

# The Importance of Teaching

The Schools White Paper 2010

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# Executive Summary

1. We are fortunate that our school system has important strengths. But our commitment to making opportunity more equal means that we cannot shy away from confronting its weaknesses.
2. There are many outstanding school teachers and leaders. But teachers consistently tell us that they feel constrained and burdened, required to teach the same limited diet to successive classes of young people. Most children and young people behave well, but teachers consistently tell us that their authority to deal decisively with bad behaviour has been undermined. More children are participating in education for longer, but the curriculum they are following contains too much that is non-essential and too little which stretches them to achieve standards matching the best in the world.
3. More young people are achieving qualifications, but it is no coincidence that many of the qualifications which have grown in popularity recently are not those best recognised by employers and universities, but those which carry the highest value in school performance tables. Schools have become skilled at meeting government targets but too often have had their ability to do what they think is right for their pupils constrained by government directives or improvement initiatives. Schools have more money overall, but it is distributed unfairly, with too much consumed by bureaucracy, both local and national.
4. As a result, our school system performs well below its potential and can improve significantly. Many other countries in the world are improving their schools faster than we are. Many other countries have much smaller gaps between the achievements of rich and poor than we do. The very best performing education systems show us that there need be no contradiction between a rigorous focus on high standards and a determination to narrow attainment gaps between pupils from different parts of society; between a rigorous and stretching curriculum and high participation in education; or between autonomous teachers and schools and high levels of accountability. Indeed, these jurisdictions show us that we must pay attention to all of these things at once if our school system is to become one of the world's fastest improving. Even the best school systems in the world are constantly striving to get better – Singapore is looking again at further improving its curriculum, while Hong Kong is looking at ways in which it can improve its teacher training.
5. In England, what is needed most of all is decisive action to free our teachers from constraint and improve their professional status and authority, raise the standards set by our curriculum and qualifications to match the best in the world and, having freed schools from external control, hold them effectively to account for the results they achieve. Government should make sure that school funding is fair, with more money for the most disadvantaged, but should then support the efforts of teachers, helping them to learn from one another and from proven best practice, rather than ceaselessly directing them to follow centralised Government initiatives.

6. This White Paper sets out our plans for continuing to take the action that is urgently needed.

## Teaching and leadership

7. All the evidence from different education systems around the world shows that the most important factor in determining how well children do is the quality of teachers and teaching. The best education systems in the world draw their teachers from among the top graduates and train them rigorously and effectively, focusing on classroom practice. They then make sure that teachers receive effective professional development throughout their career, with opportunities to observe and work with other teachers, and appropriate training for leadership positions.
8. So, we will:
  - Continue to raise the quality of new entrants to the teaching profession, by: ceasing to provide Department for Education funding for initial teacher training for those graduates who do not have at least a 2:2 degree; expanding Teach First; offering financial incentives to attract more of the very best graduates in shortage subjects into teaching; and enabling more talented career changers to become teachers.
  - Reform initial teacher training, to increase the proportion of time trainees spend in the classroom, focusing on core teaching skills, especially in teaching reading and mathematics and in managing behaviour.
  - Develop a national network of Teaching Schools on the model of teaching hospitals to lead the training and professional development of teachers and head teachers, and increase the number of National and Local Leaders of Education – head teachers of excellent schools who commit to working to support other schools.
  - Sharply reduce the bureaucratic burden on schools, cutting away unnecessary duties, processes, guidance and requirements, so that schools are free to focus on doing what is right for the children and young people in their care.
  - Recognise that schools have always had good pastoral systems and understand well the connections between pupils' physical and mental health, their safety, and their educational achievement and that they are well placed to make sure additional support is offered to those who need it.

## Behaviour

9. The greatest concern voiced by new teachers and a very common reason experienced teachers cite for leaving the profession is poor pupil behaviour. We know that a minority of pupils can cause serious disruption in the classroom. The number of serious physical assaults on teachers has risen. And poorly disciplined children cause misery for other pupils by bullying them and disrupting learning. It is vital that we restore the authority of teachers and head teachers. And it is crucial that we protect them from false allegations of excessive use of

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force or inappropriate contact. Unless we act more good people will leave the profession – without good discipline teachers cannot teach and pupils cannot learn. So, we will:

- Increase the authority of teachers to discipline pupils by strengthening their powers to search pupils, issue same day detentions and use reasonable force where necessary.
- Strengthen head teachers' authority to maintain discipline beyond the school gates, improve exclusion processes and empower head teachers to take a strong stand against bullying, especially racist, homophobic and other prejudice-based bullying.
- Change the current system of independent appeals panels for exclusions, so that they take less time and head teachers no longer have to worry that a pupil will be reinstated when the young person concerned has committed a serious offence.
- Trial a new approach to exclusions where schools have new responsibilities for the ongoing education and care of excluded children.
- Improve the quality of alternative provision, encouraging new providers to set up alternative provision Free Schools.
- Protect teachers from malicious allegations – speeding up investigations and legislating to grant teachers anonymity when accused by pupils.
- Focus Ofsted inspection more strongly on behaviour and safety, including bullying, as one of four key areas of inspections.

## Curriculum, assessment and qualifications

10. Raising the status of teachers and giving them renewed freedom and authority will make a significant contribution to improving schools. However, the best performing education systems also set clear expectations for what children must know and be able to do at each stage in their education, and make sure that the standards they set match the best in the world. Our system of curriculum, assessment and qualifications gives us the ability to do that in this country, but at present the National Curriculum includes too much that is not essential knowledge, and there is too much prescription about how to teach.
11. We need a new approach to the National Curriculum, specifying a tighter, more rigorous, model of the knowledge which every child should expect to master in core subjects at every key stage. In a school system which encourages a greater degree of autonomy and innovation the National Curriculum will increasingly become a rigorous benchmark, against which schools can be judged rather than a prescriptive straitjacket into which all learning must be squeezed.
12. So, we will:
  - Review the National Curriculum, with the aim of reducing prescription and allowing schools to decide how to teach, while refocusing on the core subject

knowledge that every child and young person should gain at each stage of their education.

- Ensure that there is support available to every school for the teaching of systematic synthetic phonics, as the best method for teaching reading.
- Ensure that there is proper assessment of pupils at each vital transitional stage of their education, to provide information to parents about how well their child has done and about the effectiveness of schools, and objective evidence for teachers: at age 6, a simple test of pupils' ability to decode words; at 11, as pupils complete primary education; and at 16 as pupils complete compulsory schooling.
- Introduce the English Baccalaureate to encourage schools to offer a broad set of academic subjects to age 16, whether or not students then go down an academic or vocational route.
- Hold an independent review of key stage two testing, seeking to retain a strong basis for accountability and information to parents and secondary schools, while alleviating the damaging effects of over-rehearsal of tests.
- Give the independent regulator, Ofqual, the task of making sure that exam standards in this country match the highest standards overseas.
- Reform vocational education so that it supports progression to further and higher education and employment, and overhaul our vocational qualifications following Professor Alison Wolf's review to ensure that they match the world's best.
- Raise to 17 by 2013 and then 18 by 2015 the age to which all young people will be expected to participate in education or training.

## The new school system

13. Across the world, the case for the benefits of school autonomy has been established beyond doubt. In a school system with good quality teachers, flexibility in the curriculum and clearly established accountability measures, it makes sense to devolve as much day-to-day decision-making as possible to the front line.
14. In this country, the ability of schools to decide their own ethos and chart their own destiny has been severely constrained by government guidance, Ministerial interference and too much bureaucracy. While Academies and City Technology Colleges (CTCs) have taken advantage of greater freedoms to innovate and raise standards, these freedoms too have been curtailed in recent years. Meanwhile, it has been virtually impossible to establish a new state-funded school without local authority support, despite convincing international evidence of the galvanising effect on the whole school system of allowing new entrants in areas where parents are dissatisfied with what is available.
15. We want every school to be able to shape its own character, frame its own ethos and develop its own specialisms, free of either central or local bureaucratic

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constraint. It is our ambition, therefore, to help every school which wishes to enjoy greater freedom to achieve Academy status. Some schools will not want to acquire Academy status just yet, others do not yet have the capacity to enjoy full Academy freedoms without external support or sponsorship. But our direction of travel is towards schools as autonomous institutions collaborating with each other on terms set by teachers, not bureaucrats.

16. So, we will:

- Increase freedom and autonomy for all schools, removing unnecessary duties and burdens, and allowing all schools to choose for themselves how best to develop.
- Restore for all Academies the freedoms they originally had while continuing to ensure a level playing field on admissions particularly in relation to children with Special Educational Needs.
- Ensure that the lowest performing schools, attaining poorly and in an Ofsted category or not improving, are considered for conversion to become Academies to effect educational transformation.
- Dramatically extend the Academies programme, opening it up to all schools: already there are 347 Academies, up from 203 in July.
- Ensure that there is support for schools increasingly to collaborate through Academy chains and multi-school trusts and federations.
- Support teachers and parents to set up new Free Schools to meet parental demand, especially in areas of deprivation.
- Give local authorities a strong strategic role as champions for parents, families and vulnerable pupils. They will promote educational excellence by ensuring a good supply of high quality school places, co-ordinating fair admissions and developing their own school improvement strategies to support local schools.

## Accountability

17. Analysis of the international evidence also demonstrates that, alongside school autonomy, accountability for student performance is critical to driving educational improvement.
18. It is vital that schools should be accountable to parents for how well pupils do, and how taxpayers' money is spent. Clear performance information and good comparative data are positive features of our system. But we must do better. Greater transparency in the funding system will mean that every parent will know the money which is allocated for their child's education, the amount spent by local government, and the amount available to the school. Comparisons between different schools and local authority areas will drive higher performance and better value for money.
19. Clear accountability measures are vital if we are to identify good practice in the best schools and identify those schools where students are being let down. But

existing measures of performance encourage 'gaming' behaviour – with primary schools over-rehearsing tests and secondary schools changing the curriculum to embrace 'equivalent' qualifications which count heavily in performance tables.

20. So, we will:

- Put far more information into the public domain, so that it is possible to understand a school's performance more fully than now.
- Place information on expenditure, including the amount allocated per pupil, online.
- Reform performance tables so that they set out our high expectations – every pupil should have a broad education (the English Baccalaureate), a firm grip of the basics and be making progress.
- Institute a new measure of how well deprived pupils do and introduce a measure of how young people do when they leave school.
- Reform Ofsted inspection, so that inspectors spend more time in the classroom and focus on key issues of educational effectiveness, rather than the long list of issues they are currently required to consider.
- Establish a new 'floor standard' for primary and secondary schools, which sets an escalating minimum expectation for attainment.
- Make it easier for schools to adopt models of governance which work for them – including smaller, more focused governing bodies, which clearly hold the school to account for children's progress.

## School improvement

21. Over recent years, centralised approaches to improving schools have become the norm. Government has tended to lead, organise and systematise improvement activity seeking to ensure compliance with its priorities. Government has ring-fenced grants, fettered discretion, imposed its will through field forces and intervened to micro-manage everything from the hours allocated to specific kinds of teaching to the precise nature of after-school activities.
22. We think that this is the wrong approach. Government should certainly put in place the structures and processes which will challenge and support schools to improve. And where schools are seriously failing we will intervene. But the timetabling, educational priorities and staff deployment of schools cannot be decided in Whitehall. And the attempt to secure automatic compliance with central government initiatives reduces the capacity of the school system to improve itself. Instead, our aim should be to support the school system to become more effectively self-improving. The primary responsibility for improvement rests with schools, and the wider system should be designed so that our best schools and leaders can take on greater responsibility, leading improvement work across the system.



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23. So, we will:

- Make clear that schools – governors, head teachers and teachers – have responsibility for improvement. We will end the requirement for every school to have a local authority school improvement partner (SIP) and end the current centralised target-setting process.
- Instead, increase the number of National and Local Leaders of Education – head teachers of excellent schools committed to supporting other schools – and develop Teaching Schools to make sure that every school has access to highly effective professional development support.
- Make it easier for schools to learn from one another, through publishing ‘families of schools’ data for every part of the country, setting out in detail how similar schools in a region perform, so that schools can identify from whom it is possible to learn.
- Make sure that schools have access to evidence of best practice, high-quality materials and improvement services which they can choose to use.
- Free local authorities to provide whatever forms of improvement support they choose.
- Ensure that schools below the floor standard receive support, and ensure that those which are seriously failing, or unable to improve their results, are transformed through conversion to Academy status.
- Encourage local authorities and schools to bring forward applications to the new Education Endowment Fund for funding for innovative projects to raise the attainment of deprived children in underperforming schools.
- Establish a new collaboration incentive, which financially rewards schools which effectively support weaker schools and demonstrably improve their performance.

## School Funding

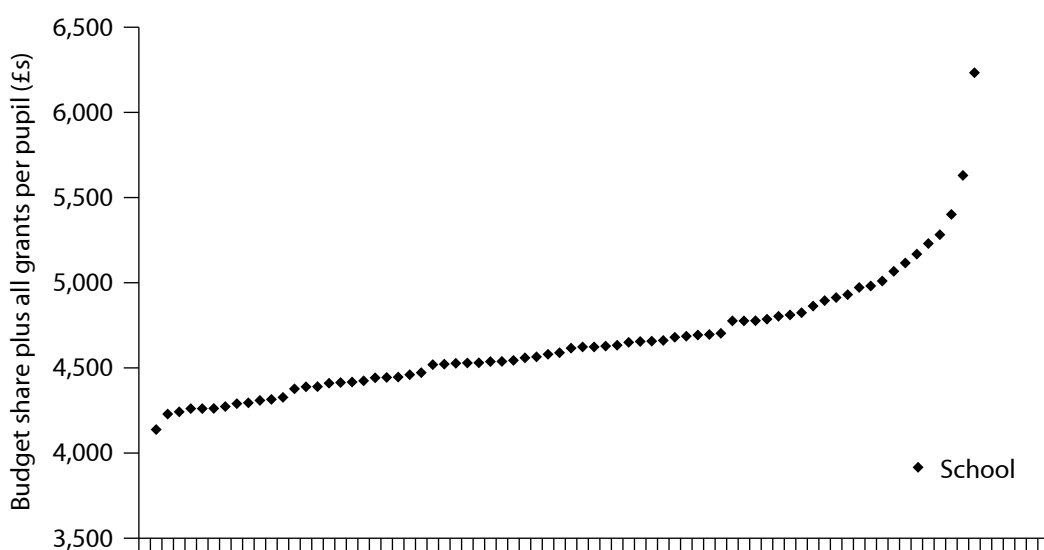
24. Our school funding system needs radical reform to make it more transparent, fairer and progressive. The lack of clarity about how Government allocates funds means that it is almost impossible, as things stand, to state definitively and transparently how much is allocated for each pupil in each school. And that opacity generates unfairness.
25. At present, one school may receive up to 50 per cent more funding than another school in similar circumstances serving a similar pupil body. The current funding system means that the money that schools receive depends more on history than on the current composition of their pupil body. At the same time, only around 70 per cent of the money that is intended by Government for the most deprived pupils is actually allocated to schools on that basis. We need to ensure there are appropriate incentives for schools to attract poorer students and raise their attainment.

26. The schools budget was protected in the recent Spending Review. At a time when deficit reduction is an urgent national priority, and other budgets are being cut, there is a real terms growth in school funding. It is vital that we now ensure that this money is distributed fairly and spent wisely. And with more limited capital resources, it is equally important that money is allocated more efficiently and less wastefully.
27. So, we will:
- Target more resources on the most deprived pupils over the next four years, through a new Pupil Premium. In total we will be spending £2.5 billion per year on the Pupil Premium by the end of the Spending Review period.
  - Consult on developing and introducing a clear, transparent and fairer national funding formula based on the needs of pupils, to work alongside the Pupil Premium.
  - In the meantime, increase the transparency of the current funding system by showing both how much money schools receive and what they spend their funds on.
  - End the disparity in funding for 16–18 year-olds, so that schools and colleges are funded at the same levels as one another.
  - Take forward the conclusions of the review of capital spending, cutting bureaucracy from the process of allocating capital funding and securing significantly better value for money.
28. The actions we set out in this White Paper learn systematically from the most effective and fastest improving school systems in the world. They are designed to tackle the weaknesses of our system, strengthening the status of teachers and teaching, reinforcing the standards set by the curriculum and qualifications, giving schools back the freedom to determine their own destiny, making them more accountable to parents, and helping them to learn more quickly and systematically from good practice elsewhere. Through taking these steps, we believe that we will create a system in which schools are better able to raise standards, narrow the gap in attainment between rich and poor and enable all young people to stay in education or training until at least the age of 18.

# 8. School funding

- 8.1 The funding of schools should be fairer and more transparent, enabling schools to meet the needs of their pupils. Extra resources should clearly follow those pupils who might need extra help and support, such as pupils from poorer backgrounds. Our current system falls well short of this. Over recent years, more money has gone into schools' budgets overall, but its distribution has not been fair. At present, as demonstrated by the graph below, inequalities in the funding system lead to huge variation in the money similar schools receive. We compared 72 secondary schools outside London, with similar size and intakes and found a variation in funding per pupil from just below £4,000 to well over £5,500<sup>101</sup>.

## Variation in budget share plus grants per pupil in 72 secondary schools without sixth forms, with 1,000-1,250 pupils of which between 9–13 per cent are eligible for free school meals, outside of London



72 secondary schools ranked by variation in per pupil funding

- 8.2 At the same time, only around 70 per cent of the money that is intended for the most deprived pupils is actually allocated to schools on that basis<sup>102</sup>. And the funding system has become increasingly opaque and unresponsive, with the money that schools receive depending more on what they received in the past than the characteristics and needs of pupils in the school now. Post-16 funding, although distributed on a more transparent basis, is also inherently unfair, with school sixth forms being funded on average £280 more per student than general FE colleges and sixth form colleges<sup>103</sup>.
- 8.3 The protection of the schools budget in the recent Spending Review, which sees real terms growth in school funding at a time when cutting the budget deficit is an urgent national priority, does not mean that there is no need for efficiencies to be made, and is a major investment in the future of the country. Our aim is that money is distributed more fairly so that it is the schools most able to make efficiencies which are asked to so do.

8.4 At the same time, we need to secure better value for money from capital expenditure. With more limited capital resources, we must make sure that money is spent wisely, allocated more efficiently and in a much less bureaucratic way. By doing so we can make sure that our existing school buildings are fit for purpose and meet the growing need for new school places.

8.5 If we are to help the most disadvantaged and encourage new providers into the state school system, we need to reform the way in which schools are funded, ensuring resources go straight to the front line and making funding overall more equitable, transparent and geared towards the most disadvantaged. We will:

- Target more resources on deprived pupils over the next four years, through a new 'Pupil Premium': extra money for each deprived pupil. We will be spending £2.5 billion per year on the Pupil Premium by the end of the Spending Review period.
- Consult on developing and introducing a clear, transparent and fairer national funding formula based on the needs of pupils, to work alongside the Pupil Premium.
- In the meantime, increase the transparency of the current funding system by showing both how much money schools receive on a school-by-school basis and how they spend their funds.
- End the disparity in funding for 16–18 year-olds, so that schools and colleges are funded at the same levels as one another, and at the levels of the most efficient.
- Devolve the maximum amount of funding to schools, making information and tools available to governors and head teachers which will support them in making good spending decisions.
- Take forward the conclusions of the review of capital spending, cutting bureaucracy from the process of allocating capital and securing significantly better value for money.

**For Alex Green, head teacher at Abington High School, every decision starts with asking what will have the biggest impact on the outcomes for the students.** At Abington, the improvement planning cycle matches the budget planning cycle. This ensures that funding is targeted on priorities, and enables leaders across the school to be in control of their own budgets. Everyone works towards enhancing value for money.

The school has established partnerships with local schools, FE and HE institutions and local businesses, buying goods and services together and sharing staff, facilities and funding. This saves money and allows Abington to provide more for its pupils, including specific vocational qualifications, extra challenge to stretch gifted children and additional courses to help pupils at risk. Strong financial management is having a direct impact on standards and outcomes for young people in south Leicestershire.

## We will target resources on the education of the deprived pupils through the introduction of the Pupil Premium

- 8.6 We want to see more resources being spent on the education of deprived children. We will make sure this happens by implementing a new Pupil Premium, which will provide additional money for each deprived pupil in the country. This money will go with eligible pupils to the school they attend, and will be distributed in addition to the underlying schools budget from 2011–12. In total, £2.5 billion a year on top of existing schools spending will be spent on the Pupil Premium by 2014–15. This will mean that head teachers have more money to spend on offering an excellent education to these children: it will also make it more likely that schools will want to admit less affluent children; and it will make it more attractive to open new Free Schools in the most deprived parts of the country.

**Addressing the disparity between rich and poor pupils is a top priority of the Coalition Government.** Poor pupils continue to underachieve compared with their peers; young children who are in the bottom 20 per cent of attainment in the Early Years Foundation Stage Profile are six times more likely to be in the bottom 20 per cent at key stage one than their peers<sup>104</sup>. The attainment gap between rich and poor opens up before children start school, is visible during the infant years<sup>105</sup> and increases over time, with pupils entitled to free school meals only half as likely to achieve five good GCSEs as their peers<sup>106</sup>.

It is for this reason that *The Coalition: our programme for government* sets out our intention to fund ‘a significant premium for disadvantaged children from outside the schools budget’. The Pupil Premium for disadvantaged pupils will provide additional funding specifically linked to disadvantaged pupils, with the primary objective of boosting their attainment. This money will not be ring-fenced at school level as we believe that schools are in the best position to decide how the premium should be used to support their pupils. The funding for the premium will be in addition to the schools budget which has been protected until the end of the Spending Review period. We will expect schools to account to parents for how it is used.

- 8.7 We will make available the evidence that we have about interventions which are effective in supporting the achievement of disadvantaged children including, for example, intensive support in reading, writing and mathematics. It is head teachers and teachers who are best placed to decide how best to support their pupils and we will make sure that the reformed performance tables include information on how well children eligible for the premium achieve.

## **We will consult on developing and introducing a clear, transparent and fairer national funding formula based on the needs of pupils and end the disparity in funding for 16–18 year-olds**

- 8.8 We are already simplifying schools funding by getting rid of ring-fences and giving schools a single funding stream – the Dedicated Schools Grant.
- 8.9 While the majority of schools are local authority maintained schools, funding will continue to pass to them through the local authority. But as more schools become Academies, with funding being given directly rather than through the local authority, so the requirement for a greater degree of transparency and consistency in allocating school funding becomes more pressing.
- 8.10 We want all schools to be funded transparently, logically and equitably, in contrast to the opaque, anomalous and unfair school funding system which reflects the historic circumstances of local authorities rather than the specific needs of individual schools and pupils; and leads to similar schools, facing similar challenges, receiving very different levels of funding. We also wish to see schools funded in such a way that every parent knows how much is being spent on their child, and every parent can see what proportion of education spending is not going direct to schools. Funding reform will be introduced in such a way as to minimise disruption and ensure schools' resources are not subject to sudden and dramatic change.
- 8.11 Because we plan, over time, to make Academy status the norm and wish to ensure more resources go direct to the frontline in a fairer way, our long term aspiration is to move to a national funding formula to ensure that resources going to schools are transparent, logical and equitable. In the short term, we will ensure that the amount available for the education of every child at school level is published and more money is passed directly to more schools as they become Academies.
- 8.12 In order to ensure any move to a new national funding formula is fair, transparent and managed carefully, we will invite views on: the merits of moving to such a formula, the right time to begin the transition to a formula, the transitional arrangements necessary to ensure that schools and local authorities do not suffer undue turbulence, and the factors to take into account in order to assess the needs of pupils for funding purposes. We will also invite views on how to ensure that the transparency of the Pupil Premium as additional resources for schools is maintained as the funding system is reformed. We will publish a consultation in the Spring of 2011, following discussion with partners including local authorities, school leaders and teachers' associations.
- 8.13 Subject to legislation, we intend to replace the existing Young People's Learning Agency and set up a new Education Funding Agency (EFA) as an executive agency of the Department with responsibility for the direct funding of the growing number of Academies and Free Schools and all 16–19 provision. This will include the funding of 16–19 provision in FE colleges, sixth form colleges and independent provision. As Academy status increasingly becomes the norm, the EFA will distribute more funding directly to schools. The EFA will also distribute

resources to local authorities for them to pass on, as now, to those schools which are not yet Academies.

- 8.14 Academies and Free Schools will continue to receive funding for the services which maintained schools receive from their local authority but which Academies and Free Schools are expected to pay for, given their independence from local authorities – for example behaviour support. We are reviewing the calculation of this additional funding to ensure it is fair both for local authorities and for Academies and Free Schools.
- 8.15 Local authorities are ultimately responsible for making sure the needs of some of our most vulnerable pupils, who attract significant additional funding, are met – such as those with highly complex Special Educational Needs and those being educated outside mainstream education. We will ensure that considerations of possible reforms to the school funding system take into account the needs of this group of vulnerable pupils.
- 8.16 The forthcoming Green Paper on Special Educational Needs and Disability will explore proposals for funding high cost provision – including exploring questions of how to increase transparency in how decisions about funding and support are made and increasing collaboration between local authorities. In relation to the funding of alternative provision, subject to the success of trials of our proposed new approach, we would anticipate that in the longer term, money for alternative provision will go directly to schools.
- 8.17 We are also committed to all young people staying on in education and training to age 18 by 2015 and a simple post-16 funding system which is fair and transparent will underpin this commitment. Historically, sixth form colleges and general FE colleges have been funded at a much lower level than school sixth forms delivering post-16 education: on average a full time student in a maintained school is funded at £280 more than a student in an FE college<sup>107</sup>. We will bring to an end the disparity by bringing the funding levels for school sixth forms into line with colleges so that there is equity in funding and increased value for money for the tax payer. The transition towards fairer post-16 funding will begin in 2011–12 and will be completed by 2015. We will provide the necessary transitional protection for schools facing significant changes.

## **We will devolve the maximum amount of funding to schools and make information and tools available so head teachers can drive improvement and realise efficiencies**

- 8.18 We want the maximum amount of funding possible to go straight into schools' budgets where it can make the most difference and so we will reduce all the Department for Education's other activities, programmes and initiatives by more than half over the next four years. In order for head teachers and governors to drive school improvement through realising efficiencies, we will make available information and tools they can use to realise value for money.

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- 8.19 As part of our drive for transparency, we will publish easy to understand data about how much each school spends and on what, alongside data about how well their pupils achieve. This will enable schools to compare for themselves the extent to which they deliver value for money, as well as equip parents with the information they need to ask questions of the school.
- 8.20 All schools should be working to make savings and should be spending their funds prudently with a proper regard for value for money. At the moment, local authorities are encouraged to claw back monies from schools where they have built up surpluses. There will continue to be some situations where claw-back is appropriate – for example where a school has built up an excessive balance or where some level of redistribution would support improved provision across a local area. However, consistent with our view that all schools should be moving to greater autonomy, we will remove the requirement for local authorities to have a claw-back mechanism from 2011–12, and review guidance on claw-back arrangements including on the level of balances deemed to be excessive and we will consult on making changes to the current arrangements from 2012–13.
- 8.21 It is vital that schools have good financial management and adopt rigorous financial standards to provide assurance on the spending of public money. But head teachers, school business managers and teachers have been telling government for a long time now that the current ‘Financial Management Standard in Schools’ (FMSiS), which all schools are required to have, is far too complex, burdensome and bureaucratic to be effective. We will replace it with a much simpler standard during the 2011/12 academic year, drawn up in association with schools themselves, which will give governors and head teachers real assurance that they are achieving value for money. Schools which have not yet achieved FMSiS will not be required to do so, but will be expected to be among the first schools to achieve the new standard.
- 8.22 School business managers make a significant contribution to the effective financial management of a school, saving on average 20–33 per cent of a head teacher’s time and covering their own salary in savings<sup>108</sup>. Obtaining the services (shared or full time) of a high quality business manager should be a priority for all governors and head teachers, unless there is someone in the management team with the relevant skills to undertake the role.
- 8.23 It is important that schools should be able to make savings on procurement and back office spend in order to invest resources in teaching and learning. The Spending Review announcement said that schools should be able to save at least £1 billion in these areas by 2014–15. This is practicable, but schools will need access to the best deals and will need to improve the way they buy goods and services. The contribution central government can make is to provide easy-to-access financial and procurement information and tools for schools to use if they wish. We will make sure that the best deals currently on offer are made available to schools, and look for improved deals where necessary, drawing these deals to schools’ attention. We will also work with schools and other partners to improve procurement practice in schools, and we will expect schools to seek ways to achieve financial and associated carbon savings by using energy as efficiently as possible.



**As the School Business Manager for a cluster of five primary schools in North Warwickshire, Peter James has brought clear benefits to all of the schools with which he works.** A qualified accountant, Peter had spent most of his career in the private sector. The expertise and skills Peter brings have enabled the cluster to realise financial benefits including £80,000 in savings so far. In addition he has saved all five head teachers substantial time, allowing two to provide support to other schools beyond the cluster.

The schools are now sharing ICT services, procuring jointly and sharing contracts. Having identified the initial savings, Peter is now working with the schools on more strategic plans to save them money by, for example, employing an additional teacher to work across all five schools to cover absent staff.

## **We will secure significantly better value for money on schools capital spending, through the independent review of capital**

- 8.24 Schools need buildings that are high quality and fit for purpose, with new ones built for the best possible price. Huge sums have been spent on school buildings over the last decade but the benefits have been undermined by the vast sums wasted on bureaucracy in the Building Schools for the Future programme – which is why we ended that programme.
- 8.25 Over the next four years there will be a 60 per cent real terms reduction in education capital spending. Nonetheless, we will spend £15.8 billion between 2011–12 and 2014–15, which is more per year than the average annual capital budget in the 1997–98 to 2004–05 period. Our priorities are to use that money to ensure that we address the poor condition of the existing school estate and ensure there are enough places for the predicted increase in the number of school age children, particularly at primary level. The independent review of education capital currently underway and due to report by the end of the year, will set out how the Department for Education’s capital budget should be allocated in future in the most cost effective way and targeted where there is most need.