



House of Commons
Committee of Public Accounts

Making a difference: Performance of maintained secondary schools in England

**Nineteenth Report of
Session 2003–04**

*Report, together with formal minutes,
oral and written evidence*

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The Committee of Public Accounts

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Committee staff

The current staff of the Committee is Nick Wright (Clerk), Christine Randall (Committee Assistant), Leslie Young (Committee Assistant), and Ronnie Jefferson (Secretary).

Contacts

All correspondence should be addressed to the Clerk, Committee of Public Accounts, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5708; the Committee’s email address is pubaccom@parliament.uk.

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Summary

Introduction

Almost three million young people between the ages of 11 and 16 attend one of more than 3,400 maintained secondary schools in England. Improving the academic achievements of all secondary school pupils is a key priority of the Department for Education and Skills (the Department), and between 1998 and 2003 the percentage of pupils aged 16 who achieved qualifications equivalent to five GCSEs at grades A*–C increased from 46.3% to 52.6%. The Department has ambitious targets for further improvement.¹

To secure further improvements, it is important to be clear about the factors that drive performance. Some of these are educational, and therefore within the control of schools, but many are not.² The National Audit Office has shown how the impact of external factors on performance can be measured and analysed to give a clearer indication of the quality of education provided by different schools, thereby providing valuable information for both parents and policy-makers.

Although most parents may have only a limited range of schools to choose for their children, providing parents with good quality information on the performance of schools is important to help them make an informed choice. Even where choice is limited, parents will still be interested in the quality of education provided by their child's school.

On the basis of a Report by the Comptroller and Auditor General,³ we examined the Department for Education and Skills and the Office for Standards in Education (Ofsted) on how the Department measures and reports the performance of maintained secondary schools, and how the performance of secondary schools might be improved.

1 C&AG's Report, *Making a difference: performance of secondary schools in England* (HC 1332, Session 2002–03), paras 1.1 and 1.3; *Autumn Performance Report 2003*, Department for Education and Skills, Cm 6006

2 C&AG's Report, paras 2.3, 2.8–2.10 and Box 3

3 C&AG's Report, *Making a difference: performance of secondary schools in England* (HC 1332, Session 2002–03)

Conclusions and recommendations

- 1. In consultation with parents and schools, the Department should consider the best ways to make information on the performance of secondary schools available to parents.** Not all parents will be aware of the full range of different sources of information on the performance of schools, and many parents will not have ready access to the Department's and Ofsted's web-sites. Parents need to know what information is available, how it can help them, and how to get the information they decide they want.
- 2. Information available for parents should include measures of the performance of secondary schools that take account of the influence of important external factors.** Adjusting academic achievement for the influence of external factors can have a substantial effect on reported school performance. When this was done, some schools moved from the bottom to the top 20%. The Department should further develop the work carried out by the National Audit Office, and make publicly available the results for all schools for the 2004–05 academic year.
- 3. The Department should identify which external factors have a substantial effect on academic achievement, and take them into account when assessing and reporting school performance.** The Department is already reporting indicators that adjust academic achievement for pupils' prior academic achievement. It should analyse which other external factors have a substantial influence and consider whether or not they should also be taken into account and the relevant data collected.
- 4. Social and economic deprivation should be taken into account in assessing the performance of schools.** Eligibility for free school meals can be shown to be strongly correlated with educational disadvantage. But it is only a partial measure of economic and social deprivation. The Department should examine how further indicators might be developed, for example using data on families in receipt of Income Support or the Working Families Tax Credit.
- 5. Performance measures adjusted for external factors, as well as measures of raw academic achievement, can assist in developing and evaluating policies for secondary education.** Performance measures adjusted for external factors are useful in judging the impact of educational policies and initiatives on school performance, because they exclude the factors outside the control of schools. Identifying key sources of educational disadvantage can also help policy-makers find solutions for issues that schools themselves cannot be expected to solve.
- 6. Adjusted performance measures also show that specialist schools, faith schools, beacon schools and single sex schools do better than average.** The strengths of these schools, such as a strong set of values and ethos, should be identified by the Department and promoted across the school sector.
- 7. Ofsted should set out in inspection reports where a school ranks in terms of academic achievement before and after taking account of the influence of external factors.** Ofsted's inspections reports are an important source of information for

parents and schools, and including this data would give a more rounded view of the quality of education provided.

- 8. Ofsted should use the adjusted information to help underpin its advice to schools on how their approach to education can be best matched to pupils from different backgrounds.** The adjusted data enable those schools that are raising the achievements of the more educationally disadvantaged pupils to be readily identified. Through its inspections, Ofsted is well placed to look behind the data to explore the reasons for good performance, and to advise schools with pupils from similar backgrounds that, according to the adjusted data, are not doing so well.
- 9. Ofsted has been inspecting schools for 10 years, during which more than 1000 schools have been put in special measures.** But over this period the characteristics of a good school have become increasingly well understood. The Department should review why a significant number of schools are nevertheless not up to an acceptable level of performance.
- 10. The Department or Ofsted should identify and disseminate widely good practice on how the transition from primary to secondary education can be smoothly achieved without detriment to pupils' education.** Secondary schools seek to smooth the transition from primary to secondary schooling, for example by developing links with feeder primary schools, and there is a role for the Department or Ofsted to identify and disseminate good practice.
- 11. The Department should make the funding arrangements for schools simpler, fairer and more transparent.** The number and complexity of funding streams for schools is unacceptably high and a recipe for confusion. Funding of schools for the 2003–04 academic year is also likely to have an adverse impact on the performance of an unknown number of schools. There has also been much complaint regarding the lack of certainty about funds from one year to the next, and whether resources have been distributed according to need.

1 Informing parents about school performance

Information for parents

1. Indicators of academic achievement, both unadjusted and adjusted to take account of external factors, provide important information for parents. For a rounded assessment of school performance, parents would also benefit from having access to a broad range of information, including Ofsted inspection reports and information they could gain from visiting a school and speaking to the school's staff, pupils and pupils' parents.⁴
2. The Department publishes secondary school performance measures on its website, and Ofsted reports are available on Ofsted's website. Some parents will not easily be able to gain access to the internet and these websites, and many parents might welcome advice on the range of available information.

The effect on performance information when external factors are taken into account

3. Performance tables of academic achievement take no account of factors external to the school, some of which can have a significant influence on performance.⁵ The National Audit Office report showed how academic achievement can be adjusted to take account of the influence of external factors, to demonstrate the difference that schools make to the performance of their pupils.⁶ It also showed the effect the adjusted data can have on how schools compare with each other.⁷
4. The effect on the ranking of schools of adjusting academic achievement for the influence of external factors is illustrated in **Figure 1**. Of the 624 schools in the top 20% of performers in terms of academic achievement in Key Stage 3 tests in 2002, 243 were also in the top 20% when academic achievement was adjusted for the influence of external factors, whereas 33 moved down to the bottom 20%. Similarly, of the 621 schools ranked in the top 20% of performers in terms of academic achievement at GCSE level in 2002, 182 were also in the top 20% after adjustment for the influence of external factors, whereas 76 schools moved down to the bottom 20%.⁸

4 Qq 8, 32, 39, 119, 138

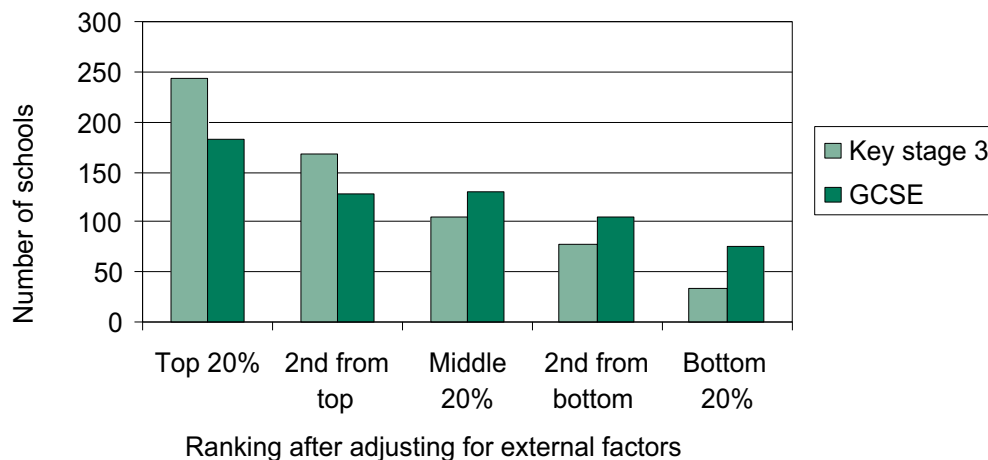
5 Q 21

6 C&AG's Report, paras 2.8–2.15 and Appendix 3

7 *ibid*, Figure 7

8 Ev 21

Figure 1: Schools in the top 20% of performers based on academic achievement—how they ranked after adjusting for external factors



Analysing the influence of external factors

5. Since the Government decided in 1998 to start collecting data on individual pupil and school characteristics, the information available on the performance of secondary schools and the factors that influence performance has been much improved.⁹ The Department now publishes performance data on secondary schools that takes account of the prior academic achievements of pupils, which is the largest single external influence on performance.¹⁰ The National Audit Office's analysis included a range of other external influences on performance, in addition to prior academic achievement.¹¹

6. A comparison of the results of analyses by the Department and the National Audit Office shows a large difference between the two in the ranking of some schools (**Figure 2**) — a small number of schools even moved from the bottom to the top 20%.¹² This suggests that there are external factors, in addition to prior academic achievement, that are strongly related to academic achievement.

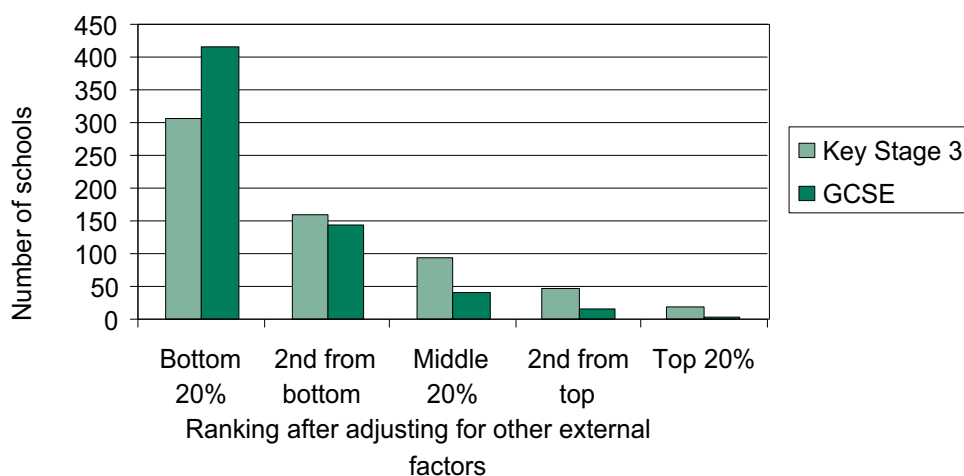
9 C&AG's Report, para 1.16; Qq 23–24, 32

10 C&AG's Report, paras 1.17 and 2.29; Qq 8, 125

11 C&AG's Report, Box 3 and Appendix 3; Qq 88, 138

12 Ev 20–21

Figure 2: Schools in the bottom 20% of performers based on the Department’s value-added measure—how they ranked after adjusting for other external factors



7. The eligibility of pupils for free school meals is strongly related to academic achievement. However, eligibility for free school meals has substantial limitations as a measure of economic and social deprivation, for example because it is an absolute measure that does not assess relative economic well-being (pupils are either entitled or they are not), and it measures economic well-being only. The Department is looking at alternative measures.¹³

8. The National Audit Office’s analysis only took account of those external factors for which data were collected and held by the Department centrally. Other factors, for which the relevant data are not collected centrally—such as school funding, the age and condition of school buildings, and parental occupation and education levels—might also have a significant effect.¹⁴

External factors and Ofsted inspections

9. In assessing schools, Ofsted inspectors look at information relating to a range of factors that influence performance and draw comparisons with other similar schools.¹⁵ The National Audit Office’s analysis showed that, on average, Ofsted’s assessments of schools, and its decisions to place schools in special measures, were more closely related to the unadjusted academic achievements of pupils than to academic achievement adjusted for the influence of external factors.¹⁶ This suggests that in their assessments of schools Ofsted inspectors could give more weight to the influence on performance of external factors.

¹³ C&AG’s Report, paras 2.29–2.30; Q 149

¹⁴ C&AG’s Report, para 2.3 and Box 3

¹⁵ Qq 10–11, 41–43

¹⁶ Qq 23–24

2 Improving school performance

Schools requiring special measures

10. In the last 10 years, Ofsted has declared more than 1,000 schools as requiring special measures. Ofsted's judgements about placing a school in special measures are not just based on performance data, but take account of a number of factors, including management, quality of teaching, the range of the curriculum, and the standards achieved.¹⁷

11. Over the 10 years in which it has been carrying out inspections, Ofsted has gained an improved understanding of the factors that make an effective school. It introduced a new inspection framework in September 2003, which places a sharper focus on the key elements of success within a school, such as the quality of leadership and management, the quality of teaching and the progress made by different groups of pupils.¹⁸

12. In September and October 2003, registered inspectors judged more schools to be failing, or likely to fail, and therefore to require special measures, than was the case in September and October 2002 – the proportion of schools placed in special measures was 4.5% (38 schools) of the 842 schools inspected, compared with 2.7% (20 schools) of the 739 schools inspected in the earlier period. The Department and Ofsted agreed that it was disappointing that after 10 years of strong focus on the accountability of schools, not all schools were up to an acceptable level of performance.¹⁹

Developing and evaluating policies

13. There are many policies and initiatives aimed at improving secondary school performance.²⁰ Despite a progressive improvement in academic achievements of secondary school pupils in recent years, however, many of the Department's key targets for secondary education are unlikely to be met.²¹ The improved information on school performance that is now becoming available provides a sounder basis for developing policies and evaluating their impact.

14. Based on academic achievement adjusted for external factors, selective schools, specialist schools, faith schools, beacon schools and single sex schools achieved on average a higher ranking than the average for all schools, at either Key Stage 3 or GCSE level, or both. This suggests that on average these types of school have certain characteristics associated with good performance. For example, one of the key characteristics of faith schools is a strong set of values and ethos.²²

17 C&AG's Report, para 1.11; Q 11

18 Qq 115–118; Ev 16-18

19 Qq 115–116; Ev 18

20 C&AG's Report, paras 1.6–1.9

21 *ibid*, Figures 3, 4; Qq 9, 77

22 C&AG's Report, paras 13–14; Q 16

Transition from primary to secondary education

15. The transition from primary to secondary school can be difficult for some pupils. It can be handled poorly, resulting in an adverse effect on progress during the early years in secondary education. Ofsted examined this issue in some detail last year, and found that for a number of children the transition was a critical falling-off point, when pupils who were relatively well motivated and enthusiastic during primary school lost their motivation at secondary school. Some schools are seeking to smooth the transition, for example by developing links with feeder primary schools, and there is a role for the Department or Ofsted to identify and disseminate good practice.²³

School funding

16. Of the £27 billion budget for schools in England, £25 billion is spent through local education authorities. The Department allocates funds to the authorities through a formula funding system that aims to provide the same funding for all comparable pupils across the country. The formula takes account of factors such as deprivation (as measured, for example, by the percentage of children of families in receipt of Income Support or the Working Families Tax Credit), the percentage of children (in primary schools) with English as a second language and (in secondary schools) from low achieving ethnic groups. Further funds are provided to deal with the extra costs of educating deprived pupils, and of recruiting and retaining staff in areas with the highest wage costs. The needs of sparsely populated areas are also reflected.²⁴

17. It is for each local education authority to decide how the resources allocated to it are distributed to schools within the authority, using locally agreed formulae. The authority does not have to follow the national formula, though it does have to relate the money to pupil numbers.²⁵ The Government is committed to achieving the highest possible level of delegation to schools that is compatible with the need for local education authorities to retain the resources they need to carry out their own essential functions, and in recent years, authorities have delegated an increasing proportion of the funding for schools to spend themselves. Local education authorities delegated, on average, 87.2% of funding to schools in 2002–03. Most of the funding they retained related to such items as school transport, special educational needs, out-of-school education and behaviour support, and school improvement.²⁶

18. The funding of schools is very complex. The number of different strands is hard to determine but could have reached as many as 70. The Department acknowledged that there were too many strands, and it is trying to simplify the arrangements by reducing the number of funding streams to five major budget lines. However, the Department did not know how long this would take. The complexity of funding and lack of certainty about the funds a school will receive from year to year have been common complaints. Not all schools are getting a fair share of resources, and a lot of the difficulties with school funding

23 C&AG's Report, paras 3.32–3.34; Q 133

24 Qq 27, 97–98; Ev 19–20

25 Qq 98, 123; Ev 19

26 Qq 78–87; Ev 18–19

last year resulted from introducing a new formula aimed at distributing resources according to need.²⁷

27 Qq 18–20, 141

Formal minutes

Monday 29 March 2004

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Allan

Mr Richard Bacon

Mrs Angela Browning

Mr Frank Field

Mr Brian Jenkins

Mr George Osborne

Jon Trickett

Mr Alan Williams

The Committee deliberated.

Draft Report (Making a difference: Performance of maintained secondary schools in England), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 18 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Nineteenth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No. 134 (Select Committees (Reports)) be applied to the Report.

Adjourned until Wednesday 31 March at 3.30 pm

Witnesses

Monday 8 December 2003

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Mr David Normington CB, Mr Peter Wanless, Department for Education and Skills, and **Mr David Bell**, Ofsted

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Oral evidence

Taken before the Committee of Public Accounts

on Monday 8 December 2003

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Mr Nick Gibb
Mr Brian Jenkins

Mr Gerry Steinberg
Mr Alan Williams

Mr Tim Burr Deputy Comptroller and Auditor General and **Ms Angela Hands**, National Audit Office, further examined.

Mr Brian Glicksman, Treasury Officer of Accounts, further examined.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL:

Making a difference: performance of maintained secondary schools (HC 1332)

Witnesses: **Mr David Normington**, CB, Permanent Secretary, **Mr Peter Wanless**, Director, Secondary Education Group (Grade 3), Department for Education and Skills, **Mr David Bell**, Her Majesty's Chief Inspector of Schools in England, Office for Standards in Education, examined.

Q1 Chairman: Good afternoon, ladies and gentlemen, welcome to the Committee of Public Accounts where today we are dealing with the reported subject based on the Comptroller and Auditor General's Report, Making a difference: Performance of maintained secondary schools in England. We are joined by Mr David Normington. Would you like to introduce your team, please?

Mr Normington: Yes, I have David Bell, who is the Chief Inspector of Schools and Peter Wanless the Director of Secondary Education.

Q2 Chairman: Could I start with you and ask you simply how much choice do parents really have in choosing a school for their children?

Mr Normington: It depends where they live and it depends how many schools there are within reach. On the whole most parents do get their first choice. They are more satisfied out of London than they are in London with those choices. It is a very variable situation. If you are in a rural area and you have one school within reach that is your choice. If you are in an urban area you may have more choice than that.

Q3 Chairman: Are you satisfied with the situation in London?

Mr Normington: Not really, no, because I do not think parents are satisfied enough with secondary education in London, and therefore we are trying to do something about that. There are two ways of dealing with choice, one is to try to expand more of the schools that are popular and the other is to make sure that more schools are popular by improving their standards. We are trying to do both with perhaps slightly more emphasis on improving secondary schools more generally.

Q4 Chairman: I should declare an interest because I have two children in schools in London in the maintained sector, one of those schools is a girl's comprehensive school which is over-subscribed eight to one, is that a satisfactory situation do you think?

Mr Normington: No, because clearly that means there are a lot of parents disappointed.

Q5 Chairman: Exactly. Why do you think these schools would be over-subscribed eight to one, what factors affect that?

Mr Normington: I guess it is a successful school on most of the measures we have of success, which includes its results, its Ofsted inspections and there will be other things about the school which parents particularly like and which may be popular. Without knowing the school I do not know for sure.

Q6 Chairman: Lady Margaret School in Fulham, it is a Church of England Girl's comprehensive school.

Mr Normington: That would be an additional factor perhaps why it is popular.

Q7 Chairman: I have a boy in the London Oratory, which is also over-subscribed, why do you think that is?

Mr Normington: Because that is a popular school too. I think sometimes the faith element increases the popularity and tends to mean more parents want their children to go there.

Q8 Chairman: There is a lot in the Report about external factors influencing how a school performs, do parents have sufficient, good quality information to enable them to make a choice taking into account external factors such as the previous academic

record of pupils, the ethnic origin of pupils going to a particular school, all of these external factors listed in the Report?

Mr Normington: I think the information available is better than it has ever been because for the first time we are producing data which shows how much value the school has added to pupils between 11 and 14 and 14 and 16. That is new information that is available this year and it will be even better next year. You should never judge a school on one performance measure, you should take what is described in the Report as the raw scores, the GCSE results in the case of secondary schools, the value-added, you should look at the Ofsted report, you should have a look and see what the school is like, you should talk to the children who go there. You should never make the judgment on one of those factors.

Q9 Chairman: Could I ask you to look at the likelihood of you meeting your key target, which you can find on page 12, figures 3 and 4, what is the likelihood of your key targets being met for secondary school education?

Mr Normington: It is a variety of answers really. I think we are going to struggle to meet all of our Key Stage 3 targets which are set out there. We are quite a lot closer in science than we are in English and maths but the likelihood is that we will really struggle to meet the English target of Key Stage 3, the 2000 targets are further off and at this stage I think there is a fair chance of us meeting them. In terms of GCSE performance the headline target is about a 2% rise each year, and this year we are achieving between 1% and 1.5%, the exact figure will come out just after Christmas. We are not achieving that target precisely. In each of these areas we are on an upward trajectory. All of these performance measures are improving but I think it will be touch and go whether we hit the targets precisely.

Q10 Chairman: Mr Bell, could I ask you couple of questions, could you look at pages 42 and 43, you have some interesting statistics there about how schools are performing, even taking into account external factors. My first question is a general question to open up this subject, how do you take account of the infancy of certain factors in your inspection of schools?

Mr Bell: In advance of inspection inspectors have available to them performance and assessment data relating to the school which covers a whole range of factors, it covers the raw achievement as measured in test and examination performance but it also looks at the percentage of free school meals in the school and also, importantly, it looks at schools compared to otherwise similar schools, and that is something that we always report on in our Ofsted reports. We report on how the school is doing against the raw national data and now it is doing against schools that are similar. From the beginning of the process of inspection through to final publication we are taking account of those wider factors.

Q11 Chairman: Why have some of worst performing schools not been made subject to special measures?

Mr Bell: The judgment about special measures takes account of a number of factors, management, quality of the teaching, the range of the curriculum and standards achieved. It is fair to say that over 1,000 schools in the last 10 years have been declared as requiring special measures, and we have brought about a substantial improvement in those schools. In a sense to go with the drift of the argument in this Report we would not simply just look at the raw performance of a school because it may mean that when inspectors visit there has been considerable progress since the last inspection or that school might be doing particularly well against otherwise similar schools. I think one of the values of inspection is that you take account of a wider range of factors and you do not just make judgments based on raw performance data.

Q12 Chairman: Mr Normington, if you look at the graph even if you take external factors into account you can see that there are very wide variations in the performance in schools, why is this do you think?

Mr Normington: To state the obvious some schools do not yet have all of the factors which make for a good school.

Q13 Chairman: Is it mainly the head?

Mr Normington: I think unless the school is well led it is very unlikely that it will be—

Q14 Chairman: The head is the main factor.

Mr Normington: The Report sets out about five factors which include a good teaching force, a good framework for behaviour and a strong ethos, a set of values and strong parental support and community links, and all of those are important. If you have all of those you are likely to be a successful school. If do you not have effective leadership you are going to struggle, I would say that is one of the key factors.

Q15 Chairman: One thing the Report brings out is that it is no longer an excuse just to plead external factors when you are running your school, you cannot plead external factors, is that a fair comment or is it not? If it is not, tell me.

Mr Normington: We are very concerned that schools cannot use excuses about external factors to justify under-performance. There are clearly some factors like what the achievements of pupils at 11 are when they come out of primary schools which are very important to where the school starts. That is why we have these new prior attainment measures. There are some factors that should be taken into account. There are clearly factors related to the background of the children coming into the school, the barriers that they have to surmount to achieve that which are relevant but I am a little cautious about putting too many factors in which enable the school to justify low performance.

Q16 Chairman: Can you please now turn to page 20, look at figure 9, which is the performance of selective schools, specialist schools, faith schools and beacon

 Department for Education and Skills and Office for Standards in Education

schools, why do you think, Mr Normington, faith schools perform on average better than other schools?

Mr Normington: One of the factors will be their very strong value set and ethos which obviously comes from the faith base of the school. I should say about all of these scores here they are all averages so you can find the schools which are not performing well and in every category there are such schools. One of the key factors in faith schools will be its strong set of values and the ethos.

Q17 Chairman: Do you want to explain the top line which may be confusing some members, this goes to the heart of the educational debate, I am not going to make any value judgment, and I just want you to explain the top line about grammar schools. If I understand it, and perhaps you can explain it, this is taking into account external factors, obviously people get much better GCSE results if they are selected in the first place, but what grammar schools appear to be doing here is better taking into account external factors at Key Stage 3 but not so well at GCSE?

Mr Normington: That is what these figures seem to be showing. These are figures which are corrected for the intake of pupils I think particularly in relation to prior attainment and some other things. What it is saying is that between 11 and 14, grammar schools add greater than average value for those pupils that they are educating and they add lower than average value between 14 and 16. I do not think I know precisely why that is. David may want to add to this, it may be you get off to a flying start if you have all of the brightest pupils in the area in your school and therefore there is no catching up to do, you get going fast and so therefore in the 11 to 14 phase you make very fast progress. It may be by the time you are at 14 therefore you are closer to GCSEs and therefore you do not need to go as fast to complete the final stage from Key Stage 3 to GCSE.

Mr Bell: I do not have any evidence to back that up but that is absolutely my opinion as well, there is a kind of that booster effect that you get in the early years of Key Stage 3 and then perhaps it levels off to a degree in Key Stage 4. One needs to make the point that the levelling off still represents high levels of academic performance at the age of 16, it may be as Mr Normington suggested that the youngsters make faster progress more quickly and are closer to the GCSE standard earlier.

Q18 Chairman: Thank you for that. I was talking to a headteacher last night and he was tearing his hair out in respect of funding arrangements, there are 72 strands going into his comprehensive school. Is the complexity of funding arrangements a drag on secondary schools' performance do you think?

Mr Normington: He should not have 72 separate strands. We are doing our best to reduce it to five major budget lines, which may still be too many by the way, but he should not have 72. I would happily talk to him about what those 72 are, that is just mind-numbing and that is not satisfactory.

Q19 Chairman: It is a common complaint, is it, about the complexity of funding arrangements and you are trying to simplify it?

Mr Normington: We are. It is a common complaint about the complexity and it is a common complaint about the lack of certainty about what a school is receiving from year to year.

Q20 Chairman: Are all schools getting a fair distribution of resources in your view?

Mr Normington: I would not dream of saying that at the moment. We are trying to make it fairer. A lot of the difficulties we got into last year were because a new formula was introduced which tried to distribute the money more fairly according to need and that change caused a lot of the problems that we got into. I would not dream of saying every school is getting its fair share.

Q21 Mr Williams: Mr Normington, I must say I find this Report intensely depressing. If I read it correctly it means you are allocating resources according to criteria which is misleading, schools are being closed or threatened with closure that turn out to have better than average performance and careers are being destroyed all on the basis of a fallacious set of statistics. If we take paragraph 1.15—remember you signed up to this Report—“performance tables of academic achievement are of only limited use in assessing a school’s performance . . .” Earlier in that paragraph it makes the point, “information in these tables is only of limited value in comparing the performance of different schools and different types of schools. This is because they take no account of factors external to a school, some of which can have a significant influence”. And it then goes on to list them. As far as I gather you did not dissent from that paragraph in the Report, is that correct?

Mr Normington: We signed up to the Report, yes.

Q22 Mr Williams: You signed up to it, yes. Are you not almost ashamed to be sitting there defending a bunch of statistics that have been virtually discarded in one paragraph? Can we take it a stage further then, let us go and look—

Mr Normington: For the record, I am not ashamed to be sitting here because I would like to explain what we are trying to do to improve the situation, and I will in a minute.

Q23 Mr Williams: If we look at page 21, “Ofsted assessments of schools were more closely related to the unadjusted academic achievements of pupils than to academic achievement adjusted for the influence of external factors”. That is very serious, is it not?

Mr Normington: May I answer this, the first thing to say is that we have been trying over a number of years as a result of decisions taken by the Government in 1998 to improve the quality of information which is available to parents in the performance tables.

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Q24 Mr Williams: I understand that. With respect, you signed up to this, which indicated the inadequacy of the situation as it is represented in this Report. I know what changes you have undertaken, they are limited. In says in paragraph 2.26, “Decisions to place a school in special measures might also be influenced more by the unadjusted academic achievements of pupils rather than achievement adjusted for the influence of external schools.”

Mr Normington: Let me say two things, the comment about the limited value of previous information is a comment on the history of this and where it came from and that is why we introduced a broader range of measures of school performance, the data for which underlies this Report. It is a big improvement since 1998 and it does add some very important information to how a school is performing. Secondly, we do not judge failing schools on just one measure, we judge them on a whole range of measures, one of which is an Ofsted inspection of the school, which includes sampling the teaching in that school. Schools are not closed down on the basis of raw data.

Q25 Mr Williams: Ofsted is a waste of the money you are spending on it. Look at the next sentence, “Of the 72 schools that were in special measures at some stage during 2001–02, 78% were ranked more highly at Key Stage 3, and 65% were ranked more highly at GCSE level, after measures of academic achievement had been adjusted”. They were put under special measures. What happened? I reckon on the basis of this Report you are subject to possible legal action for what you have done to the careers of some teachers and some heads.

Mr Normington: The decision on whether a school goes into special measures is taken by Ofsted, perhaps I can get Mr Bell to explain the basis on which that decision is taken.

Mr Bell: It is a very important point to make that any judgment that a registered inspector makes about special measures is not simply on one measure alone. Our guidance is very clear, it actually lists a range of factors that inspectors have to consider. Obviously the standards achieved by the pupils is one factor, so is the progress made by the pupils, so is the quality of teaching, so is the quality of leadership and management, so is the quality of governance. I know because I have to effectively sign off all decisions that go into special measures. They do not go into special measures because of one single factor.

Q26 Mr Williams: No one is saying it is one single factor.

Mr Bell: The degree of adjustment you were describing suggested it was because of the academic achievement alone that schools were put into special measures.

Q27 Mr Williams: I said it is because of internal factors only. Can you turn to page 19 and look at the question that might lead to the allocation of resources. Look at figure 8 on page 19, at Key Stage

3 this ranks educational authorities, and Islington is ranked 133rd in the country but when it is adjusted for external factors it becomes 9th. If you look at the GCSE ranking Islington is the 138th on academic achievement and 51st on external factors; Lambeth is 114th and it becomes 16th; Southwark 139th and it becomes 31st yet your Department has been making the allocation of resources on the basis of a record prepared by your department, has it not?

Mr Normington: We do not allocate money mainly on the performance of an area, the allocation of money are mainly made on a range of factors in that area, including social need, including the cost of employing teachers and a number of other factors.

Q28 Mr Williams: In that case why do you not have Education Action Zones?

Mr Normington: Education Action Zones focus activity on and some money on areas of—

Q29 Mr Williams: There we are.

Mr Normington: The focus is on areas of deprivation and underperformance.

Q30 Mr Williams: Measured by which criteria?

Mr Normington: You are only looking here at one measure, which is the measure of how much a school or an area adds value to pupils between 11 to 14 and 14 to 16. That is not enough in terms of a judgment you should make about a school or an area. You should also make a judgment about the absolute performance that is being achieved. A school can add a lot of value but can still achieve very poor results. You have to look at both sets of measures. Some schools add a lot more value than others.

Q31 Mr Williams: In that case if you look at selective schools in fact interestingly although they have the best academic results overall that is because they are selecting the best to begin with. In terms of additional, which you just said we have to take into account, what it says here is that post Key Stage 3 and GCSE these schools are of particular benefit to pupils who have a relatively low level of prior academic achievement. The prime achievers have already been taken, they are doing well at the intermediate level but the fact of the matter is our whole concept of an achievement hierarchy in schools and in areas in the country is absolute nonsense on the basis of this Report. On the basis of the information here schools are being damned, teachers are being damned and local education authorities are getting resources allocated.

Mr Normington: I do not accept that. I do not accept that.

Q32 Mr Steinberg: I want to carry on where Mr Williams left off, perhaps not as vigorous because he is a better performer, I want to make the same point, this Report substantiates what many of us have been saying for 15 years while your Department, your predecessors have totally ignored us and said that we were talking a load of rubbish. How much influence did Mr Woodhead have on the system that there is in place today?

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Mr Normington: May I just answer a little of that. Clearly I work for the Government that is in power at the time and they decide what the content of the material should be. This Government in 1998 decided that it should do this kind of analysis so that it was possible to have a more rounded view of what a school achieved. I have been a great proponent of improving the quality of the data between 1998 and 2003. I personally put a lot of effort into making sure that is better data. I think we have a much more rounded picture but you should never take one measure of performance.

Q33 Mr Steinberg: When did league tables come into existence?

Mr Normington: Sometime in the earlier 90s.

Q34 Mr Steinberg: I think it was in 1988.

Mr Normington: I do not know precisely.

Q35 Mr Steinberg: Labour opposition at the time was vehemently opposed to it but they soon change their mind when they got into power in 1997. Do you think I was right to ask for Woodhead's resignation in 1997?

Mr Normington: I am not going to the comment on that.

Q36 Mr Steinberg: I think you should. You have not answered the question, what was the influence of Woodhead to the whole of Ofsted, was he a hindrance or a help as far as education standards have been concerned?

Mr Normington: In terms of performance tables the decision about performance tables is taken by the Government not by the Chief Inspector.

Q37 Mr Steinberg: I might disagree with you on that.

Mr Normington: We do all of the data collection and we do all of the publication.

Q38 Mr Steinberg: I believe that Ofsted and HMIs are the ones that made the recommendations to Government who are laymen and we look to experts such as Mr Bell to be able to give us the right data and the right information. I want to know, was Woodhead a hindrance or a help in terms of where we are today?

Mr Bell: I do not comment on my predecessors, every chief inspector does the job they see fit. Although we provide advice to the Department on a whole range of issue we do not provide advice on the content of performance table because as Mr Normington said that is a matter for ministers advised by officials.

Q39 Mr Steinberg: If I remember rightly, my recollection that was Woodhead believed there was no such thing as external factors and he destroyed some teachers because of that, schools that were in deprivation areas, where teachers had the most bloody appalling task to do, Woodhead said that had nothing to do with the results that kids were actually achieving. You still have not changed much since those days all that you do is depend upon raw

scores to do your league tables? Mr Normington you said we sometime compare similar schools, what is a similar school? How do you compare a similar schools, how do you compare what is a similar school and what is not a similar, every school is unique?

Mr Normington: The performance tables that we now publish have five different measures which try to put raw scores, the absolute results of GCSEs in context and which also for the first time, because we have produced this information, enable us to look at the performance over time of the value-added by pupils from 11 to 14 and 14 to 16. That is a big step in the direction of enabling us to take a more rounded view of schools.

Q40 Mr Steinberg: Are you saying that you do not depend on raw scores for your league tables?

Mr Normington: That is a fact. We take into account a number of things, the main one in the latest data available is the attainment of pupils at 11, which is very much related to a whole range of factors.

Q41 Mr Steinberg: Will you both put on record that you believe that external factors outside of school control has a huge affect on the performance of children and pupils in secondary schools and in primary schools for that matter?

Mr Bell: If I can just point out that when the first Ofsted inspection handbook to guide inspectors was published in 1993 it actually said, "Many factors affect the capability of pupils and some of these are beyond the school's control". It is a central part of the task of inspectors to come to a difficult judgment of whether the standards that are achieved are as can be reasonably expected. That was said ten years ago to the inspectors and has always guided the work of inspectors in coming to an overall judgment.

Q42 Mr Steinberg: I am sure you do not believe that.

Mr Bell: I do believe it actually.

Q43 Mr Steinberg: You would want to go round to a lot of schools in the country and ask the teachers whether they believe that or not.

Mr Bell: If you look at the Chief Inspector's Annual Report we list outstanding schools from the schools we inspected over the previous year and they come from every socioeconomic background in the country and they do not just take account of raw performance. Inspectors are making judgments, week in and week out that take account of the circumstances of the school and come to that important judgment, are the standards that are being achieved as best as might be expected taking account of all of the factors? That has been the principle of Ofsted inspections from the beginning and it remains the principle today.

Q44 Mr Steinberg: I do not mean this with any disrespect to you but I can remember when Mr Bolton was the Chief Inspector of Schools and when he came as Chief Inspector he told a totally different story to when he was not Chief inspector and he was called back to the Education Committee, you can work out what I mean by that. Can I change the

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subject altogether go to the very last paragraph in the main Report that is 3.44, page 34. I want to be little bit parochial now, I found in constituency terms this was probably about the most important paragraph in the whole of the Report as far as I was concerned. The state of school accommodation and the resulting effect that it has on standards and performance. I have a school in my constituency called Johnston School. It is the best school in Durham county in terms of results and it is probably one of the best in the country in terms of results, I am sure that Mr Bell has heard of it, I will be amazed if he has not. Because the now ex headteacher is very now the General Secretary of SHA. It was a good school before he went there and long after he left, so I am not saying he was responsible. This school has been a split site school for 30 years. It was a policy when comprehensive education came in in the 60s and Durham County Council moved to comprehensive education and created a split site school from an old grammar school, it was on two different sites. For over 30 years hardly anything has been spent on that school because it has always been the policy that we will improve the school, or we will replace this school, or we will spend a lot of capital expenditure on this school and this has never happened. We are at a state now where the school is literally dropping down. If you look at paragraph 3.44 it says, "Head teachers responding to our survey rated the importance of the influence of a school's accommodation and facilities on academic achievement as more than 8 out of 10". They regarded it as very, very important. My great worry is that this school will begin to deteriorate in standards, as well as anything else, it might be difficult to recruit, it might be difficult to get children to learn and work in such an environment. What did the Government come along with? They have come along with a policy which says that you can basically have capital expenditure in private finance initiatives, which I do not disagree with, but it is based upon areas of deprivation. This school is not in an area of deprivation, far from it, and this means that school which is probably number one in Durham County Council's priority list now will go right to the very bottom of the list and take 15 years to get to the top, do you think there should be mechanisms for schools such as this to be allowed have capital expenditure so that excellent schools do not deteriorate, but if this does not happen it will deteriorate?

Mr Normington: Yes, I do actually. There are three things: one is that we are spending £3.6 billion a year on the school estate and it will be £5 billion by 2005–06, that is an awful lot of money, and that gives us the possibility of not just doing repairs but doing major refurbishments. Secondly, we are looking for each local authority to have a plan where it prioritises its—

Q45 Mr Steinberg: You are telling me something that I already know.

Mr Normington: The local authority has to balance deprivation but also need and condition. Clearly if a school is in a bad condition it has to take that into

account and you will expect that school to be further up the list than schools which are in better condition, although we are trying to focus our capital refurbishment on areas of deprivation because there is some evidence that improves standards we are also trying to make sure that schools which are in poor condition are improved as well. I would be very disappointed if that school if is as you described it would have to wait 15 years to have money spent on it.

Q46 Mr Steinberg: It is possible they will be able to do a stand-alone private initiative for that particular school but there will be a shortfall in the actual capital expenditure, the difference between what they can raise and have a deal with the private sector and the actual money that will need to replace school. I want a guarantee or some sort of assurance that shortfall can be Government-funded and will be Government-funded. I think Mr Bell has a responsibility here as the Chief Inspector of schools to say, in certain areas we have excellent schools which are performing very well indeed but could deteriorate very badly and unless the Government comes up with some money for these schools then I can see these school deteriorating, I think you have a responsibility to say that. Are you prepared to do that?

Mr Bell: We do that in two ways, one we do it at the level of the individual school. We often comment if the accommodation impeding pupils' education then schools will be able to use that report to help them make a stronger case. We also do it on a national level because in my Annual Report I always comment on the quality of accommodation. For example this last year I commented on some of the concerns still that remain about specialist accommodation in secondary schools, so that is a very important part of the inspection process because the quality of the education environment is very important, and we do say that.

Chairman: Thank you very much. Mr Nick Gibb.

Mr Gibb: I totally disagree with the earlier comment of Mr Steinberg about results, they do need to be published and we should be publishing as much information as possible about schools.

Mr Steinberg: With due respect I did not say that.

Q47 Mr Gibb: If you look the Key Stage 2 results and take similar schools, one might have 85% in English and yet 67% in maths and the school down the road could have 67% in English and 85% in maths, and you know there is something wrong in each of those schools, one is in the maths teaching and one is with the English teaching simply from the raw data. Can I ask something about secondary schools from the Report, the last time I asked you about international comparison you cited the PISA survey. You said that Britain was fourth in the OECD in science, seventh in English and eighth in maths, how reliable as a method do you regard the PISA survey?

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Mr Normington: I think it is a properly conducted survey done with the statistical standards which are set down by the OECD and then the Office of National Statistics here ensures there is a sample and that the tests that are taken are properly conducted and they represent a fair sample of what this country's education system is like. I do not know precisely what happens in other countries but the OECD are very rigorous in trying to apply those standards. I think we can have a fair assurance about the accuracy of those figures.

Q48 Mr Gibb: That is very alarming. Have you read the National Institute of Economics' analysis of the PISA survey?

Mr Normington: I do not think I have.

Q49 Mr Gibb: Do you not think you should?

Mr Normington: I will if you think I should.

Q50 Mr Gibb: I do think you should read it because that report says that survey is totally unreliable because it measures a 15 years olds life skills, it does not measure pupils' knowledge of the school curriculum.

Mr Normington: That does not invalidate the results. I am quite clear that it is measuring the ability of pupils to apply their reading skills, their literacy skills, their maths skills and their science skills. It is measuring the ability to apply their skills. I do not think it pretends to be anything more than that.

Q51 Mr Gibb: It is more of an IQ test, it is not a measure of knowledge of the school curriculum.

Mr Normington: It is a measure of whether pupils can use the knowledge they have and apply it, as I understand it.

Q52 Mr Gibb: It is a common sense test, an IQ test. Can I bring in the TIMSS survey, the trends in maths and science subjects where Britain came twentieth out of forty-one developing countries, behind countries like Hungary, Czech Republic and Malaysia. How do you reconcile the TIMSS survey that has been going on for many, many years with the optimistic results in the PISA which were within a very short time scale of each other?

Mr Normington: I am not an expert in the measures, one view is that the TIMSS measure is measuring something else.

Q53 Mr Gibb: What is it measuring?

Mr Normington: It is more likely to be measuring knowledge rather than the application of that knowledge.

Q54 Mr Gibb: Where we performed twentieth out of forty-one.

Mr Normington: What I get told all of the time from employers is that we have young people who cannot apply their knowledge in real life, it is therefore a valuable measure of that.

Q55 Mr Gibb: The frequent complaint of employers is that graduates from schools do not have the basic schooling in maths and literacy, not that they cannot apply some of highfalutin theories.

Mr Normington: I hear that too. This is not highfalutin theories, this is measuring the ability to apply knowledge.

Q56 Mr Gibb: The PISA survey is not consistent with other international surveys?

Mr Normington: That does not mean to say it is invalid, it actually puts Britain up the league tables for a change rather than down and I think that is something that we should celebrate.

Q57 Mr Gibb: How can we be down in one survey and up in another?

Mr Normington: I do not set these tests. I do not set this standard. The OECD is a highly respected organisation, it probably does the best comparative studies of education in the world and therefore I have no basis on which to say that it is not a valid study.

Q58 Mr Gibb: I am very alarmed by that because that does show a degree of complacency if you do think that Britain is fourth in science in the world? What is there to worry about in our education system? Most people think education is one of the most pressing concerns and how can that be consistent with coming fourth in a survey?

Mr Normington: There are lots of things in that survey which show we have much more to do. It shows we have one of the biggest gaps in the world between the highest achievers and the lowest achievers relating to social class, and that is something that we certainly have to tackle in Britain. I am not complacent at all.

Q59 Mr Gibb: Can I ask you about the level of adult literacy in Britain as determined by the OECD?

Mr Normington: The OECD study of adults which was published a few weeks ago showed that we were well down the league table for the literacy and numeracy of 25 year olds and above and that the position got worse for 25 to 34 year old compared with the older age groups and over time we had slipped down. That is a commentary on the education system 10 years ago, not a commentary on the education system now. That is what we are trying to do, that is why we are trying to improve the quality of the schools now so that we do not reinforce that problem which we have in the adult population.

Q60 Mr Gibb: I am not interested in whether it was a Tory or a Labour Government, what I care about is what has been going on in our schools 10 years ago that was so bad and let us make sure that it is still not happening now, what caused this very bad literacy level. 23% of adults cannot read properly, they cannot read the side of a bottle to determine the correct amount of medicine to give a child from the information provided on the package. 23% are innumerate, which means the lowest numeracy level

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of an individual means they may be unable to add two and 50 together, 23% of adult cannot add two and 50 together in this country, it is worse than the States, New Zealand, Australia, Germany, the Netherlands, it is worse than Sweden where 7% have this problem, why is it so much worse in this country?

Mr Normington: We can only conclude that the quality of the education system which those young adults went through did not give them the basic skills.

Q61 Mr Gibb: Why? What was going wrong?

Mr Normington: Presumably the quality of the education they were getting and the quality of teaching they were getting was not good enough at that time. We have to improve that.

Q62 Mr Gibb: What were the policy areas that were wrong?

Mr Normington: Well—

Q63 Mr Gibb: Why do you not know this? How can we put it right? If all you can say is “things were not good enough”, you should have specific answers as to why. Was it the type of reading methods we used, the configuration of the classroom, was it the mixed ability of teaching, which of those things is it?

Mr Normington: There were a whole range of things that were happening at that time, one was that we did not know anything about the performance of schools because we did not have the data to analyse it. Secondly, we did not have a national curriculum therefore we did not have any standard against which to measure the performance of children. We did not care about or invest in the leadership of schools. In fact we assumed that if somebody was a good teacher they could become a good leader. We did not have a curriculum for teachers, we did not have a standard for training teachers. All of those things we are now putting right.

Q64 Mr Gibb: Given only 75% of children are leaving primary school and going into secondary school with an acceptable level of level four in reading that means that 25% are not, why do you think that 23% is going to improve?

Mr Normington: Because it was 57% in 1996 therefore we have 18% more children who have level four. That is why we can have hope we are improving the situation but we have to carry that through into secondary schools. I do not believe that having 25% not achieving level four is good enough.

Q65 Mr Gibb: It has stalled.

Mr Normington: For the moment, yes.

Q66 Mr Gibb: What proportion of maths lessons are set in secondary schools?

Mr Normington: I would have to look that up. I know there has been a PQ that gives us information about that, I think it is over half.

Q67 Mr Gibb: It is 80%.

Mr Normington: Science and maths.

Q68 Mr Gibb: I am staggered by your lack of knowledge. Why is it good to have 80% of lessons of maths setted?

Mr Normington: There is some evidence that maths is the sort of subject you should teach in sets because it is easier to teach people when they are banded by ability in maths.

Q69 Mr Gibb: Do you think that applies to other subjects?

Mr Normington: I do not think we have evidence to prove that but it is widely believed in the system that you should do it in science and quite a lot of schools do it in English.

Q70 Mr Gibb: What proportion does it in English?

Mr Normington: I will have to look it up.

Q71 Mr Gibb: You should know these figures, they are not obscure figures, and they are directly what are happening in our schools. I am not asking for the specific schools, I am asking for aggregate figures that David Bell has, and you should have them.

Mr Normington: We have answered a PQ which has given you all these figures, it will take me two or three minutes to look them up.

Q72 Mr Gibb: I do not have the time.

Mr Normington: I know that.

Q73 Mr Gibb: You knew I was on this panel. 45% of lessons in English are setted given you think the setting is valuable why are only 45% in English setted whereas 90% are setted in maths?

Mr Normington: The Department does not issue strong guidance about setting. It leaves it to the judgment of schools in particular circumstances.

Q74 Mr Gibb: How is it that you have all of these targets to achieve these rises in GCSE results? If you say that it is up to the school to determine these things how can you give those targets to achieve improvements?

Mr Normington: I spend all of my time being told that we are telling the schools too much. Leaving the schools some discretion to decide what is the best method of teaching their children is probably desirable.

Q75 Mr Gibb: What are you telling them to do?

Mr Normington: We are giving them a great deal of guidance about how they should teach the curriculum, we are training teachers, particularly at Key Stage 3, we are training headteachers better and we are actually spreading best practice about how to teach literacy and numeracy and some other subjects. We are doing all of those things.

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Q76 Mr Gibb: It is all failing.

Mr Normington: Of course it is not.

Q77 Mr Gibb: You are not going to achieve the GCSE English targets?

Mr Normington: Both literacy and numeracy in primary schools have very significantly improved. It is true that it has not improved in the last couple of years but it has very significantly improved over the last ten. There has been steady improvement in secondary education at every stage, Key Stage 3, GCSE and A-level. It is not yet good enough but there is steady improvement and the sort of improvement that ten years ago we did not have.

Mr Gibb: My time is up. I am going to come back at the end, so you will have time to look up all of these figures.

Chairman: There is motion for Mr Gibb to join the Education Committee, we may be losing his services, if we lose his services may I thank him for his sterling work on behalf of the Committee.

Q78 Mr Bacon: Mr Normington, what is the budget for schools in England?

Mr Normington: It is about 27 billion, it is 25 billion spent through the local authorities and there are a number of other pots which I can go through.

Q79 Mr Bacon: 25 billion.

Mr Normington: 25 billion through LEAs, 1.5 billion which is spent on sixth forms by the Learning and Skills Council, 1.5 through the Standards Fund and—

Q80 Mr Bacon: The Standards Fund.

Mr Normington: Then two other sums that add up to 1.5 billion which goes to schools, one is about pay and one is about the money that goes direct to schools, to the School Standards Fund, that is their money.

Q81 Mr Bacon: You said there were 25 billion to LEAs, 1.5 billion to six forms through the Learning and Skills Council—

Mr Normington: 1.5 in the Standards Fund, 800 million in the School Standards Grant and 750 million which is teachers pay, which is mainly for the teachers threshold when they go through the threshold.

Q82 Mr Bacon: How much of the money that is spent in schools in England is under the direct control of headteachers or part of some initiative or some funding stream that they have to apply for or part of bureaucracy? How much is under the direct control of headteachers?

Mr Normington: In the end most of the money I described goes to schools and schools have a great deal of discretion on how to spend it. Some of that money comes with conditions attached to it, the 25 billion, which is the main bulk, comes without conditions attached.

Q83 Mr Bacon: That goes to the LEAs, I am asking you a different question, how much of the money that is spent on schools is under direct control of headteachers? If you do not know just say that you cannot answer and perhaps you can send me a note afterwards.

Mr Normington: It depends, I think it is about 90%.

Q84 Mr Bacon: Right. What is the average proportion held back by LEAs?

Mr Normington: I do not know offhand.

Q85 Mr Bacon: Why not? Do you not run the school system, are you not the Permanent Secretary?

Mr Normington: Not on this.

Mr Bacon: I know that in Norfolk it is 87%. I would have thought you should know that, it should be at your fingertips for across the whole country?

Q86 Chairman: I think we should ask questions, not noise off all of the time and make comments about his ability or lack of ability, the fact is we have distinguished public servants before us and we have a duty to be courteous to them.

Mr Normington: It is normally between 10% and 15%, it varies.

Q87 Mr Bacon: You do not know the average.

Mr Normington: I do not.

Q88 Mr Bacon: If you can find out and let us know I would be grateful.¹ In the Report, and Mr Williams quoted this, it says on the page 14 that the measures that you currently have, this is in paragraph 1.15, are of limited value compared the performance in different schools and they are also only of limited use in assessing schools from one year to another. Therefore I think that is a pretty good explanation of rationale for having these background variable of one kind or another. If you can turn to page 40 and 41, on page 40 you have pupil background variables and school background variables, a total of twelve factors, everything from distinguishing between boys and girls to English not as a first language, to those entitled to school meals, and so on. Can you explain in this multi-level modelling that is describe on page 41 how the twelve background variables get into the scatter chart or the residual score in Figure 13 interpreting school-level residuals? Do you ascribe a number to each of these background variables?

Mr Normington: I need to be clear to you this analysis is done by the NAO, it is not our analysis. The only variable that we include in our material is prior attainment, this is a much more sophisticated analysis, this sort of analysis has not been done before so I do not know in detail what methodology was used by the NFER, it was used to a template provided by the NAO.

¹ Ev 18–19

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Q89 Mr Bacon: Perhaps I can ask the NAO, how does the list of variables there become part of this picture?

Ms Hands: It is a very complex analysis. If I can point to page 44, these are the results of the analysis for the various variables that the NFER looked at for us. They basically applied those results for us to achieve the tables on the previous pages.

Q90 Mr Bacon: What are these figures here, India, 1.3; Bangladeshi 1.4; Pakistan minus 0.2?

Ms Hands: "Indian 1.3" that means for a pupil of that ethnic background there would be a positive efficiency, that pupil would be likely to achieve a greater added-value at Key Stage 3. The same occurs at GCSE, 2.4. When you apply that to the actual school in terms of the type of students that it has coming into the school you get the results of a complex analysis.

Q91 Mr Bacon: Indian at 1.3 is likely to achieve greater value-added by being in the school or are you saying the school is likely to—?

Ms Hands: This is the result of the analysis for those kind of pupils.

Q92 Mr Bacon: Are you saying the pupil is going to get greater added value or that the school is going to give—?

Ms Hands: That is the likelihood.

Q93 Mr Bacon: I am asking the question, are you saying that the pupil is going to get greater added value or the school is going to give greater added value?

Ms Hands: That is the likelihood of that pupil at that school. By applying these analyses you can work out the residual that the school has produced in terms of added value.

Q94 Mr Bacon: If I was a Pakistani at minus 0.2 I am less likely.

Ms Hands: That means that the school has a disproportionate number of ethnic minority pupils and then it is expected the achievement will be lower.

Q95 Mr Bacon: Right. That is as clear as mustard!

Ms Hands: I can provide you note on that.²

Q96 Mr Bacon: Has this methodology been used much elsewhere?

Ms Hands: This is the first time this has been done this way.

Q97 Mr Bacon: I find it extraordinary myself but there you go. I would like to ask some other questions of Mr Normington. You did say earlier you want to see the monies distributed fairly according to need. Do you not think there is a danger that the current funding arrangements can punish success and reward failure?

Mr Normington: Well, the money is not allocated mainly in relation to whether a school is succeeding or not, it is allocated on other factors, so it is perfectly possible for a failing school for other reasons to get a large chunk of money, yes.

Q98 Mr Bacon: I have two examples in my mind of schools in Norfolk, one of which gets about £2,300 and the other of which gets about £4,200. They are not that far apart. There is a difference of £1,800 per pupil which on a thousand roll is £1.8 million, on a larger roll it is about £32 million, a huge amount of money difference, plenty of high schools have only £2 million in total. Yet this other school, this £4,200 per pupil, gets so much more money and what I am asking is, is it not possible that by directing the money towards the school that is achieving less well you are punishing the successful school rather than rewarding it for its high delivery?

Mr Normington: We do not allocate the money on the basis of success or failure. We allocate it, and we allocate it to local authorities so the bulk of money can then be passed on, on four factors. There is a basic assumption about the share each school should get per secondary pupil, which by the way is £2,600 so I am surprised that any school would be getting £2,300. Then there is the calculation for the additional need which is based on a whole range of factors about socio-economic groups, which is £1,300 more. Then there are two other factors. One is about the costs of employing teachers, which are obviously much greater in some places than others, and the other is a factor called scarcity, broadly, which takes account of rural areas and the extra costs of things like transport in rural areas. Put all those figures together and that is the allocation the local authority gets. The local authority then has a decision to take about how it allocates the money on. It does not have to follow the formula which I have described though it does have to relate the money to pupil numbers. It can result in slight variations. I am very surprised, actually, to hear such a wide variation with schools so close. I know it can happen but not normally within the same county.

Q99 Mr Bacon: There was a scheme a couple of years ago where head teachers were getting £30,000, £40,000 directly.

Mr Normington: Yes.

Q100 Mr Bacon: Was that paid from the Department directly to the school?

Mr Normington: Yes. Actually for accounting reasons it goes to the local authority.

Q101 Mr Bacon: It is purely passed through?

Mr Normington: It is purely passed through, yes, and that is still there.

Q102 Mr Bacon: Have you done any work on possibly paying all the money directly to the school?

Mr Normington: No, although there is a great debate about the place about what the best method of funding is, we have not.

² Ev 20

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Q103 Mr Bacon: You have not done any work on it?

Mr Normington: We have not done any. Sorry, we have looked at all kinds of practices.

Q104 Mr Bacon: I asked the Secretary of State about this in Question Time and whether he would consider it and he said he was not going to consider it yet.

Mr Normington: I was wondering whether to use the word “yet”. We have been concentrating hard on how to make the present system work better as we have to do for the next two years. I think that is probably what the Secretary of State meant about yet. We may want to think further about beyond the next two years but we have not done so yet.

Chairman: Thank you very much, Mr Bacon. Your last questioner in this first part of the session is Mr Brian Jenkins.

Q105 Mr Jenkins: Finally, Mr Normington, when you read the Report were you surprised by anything in the Report or was it what you expected?

Mr Normington: Broadly it gave the picture that we expected. I think there was nothing very surprising in it. It confirmed what we knew already.

Q106 Mr Jenkins: There was nothing to learn from the Report as far as methods to change anything?

Mr Normington: This was the first time, as has been said by the NAO, that they had done that sophistication of analysis. I think we are very interested in that. I am not sure one wants to have 12 different factors for adjustment but actually we are very interested in how you make sure this is proper data so I think that has been very useful. Some of the other material about comparing different sorts of schools really confirms the analysis we have done.

Q107 Mr Jenkins: It is exactly what I would expect.

A lot of these results are what I would have got if I had gone to the school and talked to one or two members of staff. If I had talked to head teachers they would have given me exactly the same figures and output and it was that reliance on experience and opinion rather than hard figures that we had a problem with in the past. When we started pulling figures in to the results we had a problem with results. What we understand is that if we had three subjects—I think we have English, maths and science—and if a school was doing about 65% in maths, 65% in English and 55% in science and you went along and looked at the science teaching and you thought “that is fair enough, that is good enough, it should be 65%”, quite simply you would say that grade is now 65% and you would alter the figures to make sure that the child should be doing 65% in all three subjects, should they not? I would expect a large jump in 2000 and 2001 from obviously 1996 not because of suddenly all the science teachers and all the equipment and all the means of educating these youngsters and suddenly their eyes kind of light up and say “We love science” and there is a massive jump, it is because basically we brought it into line, did we not?

Mr Normington: The data allows you to analyse who is performing well and where to put your efforts.

Q108 Mr Jenkins: There is nothing wrong with a yes. Is that a yes?

Mr Normington: Yes.

Q109 Mr Jenkins: Okay. All we are doing is we are not doing anything other than establishing the standard we would like the youngsters to achieve. That standard is what we want them to achieve and it is where we set the standard, it is simple as that.

Mr Normington: There are two things here. There is the level we are trying to get every child to because we know that is the standard they need in order to progress into later life and be successful.

Q110 Mr Jenkins: Yes, I understand.

Mr Normington: Then we want as many pupils as possible to reach that standard so we want to go on raising the proportion of children getting to it.

Q111 Mr Jenkins: I have been doing this for a few years now.

Mr Normington: Yes.

Q112 Mr Jenkins: So, Mr Bell, are we failing more schools now this term on Ofsted inspections than this time last year?

Mr Bell: We have got the data for September and October this year and there has been a rise of about a third in the number of schools getting special measures, i.e. failing schools.

Q113 Mr Jenkins: How many?

Mr Bell: About a third.

Q114 Mr Jenkins: A third, how can this be so? We have the book, the good book, we know what good teaching is, we know what the National Curriculum is, we know what good leadership is, we have all the things in place, how can we have an increase in a third of schools with special needs?

Mr Bell: I think that is a very good question.

Q115 Mr Jenkins: I would like a good answer.

Mr Bell: We have been doing inspections for ten years. You are absolutely right, we have got a better understanding than we have ever had about those factors which make a difference. When I analyse the inspection reports of schools that have gone into special measures I do see some of those rather familiar trends: poor leadership, poor quality teaching and so on. It is very worrying, I agree, that after ten years, and after that very strong focus on the accountability of schools, we have not got all schools yet up to a level that will allow us to say everyone has reached the mark.

Q116 Mr Jenkins: Mr Normington, what will you do about that?

Mr Normington: We are going to go on trying to improve those schools. If you get into special measures then a whole set of measures to improve the position kick in, including the school having to

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produce a plan for recovery. We just need to go on trying to do that. It is very disappointing. This new framework has only been in place a few weeks but it is disappointing.

Q117 Mr Jenkins: According to the inspectorate our schools this year are now worse than they were last year?

Mr Bell: No. I think it is important to say that we have had a new inspection framework introduced since September.

Q118 Mr Jenkins: Thank you very much.

Mr Bell: That has put a stronger and sharper focus on the key elements of success within a school, the quality of leadership and management, the quality of teaching, the progress made by groups of pupils and it is absolutely right that we should do that. One of the things that we have learned over the past 10 years is what makes a school most effective. Therefore the new framework, if we sharpen the criteria on those elements, is right because that is what makes schools successful. It may mean that some schools are not as successful then with that sharp a criterion.

Q119 Mr Jenkins: Let me tell you something. I remember the sea change when you lot came in, Ofsted came in because before then school inspectors went around schools, watched and observed teaching, they used to know the teachers they could rely on and if they did have a problem in a school they would not hesitate for one moment to go back and track you down and say “When you did this, you had a good programme, can I borrow it, I want to take it somewhere else”. They used to transfer good teaching practice and transfer good ideas and drive up the old sector. When Ofsted came in, Ofsted criteria were laid down in tablets of stone by one person who will remain nameless. They came in to criticise, they offered not one word of comfort, not one word of support, they offered not one word of advice, they just came in to prove they could inspect and criticise and destroy the morale of almost a generation in teaching.

Mr Bell: It is worth remembering that prior to the introduction of the Ofsted arrangements parents actually had no independence and overview of what was going on in those schools because the number of inspectors around meant that the average primary school might be inspected once every 200 years. It seems to me that what we have now is a system whereby parents have an independent account on the quality of education in their schools. I want to challenge the point that somehow it is all to do with criticising schools. You only have to read the press, the local press, up and down the country, you only have to read annual reports and you see school after school being highlighted for the quality of its work. It is right we do that but it is also right that we do regular inspection which enables parents to have more information to enable them to make a choice about where they should send their child to school.

Q120 Mr Jenkins: It is not only parents I am concerned with at the moment, it is the children as well. I will tell you now I have been there, I have done it, I have seen how it happens. I can take you to any school if you want to, before you get there, and show you the thousands of pounds which are wasted, photocopying, filing, putting things in place so you never see the school as it really is, when you get there it is a showpiece with all the work in place and that money could have been far better spent if your inspectors knew prior to going to the school on a much lower key, going in there, seeing how the school operates, getting the data from the school, you can see how the teachers get on, you can talk to the head teacher and get much fairer analysis of what that school is doing.

Mr Bell: It is absolutely right that it is a waste of time and effort if schools are getting involved in that kind of pre-inspection paraphernalia. We do say to schools now there are only five documents we want in advance of the inspection. One of those is a school timetable and the other is a map of the school. Actually we do not ask for huge amounts of paper in advance of the inspection. I think it is absolutely right, of course, that schools will want to make sure that they are demonstrating the things that they do well during inspection but I think we only have to look at the number of schools that have been identified over the years as being in difficulties to demonstrate that it is not a case of just pulling the wool over inspectors’ eyes.

Q121 Mr Jenkins: That is information not just for parents but for the Department and the Department must act on it. If the Department has not acted on it and improved the quality of education in this country then the Department is at fault, am I right?

Mr Bell: Yes, but can I give you—

Q122 Mr Jenkins: If I can move on, I have a very short amount of time left. One of the areas you watch over is deprivation. Now I am quite keen on deprivation, I am quite keen on analysing it, so why do you not use the same figures as the Department of the Deputy Prime Minister who has classified deprivation? Why is educational deprivation so different?

Mr Normington: I do not think it is all that different but it is based on an analysis of what the characteristics are of deprivation as they affect education so it is likely to be slightly different.

Q123 Mr Jenkins: When you put that basic element in, when you look at deprivation and educational needs costs, why do you not ring fence the amount of money for deprivation and say “this money should be spent and proved to be spent on overcoming deprivation and these are the strategies that overcome it”, but instead you send it in a lump sum down to the LEA? When you talk about educational needs and paying teachers more money, let me tell you, let us get into the real world in some of these London boroughs they actually employ Australian and New Zealand teachers at the bottom end of the pay scale whereas up and down the

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country we have a national pay scale and in certain parts teachers struggle on for a long time and they have experience but their salaries, staff costs are actually higher than in some areas we send additional money. So why do you not ring fence that money and any LEA can pick up what it requires to meet the proven educational needs costs?

Mr Normington: We do provide the money to the education authority on the bases I described, including need. The local authority then can take decisions to allocate that money differently within the authority and some do. That is because at the moment we have a system which is based on local authorities having that choice and that decision. There are plenty of people telling us that we put too many conditions on the money as we pass through. All the pressure on us at the moment is to give more flexibility to local authorities to spend the money as they think is needed locally.

Q124 Mr Jenkins: You advocate responsibility to spend that money overcoming deprivation. You have no way of tackling that, have you?

Mr Normington: No, that is not the case because with the data we have we do try to measure the performance of schools. Every school has to set a target for improvement and we do look at performance in different schools in different areas and through our agents we challenge a school and an area when it is underperforming. We look particularly at deprivation because we have a special programme called *Excellence in Cities* which is looking at cities and performance in inner cities particularly.

Q125 Mr Jenkins: Mr Wanless has sat there—I have one question for you. You have sat there looking at the others, you have a job and yet the only indicator from what I can make of this about deprivation or external factors is your input at 11 plus. When they come into that secondary education system that is the only indicator you are going to take. You know the change in environment of children as they grow up and develop that is not taken into consideration. When are you going to start work on making sure the secondary system in this country works as effectively and efficiently as it possibly can and delivers the education our children need, deserve and should have?

Mr Wanless: The prior attainment at 11 is a very significant factor which, as we have said previously, is factored into the performance tables through the value added measures. There are a number of other ways in which we do take account of many of the factors, which are illustrated in this Report, to help schools compare their performance with one another, in order to challenge schools in similar circumstances to ask themselves “is this performance that we are achieving for our pupils what it might be, compared with what others are doing?” The diagrams at the back of the Report show that variability of performance. We are taking that information and working with LEAs precisely to confront those sorts of local issues in order to expose some of the variability that you described.

Chairman: Thank you, Mr Jenkins. Now just one or two supplementary questions. First of all, Mr Gibb?

Q126 Mr Gibb: You will be aware by now that 38% of lessons in comprehensive schools are set which means 62% of lessons in comprehensive schools take place in mixed ability classes. What is the Department’s view about the efficacy of setting?

Mr Normington: Generally we have encouraged setting in subjects like maths but we have not done a great deal of work on the efficacy of setting.

Q127 Mr Gibb: Given that *Excellence in Schools* says that the default position should be setting, is that not rather an odd answer?

Mr Normington: That is the position that we have adopted. We have not made setting a central feature of our policies and we have not done a lot of analysis of the impact of setting.

Q128 Mr Gibb: Can I ask you why then the Labour manifesto which you are supposed to be implementing says that they want an increase in the amount of setting and also *Excellence in Schools*, the White Paper of 1997, also says that unless schools can prove better results than otherwise the position should be that they should have setting?

Mr Normington: I was not aware that the Labour manifesto said that, I am sorry. Setting has not been a major feature of this Government’s policy. We have encouraged it where schools think it can be helpful.

Q129 Mr Gibb: Can I recommend you read two things, amongst other things, you read the Labour manifesto of 1997, which you are meant to be implementing, secondly you read the White Paper *Excellence in Schools*. You might also want to read the NIESR report of Professor Prais and also some of the literature on setting, particularly Kulik & Kulik who say that you get very, very increased levels of attainment when you have setting and you tailor a curriculum to the specific ability levels. Can I ask two more questions on that subject. How do you change the schools ethos? Where does the power lie in democracy to try to change what happens in our schools? Does it lie here in the House of Commons or with you? Does it lie with the LEAs? Does it lie with people who are not accountable to any officials? Where does it lie? How can we change these things in our schools in a democracy?

Mr Normington: Formally, if you are talking about head teachers, the position is usually that the governors are responsible with the support of the local authority for changing the head teacher. A great deal of the activity to improve schools has to take place at local level. We can provide the challenge for local authorities and schools to do that. Who employs the head teacher is usually the governors and they are the people who appoint a new head teacher as well.

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Q130 Mr Gibb: So if my authority, West Sussex County Council, wish to change a number of these policies, for example they want schools to set lessons, they would have the power to do that?

Mr Normington: I do not think they would have the powers to do that.

Q131 Mr Gibb: Where does the power lie to do that?

Mr Normington: The final decision, unless it is in the law, about how to apply the curriculum is taken in the school.

Q132 Mr Gibb: So the people have no say at all?

Mr Normington: The people in terms of how is the efficacy of that then judged, it is judged by Ofsted when they come to look at the practices of the school. That report is published and delivered to parents.

Q133 Mr Steinberg: On page 31—basically I am taking this to its widest extreme—the transition from primary school to secondary school. Could I just say this is a vitally important area for the North East of England and I think Mr Bell might be the best to answer this. I am quite sure he is fully aware of the problems. We have a situation in the North East of England where in terms of results and league tables and performance our primary school pupils do extremely well but within five years of secondary education they perform appallingly compared with the rest of the country. Do you think that has anything to do with culture? Do you think it has anything to do with parental occupation? Do you think it has anything to do with class background, if you like? Why is it that we do have this huge problem which we have not been able to put right? Although performance is improving, it is still very bad.

Mr Bell: I think there are a couple of factors that I would draw attention to. One is the value that is placed on education historically in certain parts of the country—this is not just a phenomenon that one might expect to find in the North East of England—where there has not been a tradition, perhaps, of higher education and further education. That seems to take a long time to overcome and, therefore, I know schools and local education authorities are doing much to try to persuade parents and children and young people the value of education. The second point I would make is actually one that you began with and that is the transition between primary and secondary schools. We looked at this issue in some detail last year and we did see that for a number of children that was a critical falling off point. They seemed to be relatively well motivated and enthusiastic at primary school but for many of them it was not the social transition between primary and secondary school that really got to them, it was the education transition; the transition in educational terms from primary to secondary schools was not smooth enough. The secondary schools did not always build enough when they came from primary schools and, therefore, children became less motivated. I think there are out of school factors

which schools and others can help address but I think one of the themes of today has been of course those things that schools themselves can do and giving great attention to the quality of movement between primary and secondary schools, the quality of education, the continuity of education, is all very important too.

Q134 Mr Williams: I dealt earlier particularly with the resources and what I felt was the vilification of staff who actually were doing good jobs in very difficult circumstances and I am not suggesting everyone is. From your replies I assume that you would agree, as we do, that as well the value of having this information is to allow parents to choose what is best and what would be worst for their children. That is one of the objectives, is it not?

Mr Normington: Yes.

Q135 Mr Williams: You see when we look then at the bottom part of paragraph 2.10 on page 18—and my couple of questions will all focus on this page—it says that 621 schools were ranked in the bottom 20% of academic achievement at GCSE level but when external factors—back to external factors—were taken into account only 272 were ranked in the bottom 20%. In fact, 60 of them were in the top 20%, a complete reversal of the position. 10% of them were wrongly classified as being amongst the worst when they actually should have been amongst the best. Now that cannot give you any satisfaction in terms of the integrity of the information that is being published, can it?

Mr Normington: We are publishing this data now alongside—

Q136 Mr Williams: Yes, I know.

Mr Normington: We did not have it before. We are publishing it alongside the previous data because all this says is if you measure on this basis, taking account of these external factors you produce a different order of merit, if you like, than if you measure on the previous basis. You do need to look at all those measures, not just at one.

Q137 Mr Williams: You are using a more limited set of external factors than the NAO has used in its analysis. You have used just one, prior attainment. If you look at the table that is immediately below, table 7, you look at the bar diagram and look at the second from the top and the top 20 and, in fact, 220 of that 621, over a third, are actually in the middle or above.

Mr Normington: Yes.

Q138 Mr Williams: Yet they have been wrongly classified as below.

Mr Normington: To be clear, we are using our data which is what the NAO used. We are not doing an analysis which is not quite as sophisticated as them but what we are producing are performance results based on prior attainment. They produced broadly the picture that is in this Report. So although the NAO has done a lot more sophisticated work, in

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terms of what is in this Report this is also what we are now publishing as well, which I agree is much fairer to schools and gives parents a much better rounded picture of that school but they do also need to know what the performance of that school is in GCSE. What we want is to get as many pupils to good GCSE levels as possible because that is the way you then progress in education and training after 16. It is really important to be measuring GCSE performance as well.

Q139 Mr Williams: The NAO refers in paragraph 2.24—there is no need for you to go to it—to the fact that they have restricted their analysis in some of the schools to those which Ofsted have inspected since January 2000. So some of the criticism applies to the modern information. Can I then go to the NAO and ask if they would mind providing us, and are able to provide us, with some further information.³ First we have had the suggestion from the Department that their definition of external leads to a broad correlation with your definition of external in terms of what it shows about the quality of education. Can you try to give us an analysis of that?

Mr Burr: Yes.

Q140 Mr Williams: The second thing I would ask for, if I can find it, yes, the information you have provided in 2.10 about the bottom 20%, can you give us the equivalent reverse information of the top 20% so we can see how many of those should have been there?

Mrs Hands: I understand.⁴

Mr Burr: Yes.

Mr Williams: These are not questions, Chairman, they are just requesting information.

Chairman: Thank you very much, Mr Williams. Mr Bacon?

Q141 Mr Bacon: Very quickly. Mr Normington, you said you hope to move from 72 streams of funding down to five. How long will that take?

Mr Normington: I do not know. I cannot promise you a period in which that is going to happen. We are on the case now and we are reducing the number of funding streams. I still do not really think it should be 72.

Q142 Mr Bacon: Does it worry you that schools applying for specialist status, sometimes extremely good schools, invest a huge amount of money and time and then fail right at the end when they find the goalposts have moved slightly and then they fail a second time or a third time or a fourth time?

Mr Normington: It would worry me if schools were failing because they had not understood where the pass mark was.

Q143 Mr Bacon: The goalposts kept moving.

Mr Normington: It would worry me if they did not know that and if that had happened.

Q144 Mr Bacon: Why do they keep moving slightly?

Mr Wanless: Each adjustment has been in order to simplify the application process to make it easier for schools, and for much the sort of reasons that you are suggesting in the line of questioning. The specialist school trust is there to help applicants ensure that they understand the process.

Q145 Mr Bacon: Mr Normington, we talked about schools being eight times oversubscribed. Can you say what you think normally happens when something is oversubscribed?

Mr Wanless: Do you mean when lots of parents do not get their children in?

Q146 Mr Bacon: Yes, I am talking about in the abstract, what happens normally when demand for something rises?

Mr Normington: There is greater competition for those places. I am sorry, I am not quite sure what you are asking.

Q147 Mr Bacon: The point I am making is about demand and supply. When demand for something goes up and something is oversubscribed the supply disappears. If everyone wants to buy one record it ends up as number one in the charts. What is so strange about education is that if the demand for some particular thing rises, at least to some extent one cannot develop arrangements which enable the supply element to rise as well. For example, more money to follow those pupils so the school builds an extension and gets new classrooms because the demand has gone up, why can that not happen?

Mr Normington: We have changed the guidance to local organisation committees which take these decisions to provide a greater possibility for schools that are popular to expand and also to ensure that some money is available to make that happen. But there are all kinds of reasons why in a particular area it is not possible for that school to expand first. It is not like a sort of consumer good which you can just switch on because you have to have more classrooms, you have to have more teachers, you have to have more facilities. Those things are not just created overnight unless the school by some chance has the ability to do that. Many of them do not because many of them are in very constrained circumstances and would have to build.

Mr Bacon: I would like to keep going but I have had a message from the Chairman.

Q148 Mr Jenkins: Mr Bell, you said in a previous reply that in September you changed your inspection regime resulting in a third more failures. Could you let us have a note, please, on why you

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changed the regime, what you changed it to, why you had this level of failures and what you will do about it?

Mr Bell: Yes.⁵

Q149 Mr Jenkins: Mr Normington, you said that free school meals are a good indicator—I am quoting now—and the Working Families Tax Credit has taken many families above the income level and it has taken free school dinners out but they are still deprived. Also can you tell me why you feel that the behaviour of school children now is not given greater credence in a society that is getting more and more difficult to place in all areas?

Mr Normington: We do not think free school meals is a perfect measure for some of the reasons you have described. We are looking for alternatives. Secondly, I think it is a whole new subject, is it not, why behaviour in society amongst children is declining but it seems to be.

Mr Williams: Can I draw your attention to one extra thing which has emerged recently in the press analysis of the housing boom. There it is pointed out there is such a thing as school premium in terms of house prices in that people are actually deliberately moving into catchment areas and, therefore, inflating prices on the basis of the reputation of individual schools and where those reputations are based on imbalanced statistics you can see there is a social implication to this beyond the educational factors we have been considering.

Q150 Chairman: That is a point, not a question. I have one question to remain within my time. Why is it that—I was referring to the complexity of funding streams, Mr Normington—pupils in secondary schools in the Royal Borough of Kensington and Chelsea receive £1,400 more in Kensington and Chelsea than in Hammersmith and Fulham in secondary schools?

Mr Normington: That will be to do with the range of factors in the formula which will be to do with need.

Q151 Chairman: The need in Kensington and Chelsea is greater?

Mr Normington: North Kensington is a very deprived bit of London. We all have a picture of Kensington and Chelsea but it is not all the bit around Harrods. I can provide you with a note on that.⁶

Q152 Chairman: Please provide me with a note.

Mr Normington: On why it happens. It is how the formula allocates the money.

Chairman: All right. Gentlemen, thank you very much for what has been a very interesting session. This is the front line of party politics but we have tried to look at the figures and derive some knowledge so we can base our own opinions on that. We will attempt to produce a report which draws some interesting conclusions, particularly on what we have heard about external factors. Thank you very much.

⁵ Ev 16–18

⁶ Ev 19–20

Supplementary memorandum submitted by the Office for Standards in Education

CHANGES TO THE SCHOOL INSPECTION FRAMEWORK: SEPTEMBER 2003

At the end of my appearance in front of the Committee of Public Accounts on Monday 8 December 2003, Mr Brian Jenkins MP asked me to provide some further information with regard to the above subject.

Ofsted has a statutory responsibility to keep the inspection system under review. Inspection has evolved and improved significantly since 1993. The new Framework draws on previous experience and builds on good inspection practice developed over the years. As many schools are approaching their third inspection it is important that Ofsted reflects developments in education.

There are five major changes to the September 2003 Framework. They are:

- differentiation of inspection by more emphasis on a school's special features and performance, and more account taken of self-evaluation;
- proportionality of inspection linked to the effectiveness of the school so that very good schools have up to six years between inspection and weaker ones have more frequent inspections;
- comparability of inspection in that a common framework applies to all primary, nursery, secondary and special schools and pupil referral units schools;
- dissemination of best practice by inspectors seeking out and reporting on outstanding features of schools; and
- the importance of seeking and taking into account the views of pupils.

Background

These major changes have meant that inspectors have had to modify their inspection practice. The aim of this being to improve the effectiveness, rigour and responsiveness of inspection. Significant changes in the inspection guidance and methodology are listed below.

Inspections are tailored more closely to individual schools. The notion of a blanket approach or a “one size fits all” inspection system is a thing of the past. Inspection now matches the context, character and performance of the school and should provide a well-matched and robust diagnosis of the school. Better use is made of pre-inspection information to focus on what matters most in terms of the strengths and weaknesses of the school. Inspectors should ensure they take a balanced approach and provide explicit examples of excellent practice in the published report. This is to disseminate good practice and help practitioners to use it as a model.

In matching the inspection to the needs of the school there is a changed approach to looking at subjects. The balance of time used in inspecting the curriculum will vary to reflect the performance in the different subjects. For example, where there are high standards in English, mathematics and science, the new arrangements allow these subjects to be sampled so that closer attention can be paid to other areas of the curriculum. This differentiated approach helps the school to improve and also contributes to national policies for raising standards.

There is stronger guidance on evaluating inclusion and race equality. The 2003 Framework specifies that inspectors should highlight the achievement of different groups when evaluating standards. Other areas of the Framework emphasise the promotion of equality of opportunity. When evaluating and reporting on governance, inspectors assess the extent to which the governing body ensures that the school fulfils its statutory duties, including the promotion of inclusive policies in relation to race equality. Matters of inclusion and race equality are more explicit than in any other Framework.

The new inspection Framework places greater emphasis on testing the school’s self-evaluation—building on the good work that goes on in schools. This is to ensure that inspection under the new arrangements is less onerous and intrusive as schools take a bigger part in the inspection process. Inspectors acknowledge and take account of what the school knows about itself. However, this does not mean that inspections are less rigorous or thorough. Ofsted has a duty to assure the public about the quality of our children’s education.

Seeking the views of pupils is a new development in inspection practice—and matches well with the government’s commitment to giving children and young people a real say about services which affect them, in order to make them feel heard and valued. Pupils and students are key stakeholders. It is important that inspectors seek their views by questionnaires and by interviewing them during inspections. Schools are free to use their own questionnaires in seeking pupils’ views which inspectors will take account of in lieu of the exemplar questionnaires. A further reason for canvassing pupils’ opinions is that it is consistent with the National Curriculum for citizenship’s encouragement to pupils to “participate” and take “responsible action”.

In line with the workforce remodelling agenda, a new feature of the Framework is the importance of minimising the stress that inspection can bring to teachers, headteachers, governors and pupils. This means keeping to a minimum the amount of additional or new work required in preparation for an Ofsted inspection. There is no expectation that teachers should do extra work before an inspection.

In response to developing inspection techniques the new guidance sets out more explicitly than before grade descriptions for judging the effectiveness of different aspects of a school’s provision. The descriptions include the characteristics which illustrate where to pitch judgements. The distinctions between grades are clearer than in previous guidance, particularly on the boundaries of very good/good, good/satisfactory and satisfactory/unsatisfactory. This is to achieve greater consistency across inspections.

The guidance highlights the continuous development and honing of inspection skills. There is a stronger focus on testing assertions and challenging assumptions rather than relying on what inspectors are told. The importance of gathering first hand evidence is paramount. Linking cause and effect is stressed, that is, testing the effectiveness of a school’s provision through how well pupils achieve. Indeed there is a stronger attention to mastering the inspection of achievement, which is whether pupils are making the progress they should and achieving as much as they are capable of.

Charting the impact of leadership has greater emphasis in inspections. It is made explicit that the quality of leadership, supported by efficient management and perceptive governance, is central to the effectiveness of a school. This increased emphasis on leadership and management in schools takes into account not only the contributions of the headteacher but all staff with leadership and management responsibilities at every level, and governors. Every member of the inspection team has a part to play in gathering evidence about leadership and management in the areas and subjects on which they are focusing. Inspectors should consider the extent to which leadership is embedded throughout the school and not vested solely in senior staff.

Schools that are failing or likely to fail to provide an acceptable standard of education, and require special measures

Registered inspectors have judged more schools to be failing, or likely to fail, and therefore to require special measures, following their section 10 inspections in September and October this year than was the case in September and October 2002.

The comparative figures are:

September to October 2003	38
September to October 2002	20

It must be stressed that, at 10 December 2003, three of these judgements (one from September and two from October) had not been corroborated.

In addition, 12 schools were made subject to special measures following section 3 inspections by HMI and additional inspectors in September and October 2003, compared with 14 in the equivalent period in 2002.

More section 10 inspections took place in September and October 2003 (842) than in September and October 2002 (739). The percentages of these inspections which resulted in the judgement that the school was failing or likely to fail were:

September to October 2003	4.5%
September to October 2002	2.7%

These figures remain provisional at this stage.

Why more schools are failing

Ofsted does not yet have all the data from the inspections this term which have resulted in the judgement that the school requires special measures, and so it is too early to be certain about the factors which have led to the judgements.

However, the notification forms sent to Ofsted by registered inspectors and corroboration reports by HMI suggest that the most common factor has been weaknesses in the quality of leadership and management. In many cases, weaknesses in the quality of teaching also appear to have been a significant factor.

As indicated above, the guidance set out in the September 2003 inspection handbooks includes more explicit grade descriptions for judging the effectiveness of different aspects of a school's provision, including the quality of teaching, in order to achieve greater rigour and consistency across inspections. The new framework and guidance also place greater emphasis on the impact of the school's leadership. In preparing them, Ofsted has worked with the DfES and the NCSL in distinguishing leadership from management and this has, undoubtedly, sharpened the focus on leadership during inspections.

Action taken when schools are judged to require special measures

When, following a section 10 inspection, a school is judged to require special measures, the judgement must be corroborated, or not, by HMCI. When the judgement is corroborated, the school is required to send its post-inspection action plan to Ofsted and the LEA is required to produce a commentary and a statement of action showing how it will support the school's improvement. HMI visit the school to monitor and evaluate the progress being made by the school to improve the standard of education for its pupils. The first visit is normally made about six months after the inspection. Further visits are made, usually termly, until the school has improved sufficiently for HMI to write a report stating that it is providing an acceptable standard of education, or until the school is closed.

Mr David Bell
Her Majesty's Chief Inspector of Schools

16 December 2003

Supplementary memorandum submitted by the Department for Education and Skills

Questions 85–88 (Mr Bacon): How much funding, on average, is being delegated by Local Education Authorities (LEAs) to schools?

Over recent years an increasing proportion of the funding has been delegated from LEAs for schools to spend themselves. The Government remains committed to achieving the highest possible level of delegation to schools which is compatible with the need of LEAs to retain the resources they need to carry out their own essential functions.

The funding delegated by LEAs to schools over recent years has been:

2000–01	84%
2001–02	86.3%
2002–03	87.2%

Only about one-tenth of the funding retained centrally by LEAs relates to “central administration”. Most of the retained funding relates to such items as school transport, special educational needs (SEN); out-of-school education and behaviour support; and school improvement.

Questions 150–152 (Chairman): Why do secondary schools in Kensington and Chelsea receive £1,400 per pupil more than those in Hammersmith and Fulham?

Under the current formula funding system, the Government is providing the same funding for all comparable pupils right across the country. Additional top-up funds are then added to deal with the additional costs of educating deprived pupils, and the additional costs of recruiting and retaining staff in areas where wage costs in general area highest. The needs of sparsely populated areas are also properly reflected.

Kensington & Chelsea and Hammersmith & Fulham are both inner London authorities which benefit from the same factor in the formula to take account of area costs (the Area Cost Adjustment).

On the measures for deprivation, Kensington has above the average percentage of children of families in receipt of Income Support (the most highly weighted deprivation factor) and Hammersmith well above the average. Both have well below the average percentage of families receiving the Working Families Tax Credit. Both authorities have well above the average percentage of children (in primary schools) with English as a second language and from low achieving ethnic groups (in secondary schools). The table below illustrates this.

MEASURES OF ADDITIONAL EDUCATIONAL NEEDS

	<i>Income Support</i>	<i>WFTC</i>	<i>Primary English as a second language</i>	<i>Secondary Pupils from low achieving ethnic groups</i>
Kensington and Chelsea	23.0%	7.5%	46.1%	45.1%
Hammersmith and Fulham	36.3%	10.9%	38.3%	42.5%
England average	19.8%	19.0%	9.8%	9.1%

The impact of this data, pupil number composition and low birth weight (in the high cost pupil funding block), act to give Hammersmith £4,643 per pupil in its Education Formula Spending Share in 2003–04, and Kensington £4,438 per pupil.

However, for 2003–04, the Department wanted to ensure that all authorities received an increase in their Education Formula Spending Share of at least 3.2% per pupil, in addition to compensation for the bulk of the teachers’ pension contribution increase and the transfer of grant into general funding of nursery grant and class size grant.

To ensure that all authorities received the 3.2% increase, extra funding was provided (damping allocation) to protect those authorities who would otherwise have seen a lower increase in 2003–04 as result of the change to the new funding system.

In the case of Hammersmith and Fulham, its increase would have been 2.7% per pupil without its damping allocation of £360,000. That had the effect of increasing its funding per pupil by an extra £22, from £4,643 to £4,665.

For Kensington and Chelsea, the effect of the damping allocation was more significant. It would have seen a decrease in its EFSS of 4.3% without its damping allocation of £3.7 million. That had the effect of increasing its funding per pupil by an extra £348, from £4,438 to £4,786.

Therefore, taking account of both authorities 3.2% per pupil increases and compensation for the pension contribution increase and grant changes, Hammersmith’s EFSS per pupil aged three to 15 in 2003–04 is £4,665 and Kensington’s is £4,786.

If the authorities’ formula funding and standards fund grants are taken into account for all pupils aged three to 19 in 2003–04, Hammersmith’s funding per pupil is £5,370 and Kensington’s is £5,590.

In neither case is there a £1,400 difference between the two LEAs.

However, the amount that individual schools receive depends on the locally agreed formulae. It is for LEAs, through their formulae, to ensure that funding for additional needs reaches those schools that need it. LEAs are best placed to know the local needs and priorities of their schools.

Therefore, significant differences in funding per pupil can arise between a particular school with high numbers of needy and deprived pupils, compared with one with a low number of such pupils. Local authorities have provided us with Section 52 Budget statements which show the position of their schools.

According to Hammersmith and Chelsea's 2003–04 figures concerning secondary schools, the Sacred Heart High School's budget per pupil is £3,106, whilst the William Morris Academy's is £4,768 per pupil. According to Kensington's Section 52 report, Holland Park School's budget per pupil is £4,429, whilst the Sion-Manning RC School for Girls' is £4,097 per pupil.

Thus particular schools in neighbouring authorities can receive substantially different sums per pupil.

David Normington CB
Permanent Secretary
Department for Education and Skills

January 2004

Supplementary memorandum submitted by the National Audit Office

Question 95 (Mr Bacon): Methodology set out in Appendix 3 of the C&AG's Report

The methodology in Appendix 3 of the C&AG's Report was based on a complex analysis using multi-level modelling. This firstly looked at the impact of various external factors on academic performance by analysing the records of around 600,000 pupils each at key stage 3 and GCSE. The results of this analysis are shown in table 4 on page 44 of the C&AG's Report. The numbers in the table show the relative strength of influence for each factor, and whether the influence is positive or negative.

Some external factors have a stronger influence on academic achievement than others. Thus it can be seen that prior academic achievement is clearly the external factor that has the strongest positive link with academic achievement at both Key Stage 3 and GCSE level, such that pupils with a high level of academic achievement at the start of a key stage are more likely to achieve good results at the end (paragraph 2.29 of the C&AG's Report).

If the number is a negative (such as for the percentage of pupils eligible for free school meals), this suggests that the factor has a negative influence on performance, such that pupils in schools with a high proportion of pupils eligible for free school meals are, on average, less likely to achieve good results.

With regard to interpreting the influence of each factor in isolation, the figures for "Ethnicity—Indian" (1.3 at Key Stage 3 and 2.4 at GCSE), for example, suggest that when all other external factors have been taken into account, pupils from this ethnic group on average make slightly more progress than the average for all other pupils.

Using these results, analyses at school level were then run in the following four stages giving two scores for each school (at key stage 3 and GCSE) for each stage of the analysis:

- using measures of each school's pupils' academic achievement only;
- including the pupils' prior achievement at the start of the key stage;
- adding in other pupil-level background variables (table 2 on page 40 of the C&AG's Report); and
- adding in school-level background variables (table 3 on page 40 of the C&AG's Report).

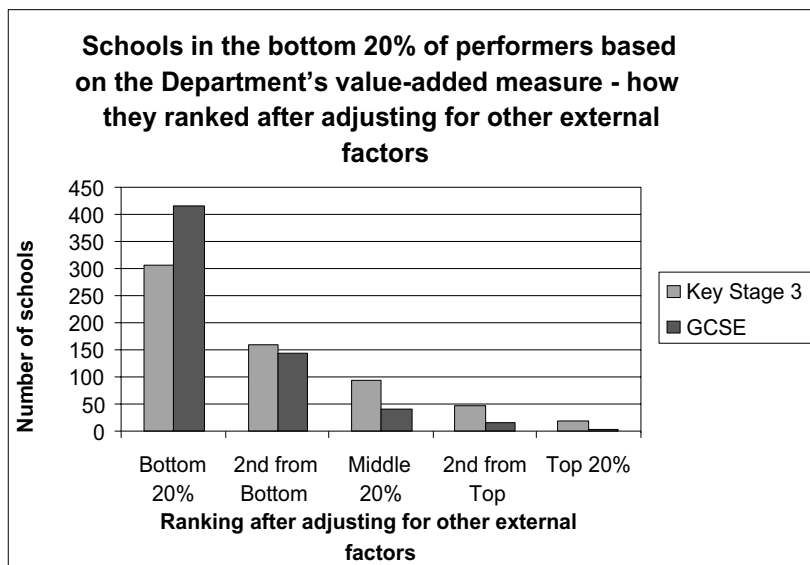
The two sets of scores for the first and last of these stages of analysis are depicted respectively in figures 14 and 15 on page 42 of the C&AG's Report (key stage 3), and in figures 16 and 17 on page 43 of the C&AG's Report (GCSE). In both cases, taking account to the influence on academic achievement of external factors (figures 15 and 17) has a two-fold effect:

- it reduces the range of variation between the performance of secondary schools (as explained in paragraph 2.8 of the C&AG's Report); and
- it changes the performance ranking of schools (as explained in paragraph 2.10 and illustrated in figure 7 of the C&AG's Report).

Question 139 (Mr Williams): the correlation between the NAO's analysis of performance taking account of the influence of external factors, and that of the Department that just takes account of prior academic achievement

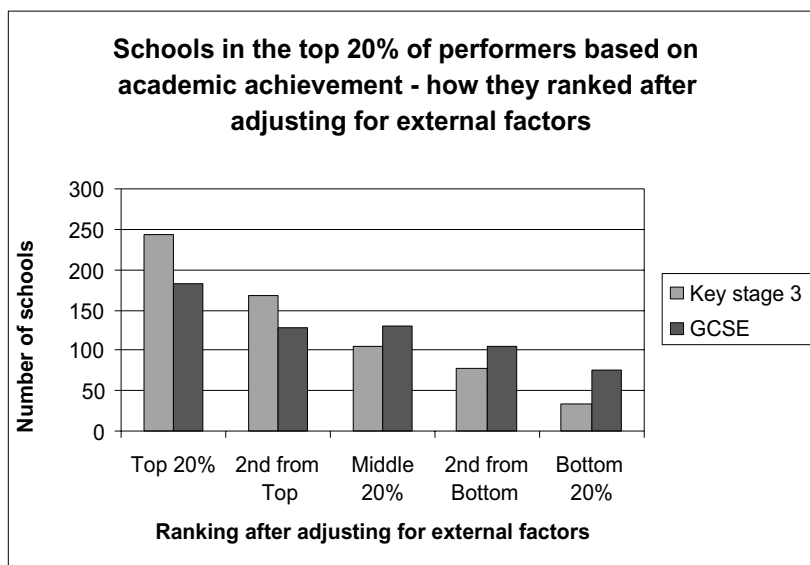
The NAO commissioned the multi-level modelling work from the National Foundation for Educational Research (NFER). As part of its analysis the NFER compared the outcomes of the Department's value-added measures of secondary school performance, which took account of prior academic achievement, with the outcomes of the analysis in the C&AG's Report, which took into account other external factors as well as prior academic achievement. The comparison showed a stronger relationship between the two sets of analysis at GCSE level (correlation coefficient 0.772) than at Key Stage 3 (correlation coefficient 0.655),

although for some schools there was a substantial difference in outcomes under the two measures. The NAO ranking of schools ranked in the bottom 20% based on the Department's value added measures is shown in the figure below.



Question 140 (Mr Williams): Ranking of schools that were in the top 20% of performers in terms of academic achievement in 2002, after adjusting for external factors

Of the 624 schools ranked in the top 20% of performers, in terms of academic achievement in Key Stage 3 tests in 2002, 243 were ranked in the top 20% when academic achievement was adjusted for the influence of external factors, with 33 ranked in the bottom 20%. Similarly, of the 621 schools ranked in the top 20% of performers, in terms of academic achievement at GCSE level in 2002, 182 were ranked in the top 20% after adjustment for the influence of external factors, with 76 schools ranked in the bottom 20%.



February 2004