

The effectiveness with which the school deploys resources to achieve value for money

Briefing for section 5 inspectors

This guidance is intended to help inspectors judge the effectiveness with which a school deploys resources to achieve value for money. It should be read in conjunction with *The evaluation schedule for schools*.

Age group: All

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Introduction

1. The *framework for school inspection* published in July 2009 reaffirms the requirement for inspectors to be satisfied that the school offers 'value for money'. A 'value for money' judgement is made on all section 5 inspections. This is a composite assessment of the school's effectiveness, efficiency and economy in relation to its use of resources. However, section 5 inspections are not financial audits. The emphasis should not be on the details of financial planning but on the extent to which decisions on spending and the allocation and use of resources bring about improvements and benefits for pupils.
2. The evidence gathered to help inspectors reach their judgements on outcomes for pupils, the quality of provision and the effectiveness of the school's leadership and management, will contribute strongly to the judgement about 'value for money'.

Guidance

3. The grade descriptors make plain that the starting point for this judgement is the quality of the outcomes for pupils regardless of the school's level of funding. Inspectors are not expected to make comparisons about the performance of schools in the light of their relative funding. The school's purpose is to use whatever level of funding it has to the best advantage of its pupils; inspectors will be interested in most instances only in the outcomes for pupils. In nearly all cases, the value for money judgement will match the grade given for 'outcomes for individuals and groups of pupils'. If outcomes are satisfactory or better, inspectors should consider making a different judgement for value for money **only** if there are major shortcomings in the management of resources. These shortcomings should be of sufficient magnitude to support an inadequate judgement for value for money.
4. In other words, inspectors are not asked to attempt to make fine distinctions between grades based on a view of the money available to a school. If, for example, they judge that outcomes are outstanding, they should not consider whether the value for money judgement should be 'downgraded' to only good or satisfactory because the school appears to be well-off. Similarly, inspectors should not upgrade the value for money judgement because they think that the school is achieving well despite low funding.
5. If outcomes for pupils are inadequate, the value for money judgement will also be inadequate.
6. Inspectors may become aware of potential 'major shortcomings in the management of resources' at the pre-inspection stage because there is

evidence of a large deficit¹ or an excessive surplus which is not backed up by a clear plan for its use.² Sometimes major shortcomings may only emerge once the inspection is underway. Parents, for example, may report significant concerns about money being wasted or the school failing to provide adequate resources for learning. Usually, if outcomes are satisfactory or better but there are serious concerns about the use of resources, it is likely that other weaknesses in leadership and management will be present. A failure to manage resources effectively may mean that there are failings in governance. There may be failings in 'embedding ambition and driving improvement' if leaders and managers are not using funding to support appropriate priorities. An inadequate judgement for value for money is likely, therefore, to be one of a number of inadequate grades which will contribute to a decision about the school's capacity to improve (and therefore its overall effectiveness).

7. If there are early indications that there may be the possibility of major shortcomings, the inspectors will need to scrutinise the issues and explore in some detail how the school manages its resources. The lead inspector must ensure that a robust evidence base is secured to substantiate either that there are, or are not, good reasons for an inadequate judgement for value for money.
8. In these circumstances, inspectors will find it helpful to consider the following areas:
 - funding
 - staffing
 - accommodation and the school site
 - material resources and equipment.

Funding

9. Inspectors should not concern themselves with 'tracking income streams' or the allocation of funding, but with the impact of the school's decisions and the effectiveness and efficient use of its available resources. Inspectors may find the following prompts useful.
10. How well do leaders and managers (and, where appropriate, governors or the equivalent):
 - know and understand the school's financial position? Can they explain the overall level of school funding, major financial decisions which have been

¹ Inspectors will need to use their professional judgement to decide whether the size of the deficit, its origin and the way it is being managed constitute a major shortcoming.

² Surpluses in excess of 5% of a school's budget are considered to be large. Whether they are excessive is a matter for professional judgement in the light of the school's circumstances and plans.

made and the impact these have had on the school's effectiveness and its planning for the future?

- understand how to manage resources efficiently, derive best value from purchasing decisions, and operate with appropriate controls and lines of accountability? Inspectors will want to ask whether the school has achieved the Financial Management Standard in Schools (FMSiS).³
- use the school's improvement priorities for improving outcomes for pupils when deploying resources; for example, how well does the school evaluate outcomes for pupils in comparison to other schools and use available funding to target improvements?
- take balanced decisions between competing priorities for the allocation of resources?
- justify and explain fully the effective allocation of resources, including staffing?
- demonstrate the effectiveness of financial planning to use surpluses or to recover from a deficit position; for example, the length of time this has been held, the amount relating to overall funding and costs, and future plans?

Staffing

11. Inspectors will want to consider how well leaders and managers recruit and deploy teachers and other staff to ensure high outcomes for pupils. They may find the following prompts useful.
12. How well do leaders and managers (and, where appropriate, governors or the equivalent):
 - ensure the adequacy and suitability of staff, including the effectiveness of processes for recruitment and selection of staff
 - deploy staff, both teaching and non-teaching, to improve outcomes for pupils; for example:
 - what is the impact of intervention or collaborative programmes on improved outcomes for groups of pupils?
 - has the education programme improved examination success rates?

³ In July 2005, the Government announced its expectation that all secondary schools in England should have met the Financial Management Standard in Schools (FMSiS) by March 2007. The standard is intended to help schools evaluate the quality of their financial management and aid staff to become better financial managers. All schools are required to meet the FMSiS by March 2010. The targets for primary, nursery and special schools are 40% by March 2008, 40% by March 2009 and 20% by March 2010. Section C of the SEF invites governors to indicate whether '...where applicable, the governing body has met the Financial Management Standard in Schools'.

- does the behaviour management programme make a positive difference?
- plan for, and invest in, the continual professional development of all staff. For example, is training linked to the school's priorities? Is training dedicated to the needs of the school alone or to the wider development of the member of staff?
- organise arrangements to meet the needs of all pupils and ensure safety, for example, at break times and lunch times.

Accommodation and the school site

13. Inspectors will want to consider the school's site, the number and suitability of rooms and whether space is used as effectively as possible, the general state of repair, and the maintenance and cleanliness of the site. They may find the following prompts helpful.
14. How well do leaders and managers (and, where appropriate, governors or the equivalent):
 - make efficient and creative use of accommodation?
 - ensure a high-quality environment both inside and outside the buildings?
 - take steps to maintain and care for the accommodation and site?
 - ensure that dedicated rooms for subjects are suitably resourced?
 - take account in their planning of the age and suitability of buildings?
 - ensure that statutory requirements in relation to access for pupils and adults with specific disabilities are met?

Material resources and equipment

15. Inspectors will want to consider the suitability and accessibility of equipment such as hardware and software, machinery, books and toys. This can be done through observation, discussions with staff and governors and by scrutinising relevant documents. Inspectors may find the following prompts helpful.
16. How well do leaders and managers (and, where appropriate, governors or the equivalent):
 - make use of financial resources to ensure there is high-quality information and communication technology (ICT) equipment, and that it is effectively used by teachers to enhance delivery, and by pupils to enhance skills, knowledge and independent learning
 - ensure adequacy and suitability of specialist equipment and learning resources
 - ensure that resources are up-to-date, relevant and used effectively by staff to ensure high-quality outcomes for pupils?

- plan for the sustainability of resources?