening the field—should be avoided.

Comparisons with other LEAs/within the LEA of:
- pupil/teacher ratios (PRT)
- average class sizes
- teaching periods per pupil (TPP)
- class contact ratios (ie proportion of timetabled hours spent by teachers, including heads and deputies, in front of a class)
- net cost per pupil (£)

[See: Towards Better Management of Secondary Education]

Criteria for staffing
Teaching cost per pupil (£)

Staff changes between schools and in total
### Review questions

- Note that middle schools may distort comparisons, which should take account of age cohort structure. Allowance should also be made for sixth forms and for children with special educational needs.

Are headteachers allowed to deploy their staff as they consider appropriate for local needs within overall limits?

Is effective use made of supply and part time staff?

- Some headteachers require their staff to prepare advance lessons for supply and other teachers covering their absence.

### Key Indicators/References

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Notes</th>
</tr>
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<tbody>
<tr>
<td>% supply teachers</td>
<td></td>
</tr>
<tr>
<td>% part time teachers</td>
<td></td>
</tr>
<tr>
<td>Existence of register of supply teachers</td>
<td></td>
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</tbody>
</table>

### 6b Non-teaching resources

What are the arrangements for non-teacher staffing, ie educational support staff, premises related staff, admin/clerical staff?

- Levels may be based on criteria assessed centrally or, preferably, delegated to headteachers within overall cost limits. (Headteachers should be advised on the principles of activity led staffing.)

Has the adequacy of non-teaching support been questioned by HMI?

- The trade off between teaching and educational support staff can be important, particularly in laboratory and workshop based subjects.

- Teaching staff should not be over employed on administrative tasks.

Do comparisons with other LEAs/between schools within the LEA suggest scope for improvement?

Are cleaning standards monitored?

Do schedules exist for detailed cleaning costs and their frequencies?

How does expenditure on schools maintenance compare with other LEAs?

- Many problems in school building maintenance arise from faulty design. Where new schools are being built the LEA should be aware of these matters.

What is the proportion of planned maintenance?

- Day to day maintenance
- All maintenance

[See: Maintenance and Renewal in Educational Buildings]

Planned maintenance % total maintenance expenditure
<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are arrangements for day to day maintenance controlled centrally or delegated to headteachers?</td>
<td>[See: Obtaining Better Value in Education for more detailed guidance on support staffing, cleaning, maintenance and delegation.]</td>
</tr>
<tr>
<td>What is the total extent of delegation to headteachers?</td>
<td>List of delegated responsibilities</td>
</tr>
</tbody>
</table>
| Are arrangements for purchasing books, materials and other supplies satisfactory? | Comparisons between/within authorities:  
- cost per pupil  
- commodity prices  
[See: Reducing the Cost of Local Government Purchases] |
| Is the number of books adequate?                                               | Library and text books per pupil                                                        |
| Has the Authority agreed an energy policy statement on the control of consumption and guidelines for an investment programme to improve energy efficiency? |  
- 10% of the energy budget is the likely investment needed. |
| Is there a programme of training and publicity for users, particularly school caretakers? | Normalised performance indicator  
[See: Saving Energy in Local Government Buildings] |
| Are consumption targets set and monitored?                                     | Cost per pupil (£)                                                                     |
| - Education buildings account for 70% of local government energy expenditure.  | Hectares per pupil                                                                     |
| Are LEA policies on the use of transport for pupils and other purposes kept under review, and are usage and running expenditure monitored? |                                                                                  |
| Is the level of land holding kept under review?                                |                                                                                  |
| - Under utilised land is costly and there is thought to be scope for improvement in some areas. |                                                                                  |
Children with Special Educational Needs

Introduction to the service
The scale and form of provision for children with special education needs varies widely, according to how authorities have responded to legislation over the years.

The 1944 Education Act divided children requiring special education into ten categories with a strong medical influence. Provision included schools for Epileptic, Physically Handicapped, Deaf, Blind, Delicate, Maladjusted, and ESN children. However, children could be excluded from any schooling.

The 1970 Education Act entitled every child, however severely handicapped, to education. This could be offered in a special school with specialist facilities such as physiotherapy, hydrotherapy or speech therapy.

The 1976 Education Act talked of the benefits of integrating handicapped children into ordinary schools instead of segregating them, but this was not brought into force. Meanwhile, The Warnock Report (1978) on Special Educational Needs created new categories to describe children by the kind of education help they need, rather than by their disabilities.

The 1981 Education Act re-affirmed these points and made it the duty of Education Authorities to meet the needs of children with learning difficulties in ordinary schools, except where this is 'impracticable'. Severely handicapped children can be catered for in special schools, though they may benefit from the use of ordinary schools on a part-time basis. The Act allows children in need of special education to start school at any time between two and five years old and to continue schooling until 19 or 21. The Act also gives parents more rights to be consulted and involved in the assessment, placement and review of their child, and to appeal against the authority.

Much of the 1981 legislation is enabling rather than enforcing. Parents are not always conversant with their rights and so pressure from them to implement the Act is variable. Whether pupils are integrated into schools and colleges also clearly depends in part on the nature of their special needs. Children with only partial hearing, for example, are currently far more likely to be educated in ordinary schools than those who are blind or who have moderate to severe learning difficulties.

An authority is likely to have a number of fairly small special schools, and a few of these will take boarders. There is considerable cross-boundary traffic in this sector, with LEAs educating, and charging for, each others' pupils. A few pupils may also attend direct grant and independent schools.

Trends
The number of pupils in special schools has fallen by 13% in 7 years. This was to be expected in view of the general decline in the school system. Additionally, there has been a trend to providing for special educational needs within the ordinary school system. The small reduction in teaching staff may be seen as an increase in the standard of provision.

Expenditure
In 1985/6 an estimated £557 million net was spent on special education, including boarding costs (£11 per head of population).
Current management issues

In the light of current legislation, the major issues facing management are:

1. The scale and form of provision needed.
2. The educational achievements of pupils with special educational needs.
3. Relationships with parents.
4. The management of staff and other resources.

Each of these issues is discussed briefly below and considered in more detail in the performance review guide overleaf.

Special needs are greatly varied and may relate to the curriculum, equipment, staffing levels, teaching methods or to the social structure and climate in which education takes place.

As many as one in five children may have a special educational need at some time in their school lives and most of this is provided for within the ordinary school system.

The effectiveness of special education must relate to the extent to which each individual child is subsequently able to achieve independence and manage his/her own life within society, including placement in employment. In this context, relevant indicators have yet to be developed.

However, since the trend in thinking is to provide special education within the normal school system, an examination of the proportion of the LEA's own pupils in special schools (boarding and non-boarding) may be a starting point for review of the arrangements for identifying and caring for those in need of special education. HM Inspectors' reports will also be a basis for review. Where separate provision is made, this needs to be considered in consultation with the District Health Authority and the Social Services Department, also taking into account provision by private and voluntary organisations.
In many areas liaison with neighbouring local authorities is also essential. The full utilisation of capacity in special schools calls for close cooperation between LEAs in placing children. There may be scope for joint provision, particularly in running boarding schools.

Parents' wishes naturally form an important part of the consideration given to handicapped pupils' education. The extent to which parents are content with their children's treatment may be reflected in correspondence. Parents may feel strongly one way or the other about the issue of integration. They may also be concerned about travelling or boarding.

Efficiency and economy indicators relate to resource usage, for example staffing ratios, space utilisation. In themselves, these are relatively straightforward. However, because so many special educational needs are met in ordinary schools and other services, financial and other statistics may not easily reflect the whole picture. Particular care is needed when assessing performance to take note of this, and the broader social issues of integration, discussed above.

Bibliography

Special Educational Needs (1978) HMSO

Young children with special educational needs (1983) HMSO
HMI survey of arrangements in 61 nurseries.

Ten Good Schools, HMI Series: Matters for Discussion 1, 4th Impression (1984) HMSO
Includes a special school in discussion of factors producing good educational management.

Sets out government views of current educational requirements, including those for pupils with special educational needs.

Integration of the Handicapped in Secondary Schools (1985) CERI
Five case studies of special education within the ordinary school system.

Good practice in school buildings maintenance.

Much of this report is applicable to all educational sectors. It gives guidance on maintenance, cleaning and delegation. The report is based on an Audit Guide on non-teaching costs, available separately from the Audit Commission.
Performance review guide

This section sets out a detailed series of questions which will help to guide the review and improvement of current management arrangements.

Some of the questions relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor's interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resource usage.

Useful performance indicators and reference documents are shown alongside the relevant questions. Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and accepted norms, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Scale and form of provision</strong></td>
<td></td>
</tr>
<tr>
<td>How is LEA policy developing? Is it drawn up in close cooperation with the DHA, Social Services Department and other bodies, as well as with active participation by parents?</td>
<td>Proportion of school children in special schools (%)&lt;br&gt;Proportion of children with special needs taught within ordinary schools (%)</td>
</tr>
<tr>
<td>What criteria determine whether special educational needs are met: a) within ordinary school system? b) in day special schools? c) in boarding establishments?</td>
<td>Proportion of special school children boarded in special schools (%)&lt;br&gt;Costs per pupil not taught in LEA schools</td>
</tr>
<tr>
<td>• These might include direct grant and independent schools.</td>
<td></td>
</tr>
<tr>
<td>Is joint provision with other LEAs considered, particularly in respect of boarding schools?</td>
<td>Occupancy of special schools (%)&lt;br&gt;Reports to Committee</td>
</tr>
<tr>
<td>Generally, is the LEA well informed on the results and costs of their special educational policies?</td>
<td></td>
</tr>
<tr>
<td><strong>2 Educational achievement</strong></td>
<td>[See: Integration of the Handicapped in Secondary Schools]</td>
</tr>
<tr>
<td>What does the LEA do to ensure that primary and secondary schools and Colleges of Further Education have staff with the right skills to deal with special educational needs?</td>
<td></td>
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<tr>
<td>• This might include the services of a central advisory and support unit and/or teachers with expertise in special educational needs.</td>
<td></td>
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### Review questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do the arrangements for special education extend into the further education system?</td>
<td><em>Handicapped students in colleges and polytechnics</em></td>
</tr>
<tr>
<td>At what stage and by whom are special educational needs identified?</td>
<td></td>
</tr>
<tr>
<td>• Not all pupils with special educational needs are necessarily the subject of a formal statement.</td>
<td></td>
</tr>
<tr>
<td>Are objectives for achievement set for each child with special educational needs?</td>
<td></td>
</tr>
<tr>
<td>Does the LEA's review process include an evaluation of the outcome of its special educational policies and the achievement of individual pupils?</td>
<td><em>Inspectors' reports</em></td>
</tr>
<tr>
<td>Is there close liaison with the Careers Advisory Service?</td>
<td></td>
</tr>
<tr>
<td>What is the successful placing rate?</td>
<td><em>Placement of school leavers in employment or further education/training (%)</em></td>
</tr>
</tbody>
</table>

### 3 Relationships with parents

*How does the LEA ensure the confidence and active participation of parents in the educational process?*

*Is there a 'named worker' from the education or other professions to whom parents can turn for advice and information?*

*Does this relationship with parents extend to the LEA's liaison with NHS, Social Service Department, MSC and other bodies concerned with the care and welfare of the disabled?*

### 4 Managing resources

#### 4a Within special schools

*How do pupil/teacher and other staffing ratios and unit costs in special schools compare with those in other LEAs?*

*Pupil/teacher ratios
Pupils per psychologist
Net expenditure per pupil (£)
Boarding costs per pupil boarded (£)
Cost per pupil (£) of teaching staff, educational support staff, premises related staff, admin/clerical staff*

*Is staffing in special schools based on reasoned criteria, eg the assessed needs of pupils requiring special education?*

*Are there similar criteria for non-teacher staffing?*
Review questions

Are cleaning standards monitored?

Do schedules exist for particular cleaning tasks and their frequencies?

How does expenditure on schools maintenance compare with other LEAs?

Are arrangements for day to day maintenance controlled centrally or delegated to headteachers?

What is the total extent of delegation to headteachers?

Are arrangements for purchasing books, materials and other supplies satisfactory?

How do transport costs compare with other LEAs?

Has the Authority agreed an energy policy statement on the control of consumption and guidelines for an investment programme to improve energy efficiency?
  • 10% of the energy budget is the likely investment needed.

Is there a programme of training and publicity for users, particularly school caretakers?

Are consumption targets set and monitored?

Is the level of land holding kept under review?
  • Under utilised land is costly and there is thought to be scope for improvement in some areas.

Key Indicators/References

<table>
<thead>
<tr>
<th>Cleaning area per hour (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost per m² (£)</td>
</tr>
<tr>
<td>- day to day maintenance</td>
</tr>
<tr>
<td>- all maintenance</td>
</tr>
<tr>
<td>[See: Maintenance and Renewal in Educational Buildings and Obtaining Better Value in Education for more detailed guidance on support staffing, cleaning, maintenance and delegation.]</td>
</tr>
</tbody>
</table>

Comparisons between/within authorities:
  - cost per pupil
  - commodity prices
[See: Reducing the Cost of Local Government Purchases]

Cost per passenger mile

Normalized performance indicator
[See: Saving Energy in Local Government Buildings]

Hectares per pupil
### Review questions

<table>
<thead>
<tr>
<th>4b Meeting special needs within ordinary schools</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Are equipment and other resources to support the specialist teaching required for special educational needs made available?</strong></td>
</tr>
<tr>
<td><strong>Are any necessary alterations to buildings made?</strong></td>
</tr>
<tr>
<td>• New buildings being planned should take account of the needs of handicapped pupils who may attend.</td>
</tr>
<tr>
<td><strong>Are non-teaching support staff provided to assist with children with special needs?</strong></td>
</tr>
</tbody>
</table>

### Key Indicators/References

[See: Integration of the Handicapped in Secondary Schools]
School Meals and Milk

Introduction to the service

The School Meals Service has been the subject of frequent and profound change.

The 1980 Education Act abolished nutritional standards and price controls for school meals. Under the Act, LEAs must provide 'milk, meals or other refreshment' for pupils whose parents receive supplementary benefit or FIS. They may also do this for other pupils, making such charges as they think fit for food provided. They must also provide facilities considered by the authority to be appropriate for the consumption of meals and other refreshments brought by the pupils themselves.

Prices and free meal allowances (which account for one-third of all school meals) vary widely, depending on the LEAs policy on meals subsidy. The gross cost per meal averages just over £1.

Nine out of ten secondary schools now operate a cash cafeteria, as do some primary schools. Pupils may eat school meals or their own food in school; or they may make other arrangements outside.

Catering is an innovative trade and new methods, such as cook/chill, and new products are constantly being developed.

Trends

Net expenditure on the schools meals services has fallen steeply during the 1980s. There are several reasons – school rolls, changes in levels of provision and pricing, and changes in the nature of provision. These downward changes have been little offset by increases in the proportion of free pupil meals. The trend has also been for the service to be developed to meet special local needs.
The changes envisaged in the 1985 White Paper on Reform of Social Security may have serious implications for the School Meals Service, if enacted (i.e., the replacement of free meals for FIS recipient by family credit cash allowances to cover school meals).

**Current management issues**

<table>
<thead>
<tr>
<th>The main issues are:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The scale and nature of the service provided.</td>
</tr>
<tr>
<td>2. Provision of free meals.</td>
</tr>
<tr>
<td>3. Operational efficiency.</td>
</tr>
</tbody>
</table>

Each of these issues is considered briefly below and taken up in more detail in the performance review guide overleaf.

Effectiveness is a difficult concept to define with regard to this service. Consideration may be given to:

- health matters – how is the pupils' health affected now and in the future?
- socio-economic factors – what effects does provision have on parents' lives and work?
- consumer preferences – what do pupils and their parents want?

It is possible to measure the extent to which the trends intended by the LEA's policies are actually achieved, for example in terms of the level of take up, the extent of cash cafeteria provision.

Some developments in recent years, though popular with pupils, have caused misgivings among some members and managers. For example, the predilection for 'fast foods' or what some call 'junk food' has produced anxiety about nutritional values and long term eating habits.

Research into the effects of the 1980 legislation gives cause for concern about the nutritional intake of children, especially those whose parents are receiving supplementary benefit or FIS. It is also true that the treatment of diet related disease costs the NHS millions of pounds each year. However, it is difficult to assess how school meals provision affect adult eating habits, and such anxieties can only be substantiated or disproved over a long period of time. It is important for decisions on these issues to be left to local determination.

Pricing may reflect a range of factors, for example the LEA's nutritional aims, or the extent of local competition such as take-away meals. There may well be a need for some marketing effort if the school meal take-up is disappointing.

Socio-economic factors obviously play a major part in the extent of free meals. Some councils extend them beyond families in receipt of supplementary benefit or FIS. The provision of free meals to adults is also a matter for the authority.

The question of whether the service is to be provided by contractors or by direct labour is for the LEA to decide. In either case there should be adequate monitoring of quality and cost.
Beyond these considerations the normal requirements of competent management apply. Particular issues of concern may be:

- the terms and conditions of service of kitchen staff
- arrangements for purchasing provisions
- the provision of free meals to adults
- the midday supervision of children, whether or not they are purchasing meals
- space and facilities to be provided for children bringing their own food.

Comparisons should be made between schools and areas within the LEA as well as between LEAs.

**Bibliography**

*Nutrition in Schools* (1975) DES/Welsh Office

Proposes replacement of free meals with allowances to pay for them.

*Education: School Meals*, Audit Inspectorate (1983) HMSO
This report makes recommendations on the way the service should be managed.

This Audit Commission report is of general application. Provisions account for 30% of school meals expenditure.

An important guide since school buildings account for 70% of local government energy costs.
Performance review guide

This section sets out a detailed series of questions which will help to guide the review and improvement of current management arrangements.

Some of the questions relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor's interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resource usage.

Useful performance indicators and reference documents are shown alongside the relevant questions. Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and accepted norms, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Scale and nature of provision</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Is Council policy on the provision of school meals clearly stated, up-to-date and observed? | Policy statement available  
Date of policy statement |
| Is the policy, and its implementation, guided by nutritional research and the advice of nutrition experts? | [See: Nutrition in Schools] |
| Does the policy cover:  
a) nutritional content and quality of meals?  
b) the type of facilities (eg cafeteria etc)?  
c) the take-up expected?  
d) the extent and form of midday supervision?  
e) levels of charges? | Operating expenditure  
Operating deficit (%)  
Operating deficit per meal (p) |
| Is the policy related to market research and does it include promotional marketing? | |
| Does the policy take into account local provision by outside establishments? | |
| Is the service provided by contractors or by direct labour? | |
| How is observance of the policy monitored, and are its objectives being achieved? | |
| Does the level of take-up of meals, either generally or at particular schools or types of school, suggest a need for review of the service provided? | Pupils in attendance taking meals (%)  
Complaints |
Review questions

- If large numbers of pupils bring their own food, space is needed and supervision required with no offsetting income.

2 Provision of free meals

What are the criteria for entitlement to free meals:

a) for pupils?
b) for adults?

How do these compare with other LEAs?

Do members know the full cost of their policy, compared with alternatives?

3 Operational efficiency

How does the cost of meals compare with other LEAs in terms of:

a) staffing?
b) provisions?
c) overheads?

Are costs at individual schools accurately measured and properly controlled?

How is kitchen staffing determined?

What steps are being taken to correct imbalances?

Are employees' terms and conditions of service in line with operational needs?

- Holiday retainer pay is one condition of service that has been reviewed in some authorities.

What percentage of employees work fewer hours than those requiring NI Contribution?

Are kitchens centralised?

- Centralised kitchens can be a source of low cost where they use cook/chill or blast freeze methods. If not or if they are old they may be inefficient.

Is the use of energy in school meals kitchens included in a positive energy management system?

Key Indicators/References

<table>
<thead>
<tr>
<th>Pupil free meals (%)</th>
<th>Adult free meals as a proportion of all meals (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs per meal (£p)</td>
<td>[See: Reducing the Cost of Local Government Purchases]</td>
</tr>
<tr>
<td>Normalised performance indicator</td>
<td>[See: Saving Energy in Local Government Buildings]</td>
</tr>
</tbody>
</table>
### Review questions

| How does the cost of supervision by school meals organisers (SMOs) compare with that in other LEAs? | Cost per meal (£p)  
Kitchen staff per SMO  
Meals per SMO |
| What are the arrangements for midday supervision at schools? |  |
| How does this cost compare with other LEAs? | Cost per pupil (£) |
Higher and Further

Introduction to the service

Most of the resources in higher and further education are spent on polytechnics and colleges, with adult education, discretionary student awards, inservice teacher training (INSET) and contributions to the national AFE pool making up the total.

Students may be full time or part time, counted as full time equivalents (FTE). Some will be studying on Advanced Further Education (AFE) courses. The majority will be on Non-Advanced Further Education (NAFE) courses. A further large group of part time students will be enrolled on adult education courses at evening institutes and other non-college premises.

Provision of further and higher education is complicated because:

1. The Articles of Government of polytechnics and colleges confer a legal status outside the normal hierarchy of local government. Polytechnics particularly enjoy a great degree of autonomy. The LEA, however, has three key controls over its own institutions. It determines the educational character of the establishment and sets the budget and overall complement.

2. Advanced Further Education (AFE) is a national rather than a local service. It is currently subject to considerable national control through the National Advisory Body for Public Sector Higher Education (NAB) which allocates its funds on the basis of approved course provision.

3. Although Non-Advanced Further Education (NAFE) is locally funded, the Manpower Services Commission (MSC) now has a significant impact in its ability to allocate courses to particular areas.

Trends

Table 1 below gives an indication of the changes in higher and further education. There have been increases of 32% in AFE and 35% in NAFE full time students in polytechnics and colleges, compared with a virtual standstill in the numbers at Universities. LEAs now provide 60% of all AFE places, as well as those in NAFE.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Students in Higher and Further Education in England (000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td></td>
</tr>
<tr>
<td>Full time and Sandwich</td>
<td>229</td>
</tr>
<tr>
<td>Part time</td>
<td>25</td>
</tr>
<tr>
<td>Polytechnics and Colleges (AFE)</td>
<td></td>
</tr>
<tr>
<td>Full time and Sandwich</td>
<td>165</td>
</tr>
<tr>
<td>Part time</td>
<td>150</td>
</tr>
<tr>
<td>Polytechnics and Colleges (NAFE)</td>
<td></td>
</tr>
<tr>
<td>Full time and Sandwich</td>
<td>288</td>
</tr>
<tr>
<td>Part time</td>
<td>1194</td>
</tr>
</tbody>
</table>

(Source: Statistical Bulletin, DES)
A comparison of student/staff ratios (SSRs) in universities and polytechnics (see Table 2) shows that the latter have caught up with universities in terms of resource utilisation. There is also a growing disparity in the unit costs of undergraduate teaching, with university costs in general being higher than those in polytechnics and colleges.

Table 2
SSRs in Universities and Polytechnics

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>9.3</td>
<td>9.4</td>
<td>9.7</td>
<td>10.1</td>
<td>10.2</td>
</tr>
<tr>
<td>Polytechnics</td>
<td>8.4</td>
<td>8.9</td>
<td>9.7</td>
<td>10.3</td>
<td>11.1</td>
</tr>
</tbody>
</table>

An increased proportion of school leavers are now participating in further education, often in lieu of employment. However, participation rates in the United Kingdom remain at a relatively low level compared with many other countries. In absolute terms, the impact of falling secondary school rolls is now reaching the higher/further education system.

Current management issues

The major policy issues for LEAs are therefore:

1. The level of provision.
2. Achieving acceptable education results.
3. Agreeing standards and targets.
4. Discretionary awards.
5. Adult education.
6. Management of resources: teaching staff and non-teaching costs.
7. Maximising income.

Each of these is considered briefly below and taken up in more detail in the performance review guide overleaf.

Educational provision

At a time of changing industrial and student needs LEAs need sound mechanisms for establishing the true nature and scale of demand for higher and further education. This includes conferring with NAB on the provision of AFE courses and agreeing a three year development plan with MSC for work-related NAFE. Marketing of courses and college facilities is very important and there must be close liaison with local employers. LEAs and institutions need good management information systems which allow them to relate provision to demand and monitor educational and financial performance.

Achieving acceptable educational results, and setting standards and targets requires good relationships and clear lines of responsibility between the LEA, Governors and institution managers.

The effectiveness of education is difficult to define but it must relate to success in achieving clearly stated objectives. Much work remains to be done on this.

Some factors related to effectiveness might include the extent to which students stay for the length of courses that are provided (student retention rates), examination or academic success, and the success of finding employment or entering courses of further study.
Employment success will vary with the local labour market and may be particularly difficult for students with handicaps. Employment success for trainees on the Youth Training Scheme may well show as apparently very poor completion rates if trainees leave to take up work before completing their courses.

Considerable care is needed in assessing performance since there is some divergence of view as to the purpose and aims of education. This mainly arises from differences of emphasis on the importance of education in such matters as:

- economic survival
- social responsibility
- individual fulfilment.

Whilst these factors are not necessarily mutually exclusive the differences of emphasis may well affect the character and curricula of courses provided and thus the nature of results.

Research has shown a statistical association between educational achievement and socio-economic background. This needs to be borne in mind in making comparisons between results at different institutions.

Reports by HMI and LEA Inspectorate, and validating bodies such as BTEC or CNAA, visiting parties, assessors, moderators and examiners will give a broader perspective of the quality of the education given. Most institutions will receive a number of such reports in any year.

The LEA should have policies for discretionary student awards and for adult education, and regularly review whether these are having the effects intended.

**Management of resources**

Academic resources should be tailored to educational need, through skilled deployment, appropriate conditions of service and adequate training and staff development. Non-teaching staff, equipment and premises should be adequate and managed efficiently.

Efficiency and economy are reflected in unit costs and in student/staff ratios (SSRs). The former are subject to the usual accounting uncertainties and both need to be considered with the nature and level of courses in mind.

The key performance indicators which are becoming more generally accepted as relevant are:

- cost per successful student
- retention rates
- success rates
- SSR.

The cost per successful student is rarely calculated at present but is provided for in the next stage of FEMIS (Further Education Management Information Systems).

The maximum amount of income should be secured through prompt billing, the provision of fully sponsored courses, marketing college facilities and making full use of educational support grants (ESGs).
Bibliography

Reports by HMI on the Effects of Local Authority Expenditure Policies on Education Provision (1983 and 1984) DES
These discuss key factors in effective education provision and the effect of policies on them.

Non-Teaching Establishments in Further Education Colleges, R J Kedney (1984) Further Education Staff College
Deals with technicians and administrative staff.

Good practice in educational buildings maintenance.

Results of a seminar on measuring performance and views on the auditors' approach.

The Development of Higher Education into 1990s (1985) HMSO
Green Paper on the Government's concerns for access to and management of higher education.

Work Related NAFE (1985) MSC/LAA Policy Group
Provides guidance on the planning and control of MSC courses and the compilation of the three year development plan. Also discusses market research and management information.

Managing Space in Colleges, Grace Kenny and Ken Foster (1986) Further Education Staff College
Provides a general review and guidelines on how to assess space utilisation.

DES Report on the Monitoring of Student Staff Ratios
This statistical performance review of polytechnics and colleges is produced annually and is further analysed by the Audit Commission.

Registers and Control Systems for Colleges of Further Education, Audit Inspectorate (1983) HMSO
Gives guidance on register based control systems.

Colleges of Further Education: Guide to the measurement of resource efficiency, Audit Inspectorate (1983) HMSO

Education: Polytechnic Expenditure, Audit Inspectorate (1983) HMSO

Obtaining Better Value from Further Education, Audit Commission(1985)
These three publications provide between them a detailed guide to reviewing the service and a discussion of major problems and good as well as bad practice.

The sections on maintenance, cleaning and delegation are applicable to colleges and polytechnics. The report is based on an Audit Guide on non-teaching costs, available separately from the Audit Commission.
Performance review guide

This section sets out a detailed series of questions which will help to guide the review and improvement of current management arrangements.

Some of the questions relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in *italic*. The auditor’s interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resource usage.

Useful performance indicators and reference documents are shown alongside the relevant questions. Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and accepted norms, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Level of provision</strong></td>
<td></td>
</tr>
<tr>
<td>Does the LEA have clear and up to date policies on the nature and level of provision of further and higher education which take into account:</td>
<td>Statement available</td>
</tr>
<tr>
<td>a) economic considerations?</td>
<td></td>
</tr>
<tr>
<td>b) demographic analysis?</td>
<td></td>
</tr>
<tr>
<td>c) adequate market research?</td>
<td></td>
</tr>
<tr>
<td>d) the differing problems of AFE and NAFE?</td>
<td></td>
</tr>
<tr>
<td>e) the problems of overlap with the schools system for the education of 16-19 year olds?</td>
<td></td>
</tr>
<tr>
<td>When was the last review and policy statement made, by whom?</td>
<td></td>
</tr>
<tr>
<td>Has the LEA agreed with MSC a development plan for work-related NAFE?</td>
<td></td>
</tr>
<tr>
<td>Does the LEA have and make good use of adequate financial and other information?</td>
<td></td>
</tr>
<tr>
<td>• From information available from government departments, the local schools system, the MSC, local industry, the Authority's planners, polytechnics and colleges of further education, the LEA should be able to relate provision to demand and monitor educational and financial performance.</td>
<td></td>
</tr>
<tr>
<td>• Monitoring performance includes reviewing educational results, course approvals, class sizes, resource deployment etc.</td>
<td>Success rates</td>
</tr>
<tr>
<td></td>
<td>Retention rates</td>
</tr>
<tr>
<td></td>
<td>Average class size (ACS)</td>
</tr>
<tr>
<td></td>
<td>Student/Staff ratios (SSR)</td>
</tr>
<tr>
<td>Review questions</td>
<td>Key Indicators/References</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------</td>
</tr>
</tbody>
</table>
| • Cost information should enable the expenditure of individual institutions to be separately and reliably monitored and analysed by CIPFA recommended classification. | Cost per successful student  
Cost per enrolled student |
| Does each institution have an adequate management information system providing accurate unit costs and information on resource usage and educational results? | |
| • The Further Education Management Information System (FEMIS) will eventually provide information on costs student/successful student as well as resource utilisation but there are several other suitable systems. | |
| • Good management information requires commitment and accuracy from those providing inputs, eg lecturers. | |
| Do Advanced Further Education (AFE) enrolments, class sizes and retention rates suggest that marketing and course control may be inadequate? | |
| • Since the NAB generally determines the courses and student numbers to be provided for, marketing for AFE tends to be restricted to: | NAB SSRs  
Numbers attracted  
Income % gross expenditure on full cost courses |
| a) persuading NAB to fund new courses  
|  
b) ensuring NAB’s target student numbers are achieved  
c) attracting students from overseas  
d) securing full cost courses, eg those provided under the PICKUP initiative  
e) ‘selling’ public sector higher education to school leavers. | |
| • Note that AFE is a national rather than local service and marketing arrangements need to take this into account. | |
| Do Non-Advanced Further Education (NAFE) enrolments, class sizes, participation, retention and attendance rates suggest that marketing and course control may be inadequate? | |
| • Marketing for NAFE involves close and continuous contacts with local employers, the MSC, local schools, planning officers, validating bodies, training boards etc. | Income from full cost courses |
| • It should also extend to securing full cost courses from employers and other organisations and attracting overseas students. | |
| • There is now much advice available on marketing from the FEU, the Further Education Staff College, Bristol Polytechnic, the MSC etc. | |
Review questions

2 Achieving acceptable educational results

Do articles of government and existing relationships provide for clear accountability from polytechnic and colleges to the LEA and to Governors?

- The responsibilities and accountability of Committee, officers, inspectors, governors and principal should be flexible but free from ambiguity.
- Directors/Principals and other managers should be accountable for achieving agreed results with total resources under their control.
- Reports by management should inform the Education Department and Governors of comparative educational results and financial performance compared with agreed targets for programme areas. Remedial action, where appropriate, should also be reported.

Is there an advisory and inspection service to promote improved standards and encourage the spread of good practice?

Does the Education Committee play a positive role in considering and acting on the reports of HMI, local inspectors and validating bodies?

Does the LEA have a positive policy for the development of its academic staff?

Does this allow for adequate inservice training, and technical updating through close contact with employers, validating bodies, training boards etc?

3 Agreeing standards and targets

Does the LEA agree targets with its institution managers for educational results and resource usage?

Key Indicators/References

Comparisons with other LEAs/institutions of:
- placements in employment or further study
- retention rates
- success rates
- cost per successful student
- SSR
- cost per student enrolled

Lecturers per Adviser/Inspector

Reports of HMI, local inspectors and validating bodies

Expenditure per lecturer on inservice training (£)

Student attendance rates
Participation rates
Retention rates
Course completions
Examination pass rates
Placements in employment or further study
Cost per enrolled student
Cost per successful student
SSRs
ACS
### Performance Review in Local Government — Education

<table>
<thead>
<tr>
<th>Review questions</th>
<th>Key Indicators/References</th>
</tr>
</thead>
</table>

**Are these then agreed with Heads of Department and course managers?**

- Management information needs to be adequate to enable results and resources usage to be monitored throughout the year.
- Remedial action on shortcomings revealed in reports of HMI and validation bodies should be prompt.

#### 4 Discretionary awards

**Does the LEA have and maintain under review a policy for discretionary student awards?**

**Discretionary awards per 1000 population aged 16-18 (£)**

**How does it compare with other LEAs?**

**How does the LEA ensure that discretionary awards are effective for their purpose, ie that they are adequate to support the FE courses for which they are intended?**

- Members should be informed about the nature and level of awards made and the extent to which student progress is monitored. They should also be made aware of particular problems of hardship and difficulties of course maintenance and development arising from financial constraints.

#### 5 Adult education

**Has the Authority formulated a definite policy on the provision of Adult Education (AE) in terms of educational objectives, subject areas and target client groups?**

**Net cost per 1000 population aged 18-64 (£)**

- Common criticisms are about the inadequacy of provision for the unemployed, ethnic minorities, and other disadvantaged groups.

**Is AE provision adequately marketed to the target clients and are the results monitored by the LEA?**

**SSRs**

**Retention rates**

**Are fees for adult education courses compatible with Council objectives and kept under review? Do they provide for rebates for the disadvantaged, eg the unemployed, people with disabilities?**

**Income % expenditure**

| 48 |
### Review questions

<table>
<thead>
<tr>
<th>6 Managing resources</th>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6a Teaching staff</strong></td>
<td></td>
</tr>
<tr>
<td>How many weeks is each establishment open for lecturing? Do existing agreements allow for an extended college year where this is needed? And are the terms of the agreements reasonable? Is the resulting extra provision cost effective?</td>
<td>Success rates</td>
</tr>
<tr>
<td>Are success rates, retention rates and reports by HMI, validating bodies and employers kept under review by Governors, Directors/Principals, HODs and course managers?</td>
<td>Retention rates</td>
</tr>
<tr>
<td>Is research and consultancy work by staff both encouraged and properly controlled?</td>
<td>Cost per successful student</td>
</tr>
<tr>
<td>• Research and consultancy work is useful to industry, to lecturers as part of their development and to institutions in attracting additional income, expertise and prestige.</td>
<td>Inspection reports</td>
</tr>
<tr>
<td>Are the terms and conditions of service for academic staff conducive to the efficient and economic delivery of the desired educational results?</td>
<td>NAB SSRs</td>
</tr>
<tr>
<td>• Staffing should be tailored to demand by:</td>
<td>Success rates</td>
</tr>
<tr>
<td>a) having the right skills, through suitable recruitment and staff development</td>
<td>Retention rates</td>
</tr>
<tr>
<td>b) efficient deployment</td>
<td>Cost per successful student</td>
</tr>
<tr>
<td>c) using all annual teaching hours available</td>
<td>Cost per student</td>
</tr>
<tr>
<td>d) fully utilising non class contact time</td>
<td>Part time teaching hours % total class contact hours</td>
</tr>
<tr>
<td>e) using hourly paid staff.</td>
<td></td>
</tr>
<tr>
<td>How does management ensure that lecturers' class contact and other working time is fully utilised?</td>
<td></td>
</tr>
<tr>
<td>Do Student/Staff Ratios give cause for concern?</td>
<td></td>
</tr>
<tr>
<td>• SSR = ALH x ACS + ASH but note that these are overall targets and practical achievement will depend on the mix of courses.</td>
<td>Student/Staff Ratio (SSR)</td>
</tr>
<tr>
<td>Are criteria for award of remission clearly established and adhered to?</td>
<td>– attainable standard</td>
</tr>
<tr>
<td>Are temporary appointments made where necessary, to posts created purely for MSC and other special courses?</td>
<td>– cause for concern</td>
</tr>
<tr>
<td></td>
<td>Remission (%)</td>
</tr>
<tr>
<td></td>
<td>– attainable standard</td>
</tr>
<tr>
<td></td>
<td>– cause for concern</td>
</tr>
</tbody>
</table>
6b Non-teaching costs

Is there a rational basis for technical and administrative staffing? Are staffing levels adequate, fully utilised and kept under review?

- For administrative staff, flexitime agreements can control overtime levels. Term time only and casual appointments can usefully constrain costs.

Is equipment modern, fully utilised and kept under review?

- Equipment may usefully be provided from full cost course income, donations from interested employers, use of ESGs, by using employers' own equipment etc.

Is the supply of text books etc both adequate and reasonable?

Are premises used to best advantage, with usage kept under review?

- Classroom use should be maximised and the use of annexes avoided where possible. Employers' premises can sometimes be used, while spare capacity may be hired out.

Are maintenance costs controlled, by enabling institution management to seek the most economic source or by ensuring that charges made by the Authority are fair?

- Cleaning costs should be kept under review.

Are purchasing arrangements kept under review?

- These can be the source of unnecessary expenditure.

Have targets for residential and catering facilities expenditure and income been set by the Council? Are these realistic and have they been achieved?

7 Maximising income

Is billing for all sources of income prompt?
**Review questions** | **Key Indicators/References**
---|---
Is follow-up rigorous?  
* Resources at enrolment times are often stretched.  
  Thought might be given to the employment of casual staff.  
Does the LEA policy provide incentives to college management to seek PICKUP and other full cost courses, hire out premises and facilities, maximise sale of materials etc?  
* Targets for income may be set with agreed levels of retention of income earned.  
Are premises, equipment and other facilities adequately marketed?  
Is full use made of educational support grants (ESGs)?  
Is the accounting system adequate for accurate and timely costing?  

| Income % gross expenditure | Income from ESGs |
Ancillary Services

Introduction to the service
Ancillary activities included within the education service are as follows:

1. Administration and Inspection
2. Careers Service
3. Youth Service
4. Educational Psychology Service
5. Others

Ancillary services tend to be overlooked when value for money is being considered. Administration and Inspection (A and I) accounts for only 5% of net education expenditure, and the other services for far less. However, expenditure on A and I is already as high as the total of some other major services, such as planning or refuse collection, and it is growing.

Trends
The chart below shows that expenditure (at constant value) for Administration and Inspection is increasing both absolutely and in cost per pupil. Expenditure on the Careers Service not surprisingly also shows a substantial increase, except apparently in the last two years (but the indices for those years are based on estimated and not actual expenditure).

Expenditure
In 1985/6 expenditure in England and Wales on ancillary services within the education service was estimated at £880 million net (£17 per head of population). This breaks down as follows:

1. Administration and Inspection – £570m
2. Careers Service – £75m
3. Youth Service – £125m
4. Educational Psychology Service – £35m
5. Others – £75m

Current management issues
Clearly, out of the various ancillary services in education, it is most worthwhile in expenditure terms to concentrate on Administration and Inspection. This is also a key service in that it can provide a mechanism for spreading the word about good managerial and educational practices. However, questions about effectiveness and efficiency arise in relation to all the ancillary services, and so each is considered in turn below.
1 Administration and Inspection
The main issue for consideration is the role of Administration and Inspection, whether this has been properly and recently reviewed, and whether the existing organisation and staffing reflects the duties decided on.

The role played by A and I is variable. It may or may not include inspection, for example. However it does include educational welfare officers, youth organisers above the youth leader level and school meals organisers (see chapter on School Meals and Milk).

A careful approach is needed in reviewing A and I because:
- A varied and generally high proportion of the expenditure (45% overall) consists of central establishment charges which do not necessarily truly reflect the input from central departments.
- Difficulties arise from differences in distribution of administrative tasks between the centre and schools, colleges etc.

If the LEA has advisers or inspectors for its schools and further education establishments, it should be able to monitor and control educational standards and management practices more effectively. Developing the service may be a cost effective way of maintaining and improving standards in education.

Consideration needs to be given to whether Assistant Directors, Education Officers, advisers and inspectors etc, are of sufficient standing to usefully fulfil their roles compared with school heads, college principals etc.

Delegating responsibility for administrative and clerical tasks to heads and principals entails less administration overall, but more monitoring, inspection and support. The latter tend to be less costly than direct control, and offer heads and principals greater autonomy in their work.

2 The Careers Service
The Careers Service is smaller than might be expected, given its importance. However, much careers advice also takes place in schools and colleges and its cost is absorbed into teaching expenditures.

About 17% of careers posts are funded by the Department of Employment under 'strengthening' arrangements to deal with the problems of unemployed school leavers.

A Memorandum of Guidance issued by the MSC in 1980 called for members to show a close interest in the Careers Service by developing clear statements of policy, keeping them under review and monitoring their achievement.

Members might wish to ensure, for example, that Careers Advisers are active within schools and colleges and that they have good links with universities, polytechnics, colleges, employers and the MSC.

The effectiveness of the service may be indicated by youth unemployment rates and rates of placing in employment or training and further education.

3 The Youth Service
The Youth Service is very varied in role scale and form of provision. The target population is 11-20 years.

Because it is a largely discretionary service, it is particularly important that the Council should have clear and up-to-date policies. It may, for example, wish
the Youth Service to operate local clubs. Links with the schools and careers service, further education and YTS, and with local voluntary organisations are also important.

4 Educational Psychology Service

Educational psychologists are employed to help children with problems of adjustment or learning, and to assist and advise teachers and parents in dealing with such children. They are mainly associated with children with special educational needs and play a major role in determining the best course of action for each child.

The effectiveness of this service is best considered as part of the whole special education effort, within ordinary as well as special schools (see chapter on Children with Special Educational Needs).

Bibliography


Considers weaknesses in the provision of youth services.

Careers Service Management Return

Provides annual statistics on staff allocation, interviews, submissions to jobs/training, placings, etc.
Performance review guide

This section sets out a detailed series of questions which will help to guide the review and improvement of current management arrangements.

Some of the questions relate to policy matters to be decided by members, or are the professional responsibility of officers as their advisers. These questions are shown in italic. The auditor's interest is in ensuring that these issues have been addressed and that appropriate policies and management arrangements have been determined. Auditors should also be sensitive to such wider considerations when making judgements on resource usage.

Useful performance indicators and reference documents are shown alongside the relevant questions. Careful comparisons with other local authorities can provide a useful starting point for reviewing current practices. However, differences in the value of indicators between one authority and another, or between an authority and accepted norms, should never form the sole basis for conclusions. Rather they should lead to more searching enquiries into the circumstances which give rise to such differences, and the opportunities which exist for improvements to be made.

### Review questions

<table>
<thead>
<tr>
<th>1 Administration and Inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the extent to which Council policies are implemented in schools and colleges suggest that the administration and inspection section is effective?</td>
</tr>
<tr>
<td>Are roles and responsibilities of all staff clear to members and to officers in the department and in schools and colleges?</td>
</tr>
<tr>
<td>How do the role of A and I, and expenditure levels, compare with other LEAs?</td>
</tr>
<tr>
<td>Does the LEA use advisers and inspectors to maintain and improve educational standards and promote good practice?</td>
</tr>
<tr>
<td>If central administrative tasks are delegated to heads and principals, are they given support to do them?</td>
</tr>
<tr>
<td>Are the results of inspections and advisory activities reported to members?</td>
</tr>
<tr>
<td>Are they linked with reports from HMI, and do members take a positive part in promoting remedial action where this is called for?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Indicators/References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure on A and I as % of total net education expenditure, compared to LEAs where responsibilities are similar</td>
</tr>
<tr>
<td>Expenditure on A and I per pupil and FTE student</td>
</tr>
<tr>
<td>Pupils per EWO, children per youth organiser, students per member of admin staff, pupils per Adviser/Inspector</td>
</tr>
<tr>
<td>Teachers/lecturers per Adviser/Inspector</td>
</tr>
<tr>
<td>Review questions</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Do central administration charges truly reflect the input from these departments?</td>
</tr>
<tr>
<td>2 Careers Service</td>
</tr>
<tr>
<td><em>Is the FE service adequately covered or is the Careers Service centred predominantly in the secondary sector?</em></td>
</tr>
<tr>
<td>How do the rates of placing in employment, YTS and other further education and training compare with other LEAs?</td>
</tr>
<tr>
<td>How do expenditure levels compare?</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Is there a close interest by members in the results of the work of this service, and are they adequately and accurately informed about placing levels and problems?</td>
</tr>
<tr>
<td><em>Operational control could include the setting of activity targets related to the numbers of pupils and students served by the service.</em></td>
</tr>
<tr>
<td><em>Management structures should be kept under review to meet changing priorities, eg the allocation of staff to schools, colleges and central offices dealing with the unemployed.</em></td>
</tr>
<tr>
<td><em>Management arrangements need to cover specialist functions such as dealing with the handicapped, ethnic minorities, unemployment benefit, and YTS.</em></td>
</tr>
<tr>
<td><em>Good management practice will include close liaison with employers.</em></td>
</tr>
<tr>
<td>How is staffing for the peak of careers work (June-September) dealt with?</td>
</tr>
<tr>
<td>Are independent schools adequately covered?</td>
</tr>
<tr>
<td>3 Youth Service</td>
</tr>
<tr>
<td>Are the objectives of this service clearly set out?</td>
</tr>
<tr>
<td><em>Weaknesses disclosed in the HMI Report relate to inadequate provision for the unemployed, ethnic minorities and other disadvantaged groups.</em></td>
</tr>
<tr>
<td>Are there criteria for its success and are results adequately reported?</td>
</tr>
<tr>
<td><em>Does the Service have a 'forward' role, seeking out new opportunities, eg local youth clubs in deprived or isolated areas?</em></td>
</tr>
</tbody>
</table>
### Review questions

**Educational Psychology Service**

- How do expenditure levels compare with other LEAs where the role is similar?
- Is there close cooperation with schools, further education, e.g., YTS and employers?
- Are members and youth organisers in touch with voluntary organisations whose facilities may affect Council provision?

**Ancillary Services**

<table>
<thead>
<tr>
<th>Key Indicators/References</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net expenditure per 11-20 year old (£)</td>
<td></td>
</tr>
<tr>
<td>Cost per school pupil (£)</td>
<td></td>
</tr>
<tr>
<td>Pupils for whom a statement of special needs has been made, per psychologist</td>
<td></td>
</tr>
</tbody>
</table>

### 4 Educational Psychology Service

- How do the role and staffing levels of psychologists compare with other LEAs?
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