

PRIME MINISTER

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DES
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AUDIT COMMISSION: TOWARDS BETTER MANAGEMENT OF
SECONDARY EDUCATION

LEA's Poor Response to Falling Rolls

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Secondary school rolls are falling rapidly at present. From a peak of 4.1 million in 1979 they are expected to reach a trough of 3.0 million by 1991 (a drop of 27%) and rise again to just under 3.3 million by the year 2000.

Potential savings from reduced demand are substantial. If the pupil teacher ratio of 1979 were to be maintained, by 1991 there would be 67,000 less teachers, equivalent to £830m per annum assuming the 1986 average cost per teacher: in addition non-teaching costs (heating, caretaking, cleaning and maintenance of buildings) would save £150-200m per annum: in total a saving of around £1,000m per year.

The theme of the latest Audit Report however is that the response by LEAs to actual and predicted falling rolls is poor eg:

- the reduction in teacher numbers does not match even the slowest rates of run-down considered by the Working Group (DES and LEA officials) advising the Secretary of State;

even assuming minimum closure assumptions we have 5,000 too many teachers at present at a cost of £65m per annum.

- costs per pupil are rising (18.6% in real terms per pupil since 1979) but these are reflected hardly at all in the quality of education.
- almost two-thirds of LEA's have made no strategic response to falling rolls.
- at present there is excess capacity in terms of pupil places at secondary schools of 16% - by 1991 this will rise to 25%.
- because LEAs are not closing schools, the equivalent of 1,000 secondary schools will be completely empty by the early 1990s, equal to 800,000 empty places.

Improving LEA's performance

The methods suggested for improving performance which require establishing project teams to conduct the reviews, include:

Teachers

- a. greater redeployment within and between LEAs by including a redeployment clause in all new contract and if necessary help with travel allowances and removal expenses;
- b. more use of part-time teachers;
- c. abolishing the 'ring-fence' which LEAs operate as part of their recruitment policies;
- d. early retirement and voluntary severance schemes;

Delegating Management Responsibilities to Heads

- e. greater freedom for heads to decide within annual budgets the balance of teaching staff, non-teaching staff, telephone costs, in-service training, books and supplies, heating and lighting, cleaning and maintenance, and the ability to carry forward items from year to year;
- f. ensuring that Governors are provided with accurate and timely management information;
- g. which in turn means management training for teachers.

Cambridgeshire and Solihull have already pursued these initiatives.

Making the Changes Possible

If LEAs are to make the necessary savings more radical changes are necessary.

(i) the process for securing school closures is long and complex: this needs to be simplified so that local education committees do not have more than one third local politicians sitting on them, the criteria the DES apply to reorganisation schemes needs to be clearer, and the objection requirements (at present 10 local electors can impede the process) need to be made more difficult (say requiring 750 people to object);

(ii) the effect of the rate support grant system is to penalise those authorities which reorganise eg

RSG EFFECT OF VOLUNTARY REDUNDANCY

100 teachers in selected authorities £ million	
Shropshire	£m 2.8
Liverpool	2.9
Hampshire	3.2
Cleveland	3.5
Manchester	3.7
Wolverhampton	3.8
Berkshire	4.0
Hounslow	5.8
[Base cost 100 × £20,000	2.0]

They are also penalised if they sell schools - only 30% of any such receipts can be added to their capital allocation.

- (iii) teachers have little direct stake in promoting change because of insufficient local flexibility to determine pay and conditions of service: the Burnham machinery which is complex, mechanistic and inflexible needs changing.

Conclusion

The Report contains a great many interesting ideas which the Secretary of State could usefully implement. In terms of the wider education debate the Review has major implications:

Sir K Joseph of course believes that the present Education Bill goes a long way towards this. (i) it strongly recommends greater delegation of management responsibilities to heads - which would be a useful step to take as soon as possible;

- (ii) it also strongly urges the abolition of Burnham - which is very useful for a post-ACAS report initiative sometime in the autumn;

- (iii) the existing and expected excess capacity in the system means that compulsory open-enrolment will yield high dividends;
- (iv) with 1,000 potential empty schools by 1991, people wishing to start new schools have ready made buildings which they could buy or rent;
- (v) if LEAs are to continue as central to the education service in this country the Report highlights the need for them to be provided with proper incentives if they are to succeed.

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