

AFFORDING TEACHERS

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SUMMARY

Surveys of representative samples of 420 primary schools (2%) and 345 secondary schools (10%) reveal that in the light of the government's recent funding settlement the schools are expecting to cut 1.2 per cent of their posts (in full-time equivalents) this school year and 2.2 per cent next. Grossed up to the population this will mean job losses of over 5,000 in 1994-95 and nearly 9,000 in 1995-96.

Even if the cuts are only half as great as feared, it is estimated that the pupil-teacher ratio for primary schools will rise to 23.3 in 1995 and 23.8 in 1996. For secondary schools the corresponding figures are 16.8 in 1995 and 17.1 in 1996. This will take the ratios back to the levels of the mid-seventies.

A fifth of schools (20.1%) were expecting to cut posts this year and a third next (34.1%). About half of primary schools and 60 per cent of secondary schools had reserves to draw on. Schools were viring their budgets to protect teachers' jobs with cuts being made in spending on books, equipment, buildings, repairs and development. Schools were also having to reduce the number of free periods and appoint younger (therefore, cheaper) teachers as ways of making savings. The national statistics on resignations bear out that schools are encouraging staff over fifty to take early retirement.

Grant maintained schools seemed in a more favourable position than LEA schools with none of the small number of GM primary schools expecting job cuts and the level among GM secondary schools being about half that for their LEA counterparts. There were also wide variations between LEAs by region and type.

It is argued that the funding formulae are blunt instruments and have capriciously created winners and losers. It is suggested that there should be a national figure for the amount of money allocated to each child, with the traditional differentiation between primary, secondary and sixth form being re-examined.

I. INTRODUCTION

- 1.1 Even the government recognises that this year's education settlement is a tough one. It has accepted the School Teachers' Review Body's¹ award of 2.7 per cent, while allowing local authorities only 1.2 per cent more to cover salary increases, rising costs and 1.5 per cent extra pupils.
- 1.2 The government takes the view that local authorities have sufficient scope to meet the difference through, for example, giving priority to schools, more efficient collection of taxes and rents, and reducing surplus school places. But some local authorities and schools are complaining that there will be mass redundancies. Similar complaints have been made in the past with little sign of that happening. However, the effects of financial restraint will be cumulative and it could be that this year is the crunch.
- 1.3 It is also true that while conceivably there could be enough money in the schools' budget as a whole, particular schools for one reason or another may be missing out. What, therefore, will be the impact of the 1995 settlement on the schools? In this specially commissioned survey we survey representative samples of:
 - 420 primary schools (2 per cent);
 - 345 secondary schools (10 per cent).
- 1.4 We report on how they see themselves being affected and what the consequences will be for staffing and other areas of expenditure.

II. THE FUNDING OF SCHOOLS

2.1 Money is distributed to state schools in two main ways: through Local Education Authorities and the Funding Agency for Schools. Both depend on byzantine formulae that can create winners and losers.

Local Authorities

2.2 For those schools choosing to remain within local authorities there is a two-stage process involving the transfer of money from central government to the authorities and from local authorities to schools.

2.3 The amount that local authorities decide to allocate to schools comes at the end of a long process:

- The government determines what an authority needs to provide a standard level of services across education and other areas of responsibility, for example, care in the community and highways. This can vary widely even between neighbouring councils, for example, in the financial year 1995-96, it was £975 per head in Manchester, £685 in Trafford and £602 in Stockport.
- The government distributes money from the Revenue Support Grant and Business Rate, and the authority decides what Council Tax to levy subject to a capping limit.
- The local authority decides how much is to go to education bearing in mind the government's planning figure.
- The local authority decides how much of the education budget is to be allocated to schools and to other areas of education for which it is responsible, for example, adult education and discretionary student grants.

2.4 Local authorities are required to devolve at least 85 per cent of their schools' budget to the schools themselves. This is distributed according to a formula that each local authority has agreed with the government and which depends mainly on pupil numbers. Schools are, to some extent, in the market place. The amount allocated per pupil is based on average not actual teacher salaries.

2.5 In the recent past, as Table 2.1 shows, most local authorities have had to spend above what the government planned for them to spend, with actual expenditure in 1994-95 running 4.1 per cent above the budgeted figure (but within the councils' capping limits). For 1995-96 the total amount of local authority spending on education has been set at £17,204 million - an increase of 1.1 per cent over the 1994-95 adjusted figure of £17,016 million. When reductions in specific grants are taken into account this amounts to a 1.2 per cent increase for local authorities. But the government has also accepted the recommendation of the School Teachers' Review Body for a 2.7 per cent salary increase. Together with other rising costs and 1.5 per cent growth in pupil numbers, this leaves a considerable shortfall for the local authorities and schools to make up.

Table 2.1: Educational Expenditure in £million

Financial Year	Planned (Standard Assessment)	Actual	Per Cent Excess	Number of LEAs Spending	
				Above	Below
1990-91	14,752	15,624	5.9	96	13
1991-92	17,137	17,304	1.0	65	44
1992-93	18,352	18,608	1.4	68	41
1993-94	16,531 ¹	17,154	3.8	79	30
1994-95	16,826	17,508	4.1	92	17

1. Fall due to removal of most further education from local authorities.

Source: *School Teachers' Review Body Fourth Report 1995*.

2.6 Whether or not this will have a significant effect on staffing will depend on a number of factors including:

- the reserves and total income of the local authority;
- what priority it gives to education;
- how much of the education budget is devoted to schools;
- what balances a school holds;
- what scope the governors and headteacher have to vire between salaries and other items of expenditure.

Some schools in some authorities may find they are quite generously treated, but in others the situation could be dire.

2.7 The Audit Commission's performance indicators² reveal just how wide the gulf can be: £4,055 per secondary pupil in Kensington and Chelsea against £1,535 per secondary pupil in neighbouring Westminster; £2,639 per primary pupil in Lambeth, but only £1,168 in Havering.

Grant Maintained Schools

2.8 Schools which have opted out of local authority control to become grant maintained schools, receiving their money through the Funding Agency for Schools, might be thought to be immune from these pressures. However grant maintained schools do not receive a standard amount per pupil, but an amount which depends on what the local authority they have left allocates to its schools. The school does, however, receive the full amount with nothing retained by a LEA for the services which it would have provided for the school. This gives GM schools more flexibility than their LEA counterparts, and there is also a widespread impression that the arrangement works to the advantage of GM schools in other ways.

2.9 Currently, there are moves towards a common funding formula for all grant maintained schools which is being piloted in five authorities. If this is introduced nationally those grant maintained schools in less generous authorities could

expect to receive more money but, conversely, those already well provided for might lose out.

- 2.10 Although designed to be fair, funding formulae are inevitably blunt instruments. The ‘need assessments’ which are the basis of allocations to local authorities have resulted in transfers away from the ‘shire counties’ to the cities and inner London boroughs. The pupil-driven formula for delegation to schools cuts across historic differences with less sensitive local adjustments for special needs and social priorities. The operation of the formulae has, therefore, resulted in some schools receiving, in effect, considerably less money than in the past while others have gained. Curiously, though, seemingly very similar schools can receive very different amounts.
- 2.11 The principle that money should follow the child means that schools attracting more pupils should be better off than those with falling rolls. In that event differences between schools are likely to increase.
- 2.12 All of this makes it difficult to guess what the precise effects of the government’s latest round of belt-tightening will be, and for that we have to turn to the findings of our surveys.

III. SCHOOLS' INCOMES

3.1 Table 3.1 shows that, when all the calculations have been made, over half the schools expect to be receiving less money this year than last (year in all cases refers to the school year September to August), and about three-quarters less next than this. The grant maintained secondary schools were somewhat more sanguine with expected reductions of two-fifths and three-fifths. In contrast, only about a quarter of schools expected more money this year than last, falling to 10 per cent next year, with again the GM schools being somewhat more hopeful at 37.5 per cent and 12.7 per cent respectively.

Table 3.1: Perceived Trends in Income

School Phase & Type	Percentage Change from Previous Year					
	1994-95			1995-96		
	More	Same	Less	More	Same	Less
Primary ¹ (N=419; 414) ²	25.5	19.8	54.7	9.4	15.0	75.6
Secondary LEA (N=280; 275) ²	23.6	16.1	60.4	12.0	11.6	76.4
Secondary GM (N=64; 63) ²	37.5	21.9	40.6	12.7	27.0	60.3
Total (N=763; 752)²	25.8	18.6	55.6	10.6	14.8	74.6

1. Includes 11 grant maintained.

2. Sample sizes for 1994-95 and 1995-96 respectively.

3.2 The reasons for schools expecting these changes in income are set out in Tables 3.2, 3.3 and 3.4 for respectively primary, LEA secondary and GM secondary schools. The main reason for expecting more money was more pupils. Not all schools, however, thought the extra pupils would be fully funded. A sixth of schools expecting less money did so in spite of rising pupil numbers. The main reasons for the schools' pessimism were reductions in the LEA allocation, insufficient compensation for salary increases and changes to the payments made per pupil. Loss of TVEI money was mentioned by almost half the LEA secondary schools.

Table 3.2: Primary Schools' Expectations of Changes in Funding

Reason	% Expecting More		% Expecting Less	
	1994-95 (N=107)	1995-96 (N=39)	1994-95 (N=229)	1995-96 (N=313)
More pupils	78.5	92.3	17.5	16.0
LEA allocation increased	36.4	5.1	0.9	0.0
Extra earned income	9.3	5.1	1.3	1.6
Fewer pupils	0.0	0.0	28.8	26.5
LEA allocation reduced	4.7	15.4	72.1	82.7
Changes in Age-Weighted Pupil Unit	7.5	7.7	21.4	19.9
Insufficient compensation for salary increase	7.5	10.3	57.2	59.6
Safety net withdrawn	2.8	2.6	14.8	13.4
Less earned from other sources	0.9	0.0	8.7	9.6
Other	14.0 ¹	5.1 ²	3.1 ³	3.5 ⁴

1. Becoming grant maintained (3), more delegated to schools (6), re-organisation (2), donations (1), correction of error (1), carry over (2).

2. Letting of school hall (1), devolution pilot (1).

3. Changes in formula (4), re-organisation (1), repayment of deficit (1), initiative money withdrawn (1).

4. Changes in formula (6), re-organisation (1), repayment of deficit (1), no room for extra numbers (2), LEA re-organisation (1).

Table 3.3: LEA Secondary Schools' Expectations of Changes in Funding

Reason	% Expecting More		% Expecting Less	
	1994-95 (N=66)	1995-96 (N=33)	1994-95 (N=169)	1995-96 (N=210)
More pupils	93.9	90.9	29.8	32.4
LEA allocation increased	33.3	12.1	2.4	1.4
Extra earned income	25.8	6.1	7.1	4.3
Fewer pupils	0.0	6.1	24.3	25.2
LEA allocation reduced	4.5	9.1	78.1	82.4
Changes in Age-Weighted Pupil Unit	19.7	9.1	33.1	29.5
Insufficient compensation for salary increase	18.2	12.5	63.1	57.6
Safety net withdrawn	6.1	0.0	15.4	10.0
Less earned from other sources	0.0	3.0	10.1	10.0
Loss of TVEI money	16.7	6.1	45.6	36.2
Other	7.6 ¹	9.6 ²	6.5 ³	4.8 ⁴

1. Changes to formula (4), becoming specialist technology college (1).
2. Going grant maintained (1), becoming specialist technology college (1).
3. Formula adjusted to benefit primary (3), loss of transitional funding (2), pupil increase not funded (1), smaller sixth form (2), reduced amalgams in allowance (2), reduced GEST (1).
4. Reduced special needs funding (4), formula change (2), clawback (2), smaller balances (2).

Table 3.4: Grant Maintained Secondary Schools' Expectations of Changes in Funding

Reason	% Expecting More		% Expecting Less	
	1994-95 (N=24)	1995-96 (N=8)	1994-95 (N=26)	1995-96 (N=36)
More pupils	83.3	100.0	34.6	36.8
LEA allocation increased	16.7	0.0	0.0	0.0
Extra earned income	20.8	25.0	7.7	5.3
Fewer pupils	0.0	0.0	23.1	13.2
LEA allocation reduced	4.2	0.0	64.0	57.9
Changes in Age-Weighted Pupil Unit	16.7	12.5	46.2	32.4
Insufficient compensation for salary increase	12.5	12.5	56.0	68.4
Safety net withdrawn	0.0	0.0	11.5	10.5
Less earned from other sources	0.0	0.0	7.7	7.9
Loss of TVEI money	4.2	12.5	19.2	34.2
Other	41.7 ¹	12.5 ²	23.0 ³	21.1 ⁴

1. Going GM (6), Becoming specialist technology college (1), common funding formula (3).
2. Specialist technology college status (1).
3. LEA formula (3), common funding formula (1), change in calculation (1), loss of protection (1).
4. LEA formula (4), common funding formula (2), change in calculation (1), loss of protection (1).

3.3 The 'other reasons', volunteered by the schools themselves, make interesting reading. Being or going grant maintained was the most frequent reason offered for expecting more money, with becoming a specialist technology school also mentioned. 'Letting of new school hall' was the main hope of one primary school.

IV. JOB LOSSES

- 4.1 Table 4.1 shows that about a fifth of schools were expecting to reduce their staffing during this school year and a third next. More secondary schools than primaries were expecting to lose staff, but with the grant maintained less affected. Interestingly, none of the small number of primary schools which have opted out were expecting to have to make any staff cuts.
- 4.2 In terms of actual job losses, grossing up from the samples to the population suggests that during the school year 1994-95 there will be a loss of 5,060 full-time equivalent posts and next year this will rise to nearly 9,000 (Table 4.2). These figures from the schools themselves bear out the Education Secretary's warning³, made internally during the pre-budget bargaining, that: "If teachers' pay went up by 2-3 per cent, schools would need to find resources equivalent to the loss of 7,000-10,000 teaching posts to fund it". It looks as if the government has imposed the financial constraints with its eyes open. The expected job losses amount to just over one per cent of the teaching force this year, and two per cent next.
- 4.3 Tables 4.3 and 4.4 show considerable variation across the regions and when the schools are grouped by LEA type. This year primary schools in Yorkshire and Humberside are expecting to lose ten times as many teachers as London schools, presumably reflecting the relatively generous treatment of the inner London boroughs in the current settlement. There was not such wide variation between the secondary schools grouped by LEA, although schools in the East Midlands expect to lose about twice as many staff this year as those in the West Midlands. Grouped by LEA type the 'shire counties' seem particularly badly hit at the secondary level consistent with a funding formula which has tended to transfer resources to urban areas. Grouping by LEA is however a broad brush which does not reveal differences between similar schools in the same LEA.

Table 4.1: Schools Expecting to Reduce Staffing

School Type	1994-95		1995-96	
	N ²	% ³	N ²	% ³
<i>Primary</i>				
LEA ¹ (N=409)	67	16.4	116	28.4
GM (N=11)	0	0.0	0	0.0
<i>Secondary</i>				
LEA ¹ (N=280)	77	27.5	127	45.4
GM (N=65)	10	15.4	18	27.7
Primary and Secondary (N=765)	154	20.1	261	34.1

1. Includes voluntary aided and voluntary controlled.

2. Number of schools in sample expecting staff reductions.

3. Percentage of sample, and therefore of all schools.

Table 4.2: Schools' Estimates of Staff Reductions

School Type	1994-95		1995-96	
	N ²	% ³	N ²	% ³
Primary				
LEA ¹ (N=409)	3,130	1.4	5,405	2.5
GM (N=11)	0	0.0	0	0.0
Secondary				
LEA ¹ (N=280)	1,766	1.2	3,170	2.0
GM (N=65)	164	0.5	389	1.1
Primary and Secondary (N=765)	5,060	1.2	8,964	2.2

1. Includes voluntary aided and voluntary controlled.

2. Grossed up from 2 per cent sample of primary schools (N=420) and 10 per cent sample of secondary schools, LEA and GM (N=345).

3. Percentage of teaching force.

Table 4.3: Percentage Teacher Reductions by LEA Region, School and Teachers

Region	Primary ¹ (N=409)				Secondary ¹ (N=280)			
	1994-95		1995-96		1994-95		1995-96	
	Schools	Staff	Schools	Staff	Schools	Staff	Schools	Staff
East Anglia	22.2	1.32	38.9	2.46	18.1	0.58	36.4	1.23
East Midlands	19.4	1.41	36.1	3.32	33.3	1.86	50.0	3.20
Greater London	11.1	0.32	27.8	1.50	40.0	1.28	48.0	1.81
North	13.3	0.87	36.7	3.75	26.3	1.45	63.2	2.55
North West	19.6	1.84	25.5	2.04	27.9	1.02	39.5	1.86
South East	11.3	1.31	18.8	1.99	24.5	1.10	51.0	2.83
South West	12.2	1.23	31.7	2.75	26.9	0.82	46.2	2.13
West Midlands	14.3	1.09	35.7	2.88	15.6	0.74	46.9	1.36
Wales	11.8	2.03	11.8	1.45	28.6	1.09	28.6	1.01
Yorks & Humber	34.1	3.41	36.6	3.71	33.3	1.50	40.0	1.83
Total	16.4	1.43	28.4	2.47	27.5	1.15	45.4	2.04

1. LEA schools only.

Table 4.4: Expected Teacher Reductions by Type of LEA

Type of LEA	1994-95		1995-96	
	Schools	Staff	Schools	Staff
Primary				
Shire County (N ¹ =277)	15.5	1.38	27.8	2.51
Metropolitan Borough (N=56)	26.8	2.66	33.9	2.70
City (N=40)	12.5	1.75	25.0	2.95
London Borough (N=36)	11.1	0.32	27.8	1.87
Secondary				
Shire County (N ¹ =193)	29.0	1.30	49.7	2.31
Metropolitan Borough (N=39)	20.5	0.89	35.9	1.68
City (N=23)	13.0	0.28	21.7	0.73
London Borough (N=25)	40.0	1.28	48.0	1.82

1. Number of LEA schools.

V. OTHER SAVINGS

5.1 As drastic as these cuts might seem it is clear that schools will be doing all they can to protect teachers' jobs. Table 5.1 shows that this year nearly half the primary schools and over 60 per cent of secondary schools were planning to draw on reserves to help make up the shortfall. This tends to support the government's contention that there are balances in the system available to be used to meet the salary award, but those balances can only be used once and it is probable that at least some schools were accumulating them towards specific purposes which will have to be shelved.

Table 5.1: Raising the Money

Making Savings	Percentage 1994-95			Percentage 1995-96		
	Primary ¹ (N=420)	Sec LEA (N=280)	Sec GM (N=65)	Primary ¹ (N=420)	Sec LEA (N=280)	Sec GM (N=65)
Drawing on reserves	47.0	65.1	62.5	48.4	54.6	58.1
Increasing PTR	21.0	43.2	25.0	32.5	65.1	39.5
Reducing non-contact time	20.8	35.9	31.3	23.6	46.8	37.2
Appointing cheaper teachers	27.0	40.1	28.1	21.5	39.5	34.9

1. Includes 11 grant maintained schools.

5.2 Table 5.1 also shows that about a fifth of primary schools and two-fifths of LEA secondary schools were having to increase the pupil to teacher ratio, reduce non-contact time and appoint cheaper teachers as ways of making savings, with more expecting to increase the PTR next year. Grant maintained schools were somewhat less likely to have to make these savings than the LEA schools, but a quarter had raised the PTR this year, and 40 per cent were expecting to next year.

5.3 The adjustments made to spending by schools is shown in Tables 5.2 and 5.3.

Table 5.2: Adjustments to Spending Made by Primary Schools

Budget Heading	Percentage Change Compared with Previous Year			
	1994-95 ¹		1995-96 ²	
	More On	Less On	More On	Less On
Teachers	47.8	15.3	40.3	24.5
Clerical and Secretarial Staff	39.5	7.4	18.5	17.3
Technicians	4.3	6.8	3.1	8.9
Books	15.3	32.3	4.8	51.1
Equipment	13.9	38.0	4.6	55.9
Building	14.4	36.4	4.3	57.1
Development	7.7	34.0	2.2	47.5
Repairs	10.0	35.4	3.4	51.6

1. N=418, including 11 GM schools.

2. N=417, including 11 GM schools.

Table 5.3: Adjustments to Spending Made by Secondary Schools

Budget Heading	Percentage Change Compared with Previous Year			
	1994-95 ¹		1995-96 ²	
	More On	Less On	More On	Less On
Teachers	48.6	18.3	32.6	34.1
Clerical and Secretarial staff	41.0	11.9	20.5	25.8
Technicians	24.1	17.2	14.5	23.7
Books	18.0	33.1	10.4	41.3
Equipment	14.8	39.0	9.5	43.9
Building	16.6	38.7	7.1	57.6
Development	11.7	37.9	5.9	53.4
Repairs	12.8	37.9	6.8	55.2

1. N=344, including 64 GM schools.

2. N=337, including 63 GM schools.

- 5.4 From Tables 5.2 and 5.3 it is clear that both primary and secondary schools in 1994-5 are having to spend more on teachers and other staff, with less going on books, equipment, building, repairs and development. The adjustments becomes even more pronounced the following year. Teacher redundancies will not, therefore, be the only consequence of the savings many schools are having to make: much which could be done won't be done.

Table 5.4: Percentages Accounting for Increase in Temporary Posts

Reasons	Primary (N ¹ =86)	Secondary (N ¹ =90)
Maintain flexibility	59.3	58.9
Uncertain budget	69.8	76.7
Applicants not of sufficient quality	4.7	20.0
More cover	8.1	5.6

1. Schools increasing temporary posts

- 5.5 The schools are also responding to the insecure financial position by making more temporary appointments. Table 5.4 shows that nearly a quarter of schools indicated they were increasing the number of temporary posts and most said that this was to maintain flexibility in the face of an uncertain budget.

VI. BALANCING THE BOOKS

- 6.1 Although the figures can reveal the overall picture and likely trends, to discover what is happening in individual schools we need to turn to the accounts of the headteachers themselves.

Primary Schools

Just how fine the balancing act can be we can see from a school in Wales, where if it had not been for the accident of maternity complications there would have been job losses. As well as managing the budget and carrying the other responsibilities this headteacher, like many in small primary schools, also has a substantial teaching load.

This year we would have had to make drastic cuts in our staffing were it not for a maternity leave. One teacher was off for 11 months due to complications. She was on a higher salary scale than the supply teacher who was straight from college. In Gwynedd we belong to an insurance scheme for sick and maternity leave. Due to the timing of this we were able to make considerable savings. Secondly, in 1993-94, one teacher at the top of the scale retired. Her salary had been allocated in the 94-95 budget and her replacement was on a Scale 2. Because of these two points we were able to maintain our present level of staffing at 2.5 FTEs, although really we should only be able to afford 2.2. I am a full-time teaching head and every afternoon teach 22 pupils aged 7 to 11. The school has 42 pupils aged 4 to 11."

Wales

- 6.2 In small schools especially, the heads have little room to manoeuvre:

Since 91 per cent of our budget is spent on staffing it is impossible for us to make savings by cutting non-staffing costs any further. Inevitably there will be an increase in the pupil-teacher ratio and a reduction in non-contact time.

Yorks & Humb

We have spent all our reserves and will be operating at only the highest priority needs, but with 88 per cent of budget needed to pay salaries we cannot make any savings on the 12 per cent left to run the establishment.

East Midlands

- 6.3 Some schools have reserves on which to draw and may also be cushioned to some extent by rising pupil numbers:

We have more children, therefore we have some more money, but the budget overall has been reduced by 3.25 per cent, so in fact our total budget in real terms is reduced by £30,000.

South West

We will have more money due to an increasing roll but per capita it will be less. Thus we can juggle figures to maintain our staff but only by increasing class sizes and cutting our level of learning support.

South East

We will have to draw on reserves despite the fact that a certain percentage of reserves have always been used towards school development plan projects, e.g. new furniture, equipment, books, etc. as part of an on-going plan. I envisage that this may not be possible to the same extent as in previous years. Some schools are gaining via the formula of pupil numbers rising each year which insulates a school from cuts and deficits, whereas a school whose numbers stay static or drop are in an invidious position. I'd expect this coming year to be worse than previous years.

North West

6.4 The cutbacks have been cumulative:

The school in 1993/4 had to balance its budget by not appointing a deputy head or allocating an A allowance to another member of staff. The classes are covered by staff on long-term, temporary contracts who are cheaper, and we also terminated the employment of a part-time teacher. We may have to reduce staffing levels in 1995-6 by one full-time equivalent, and we still may not be able to appoint a deputy or provide the A allowance for a deserving member of staff either.

Voluntary Aided, North

6.5 Not all schools however have been affected and some assume it has all been got up by the media:

The media likes to make sweeping statements and enlarge every small item. We budget very carefully and are able to employ one teacher for every age group, one SEN teacher for two and a half days a week, one teacher for a morning each week in order to release the deputy head for management work.

South East

We think we shall be in a sound position, and having put a lot of money into classroom furniture this year, some £13,000, it is planned to at least offset the budget reduction by drawing more on the reserves than we have up to now.

West Midlands

6.6 But even expanding popular schools are facing difficulties especially if they have older, more experienced staff:

We are a popular school in a good area with highly talented staff and a hard-working group of governors, and I do my best. We have more pupils than ever before, yet the difference between our actual salary costs and the average salary costs awarded in the budget make a nonsense of trying to manage within the budgets set by the LEA. What are our options? Lose staff and popularity, opt out, or sink into oblivion.

North West

LEA Secondary Schools

- 6.7 Headteachers have more scope for managing secondary schools if only because they are usually much larger with bigger budgets. Some schools have been able to accumulate reserves and are not expecting to have to make cuts this year or next:

We have managed to extract ourselves from an over spend in 1991-2 and now have a backlog so we are in a relatively easy financial year compared with previous years. Many schools are under-spending this year and carrying forward funds.

Comprehensive, 11-16, Yorks & Humb.

We have not had to make savings since a surplus was generated between 1993 and 1994-5, so that the percentage balance to be spent on salaries, premises and services will remain approximately the same.

Comprehensive, 11-16, North West

- 6.8 Others are relying on increases in pupil numbers to help them avoid job cuts if not to appoint extra staff.

Pupil numbers are going up but I hope to retain staff at the existing level by drawing on the reserves, increasing the PT R and by reducing free periods. The LEA is facing major budget reductions and claiming that they cannot make any more cuts at the centre.

Comprehensive, 11-16, Wales

Hopefully rising pupil numbers will help. I am attempting to retain current staffing levels with a freeze on all other costs.

Voluntary Controlled, Comprehensive, 13-18, South West

- 6.9 Yet others are hoping to enjoy a period of relative calm after making job cuts in previous years:

Not anticipating reducing staffing levels this year because we had to make redundancies last year due to falling rolls. These included one deputy head, one premises assistant, one librarian, two part-time clerical assistants, one humanities teacher, half a PE teacher and half a technology teacher. We also had to draw on reserves.

Comprehensive, 11-18, Greater London

The only vacant posts that have been filled from this school are replacements in key national curriculum areas. We have had to reduce from 42 to 33 teachers between 1990 and 1995 as a result of massive cuts in budget, but pupil numbers have only gone down marginally from 435 to 415. I am extremely envious of those schools which seem to be expanding and regularly making new appointments.

Comprehensive, 11-16, Wales

- 6.10 The main difference between those schools maintaining staff levels and those planning cuts was the extent of their reserves. Sometimes the headteachers had not accumulated any on principle:

Reducing staffing levels by 3 or 4 FTEs, even though pupil numbers have risen slightly. I have symbolically written these answers in red ink. The financial situation at this popular, successful, advantaged rural comprehensive is grave. Our policy since the introduction of LMS has been today's money for today's children. There are no significant reserves. Much of the current talk attempts to categorise the financial cuts. There is only one true reason. Central government has significantly reduced funding of state education, and reduced funding means fewer teachers. In turn, this means the curriculum will be determined by staffing availability. Any notion of curriculum-led staffing or an entitlement curriculum has gone. My job is to run the school on the resources that are available and I am resolved to do that. I am forced to respond to financial pressures rather than perceived needs. What price choice and diversity or raising standards. We have a policy in tatters.

Comprehensive, 11-18, North West

- 6.11 Or perhaps the reserves have already been used up:

Expects to reduce staffing levels by 8 FTEs and making cuts wherever they can be made. We are an 11-16 school so our funding through the formula is not very favourable. We have had to use reserves of £70,000 to set the budget for 1994-5. There are no reserves left. The latest information on the budget for 1995-6 suggests a cut of £133,000 plus the £70,000 use of reserve, a total of over £200,000.

Comprehensive, 11-16, South East

Reducing staffing levels by 2 or 3 FTEs. Our reserves have already gone. We will make savings (in addition to increasing the PT R, reducing free periods and appointing cheaper staff) by non-compliance with expensive extras like appraisal time, national records of achievement, negotiated statements, special needs provision. Also there will be a reduction in marginal activities where we have had to pay to open the building, e.g. no Saturday use, and tighter use of evening opening.

Comprehensive, 11-16, North West

- 6.12 Others were planning to make cuts because they felt they had no more room to manoeuvre:

Expecting to reduce staffing levels by 6 FTEs. In Kent the situation will get far worse. The next financial year 1994-96 I have had to cut £94,000 off the staffing budget with a drop of only 11 pupils on roll. For the following year I already estimate that one more member of staff will have to go.

Secondary. Modern, 11-17, South East

Expecting to make 3 FTEs redundant. It is impossible to reduce non-teaching costs any further. I will have to reduce staffing costs and increase the pupil-teacher ratio.

Comprehensive, 11-16, South West

6.13 Yet others were having to make job cuts in spite of making savings elsewhere:

The worst scenario will be a maximum of 6 FTEs less and a minimum of 3. In the financial year 1993-94 the school kept a very large contingency fund. This was very much reduced - from £210,000 to its current level of £50,000. Besides drawing on these reserves pupil-teacher ratios will increase and we will also reduce the range of options available post-16. There will be more joint teaching of Year 12 and Year 13 where appropriate. There will be less support for those with learning difficulties and less individual counselling of pupils, all in order to cut back on costs.

Comprehensive, 11-18, East Midlands

Anticipated reducing staffing levels by 3 FTEs. We will have to increase the PTR, reduce free periods, appoint cheaper staff, in fact any opportunity not to spend. One less caretaker, no service agreements, no staff meals, no furniture, minimal repairs.

Comprehensive, 11-18, North

6.14 So while some headteachers could not see what the fuss is about, others, perhaps suffering more, sounded dire warnings:

Many headteachers exaggerate. I know some who shout about disaster and catastrophe when they mean difficulty and whose contact ratio and class sizes are better than many.

Comprehensive, 11-18, Yorks & Humb.

I prophesy meltdown in three years if teachers' salaries are not to be funded fully. We have absorbed at least an eight per cent cut in budget over three years with no AWPU increase, no increments, no allowance for inflation.

Voluntary Aided, Comprehensive, 13-18, South West

6.15 Some saw going grant maintained as the solution:

Going grant maintained will compensate for some cuts that we would have had to make, so we do not anticipate a reduction in staffing levels this year. Last year we were able to make savings through ill-health retirements and premature retirements. We had seven last year in all, which enabled us to reduce staffing levels by the equivalent of 4 FTEs.

Comprehensive, 11-18, East Midlands

Grant Maintained Secondary

- 6.16 Most of the schools that had already gone grant maintained felt they would not have to make cuts:

Becoming grant maintained two years ago has temporarily improved the school budget and the monies the school has have been used more efficiently. I do not anticipate reducing staffing levels for this coming year but if there is a further fall in income in real terms the year after, that is 1996-97, it will be very difficult indeed.

Comprehensive, 11-18, South East

Not planning to make any teachers redundant. As a consequence of going grant maintained have had relatively more to spend on teachers, clerical and secretarial staff, books, equipment, building development and repairs, and "we have had a windfall reduction in costs by being able to replace experienced teachers by newly-qualified teachers at a lower salary level."

Comprehensive, 11-18, West Midlands

Additional funds should come from substantial increases in number on roll despite a lower AWPU. As a result there is also likely to be more funds available for non-staffing expenditure as well.

Comprehensive, 13-18, Yorks & Humb.

We have suffered successive cuts in the SSA for five years, such that from 1989 to 1993, despite an increase in pupil numbers, we have lost 15 per cent of the teaching force, equivalent to 6.2 FTEs. This has been also accompanied by a progressive shift from permanent full-time to temporary part-time staff in a desperate effort to square a circle of curriculum needs against staffing reduction imperatives. Our solution uniquely in the North East of England, was to seek grant maintained status in 1993. Since then our pupil numbers have gone up by 45 only, not much more than in the previous period, but we have increased our FTEs by 5.1. So the downturn in staffing has been temporarily reversed, together with a switch from temporary part-time to permanent full-time staff. The objective of running the leanest of administration possible has brought an estimated £100, 000 extra per annum. Grant-maintained status has given us a temporary respite, and elevated the base line from which cuts are relentlessly imposed.

Comprehensive, 13-18, North

- 6.17 But the feeling that it may have only been a temporary respite are echoed elsewhere:

This school has increased teaching staff posts over the last five years because of a sharp increase in numbers, from 760 to 1120. However, this has now levelled out. Few staff have left in recent years. We thus have a very static situation. The anticipated budget for 1995/96 may leave us needing to reduce staff for September 1995.

Comprehensive, 11-18, Greater London

If the most pessimistic forecasts are to be believed we may have to reduce staffing levels by as many as 10 F TEs. Our carry-forward figure has gradually been reduced each year from £85,000 to £60,000 to £26,000 and next year it will be zero.

Comprehensive, 11-18, East Midlands

VII. RESIGNATIONS AND REDUNDANCIES

- 7.1 Reports from headteachers that more older staff are going are borne out by national statistics. Sometimes older staff are pushed and sometimes they jump:

We are encouraging staff over fifty to take early retirement. There is a general policy in all schools to remove expensive staff. We are also reducing the number of allowances paid.

LEA Comprehensive 11-18, North West

Early retirement (reluctantly) teachers being replaced by teachers lower down the pay spine.

LEA Primary, Yorks & Humb.

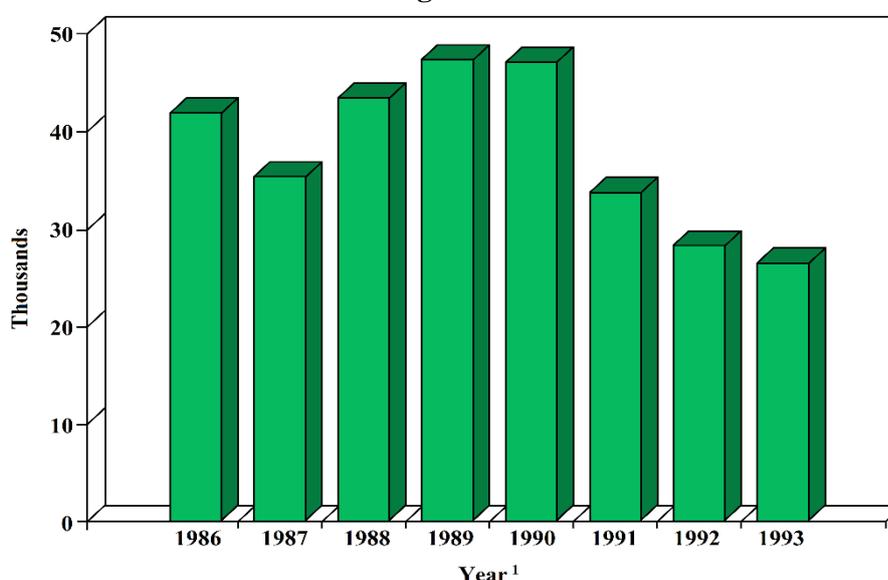
There has certainly been an increase in the numbers of experienced staff retiring early – many regrettably through ill-health, stress or a feeling that it is sensible.

LEA Comprehensive 11-16, North

Senior staff are under pressure and experiencing high levels of accountability. This has led to many staff looking for other options - early retirement, stress-related resignations, part-time college work, Ofsted.

LEA Primary, South East

Chart 7.1: Teacher Resignations



1. Calendar year except 1986 which is a school year.

Source: Local Government Management Board's annual surveys of teacher resignations and recruitment.

- 7.2 The main source of information about trends in teacher resignations and destinations is the annual surveys of the Local Government Management Board⁴. (There is a parallel source of information about wastage in the DFE Database of Teacher Records⁵ which suggests that the LGMB figures may be on the low side, but the DFE information deals neither with movements between schools nor destinations.) Chart 7.1 based on the local government data shows that the overall number of

resignations has almost halved between 1989 and 1993. Table 7.1 disaggregates the different ways that teachers leave. It brings out that over the period considered retirements and redundancies have been accounting for greater proportion. In 1989 retirements/redundancy comprised 26.1 per cent of teacher resignations but this had risen to 38.8 per cent by 1993. Only 14.4 per cent of the retirements were normal-age retirements the others being classified as ill-health (29.3 per cent) or premature (56.3 per cent).

Table 7.1: Resignation by Destination

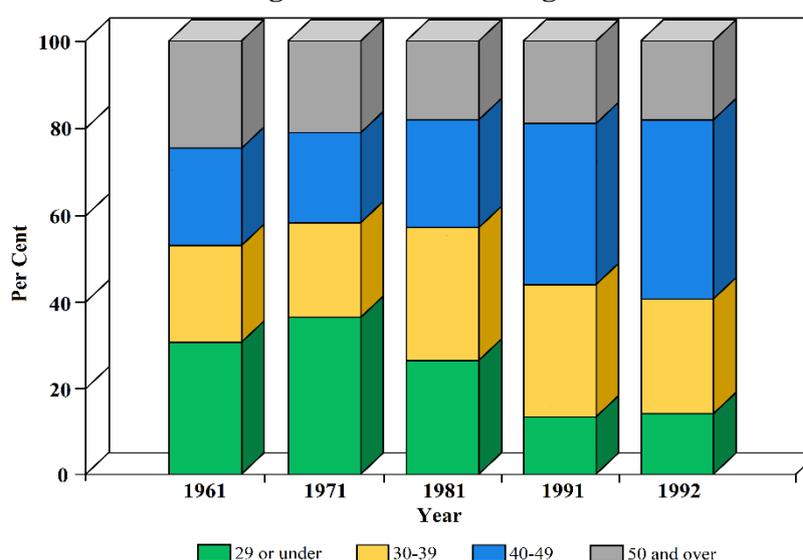
per cent

Destination	1989	1990	1991	1992	1993
Primary (N)	(173,394)	(173,231)	(171,438)	(168,405)	(170,220)
Within Education	7.4	7.7	5.2	4.1	3.1
Retirement/Redundancy	3.7	3.8	3.0	3.1	2.8
Other Employment	0.7	0.7	0.3	0.2	0.3
Other/Not Known	1.7	1.7	1.7	1.5	1.4
Total	13.5	13.9	10.2	8.9	7.6
Secondary (N)	(187,795)	(183,761)	(180,438)	(176,156)	(182,277)
Within Education	6.9	6.7	4.8	3.5	3.2
Retirement/Redundancy	3.2	3.0	2.4	2.6	3.0
Other Employment	1.2	1.0	0.5	0.4	0.3
Other/Not Known	1.6	1.4	1.2	1.1	1.0
Total	12.9	12.1	8.9	7.6	7.5

Source: Local Government Management Board's annual surveys of teacher resignations and recruitments.

7.3 Chart 7.2 shows the effects of these changes on the age profile of the teaching force.

Chart 7.2: Age Profile of Teaching Force

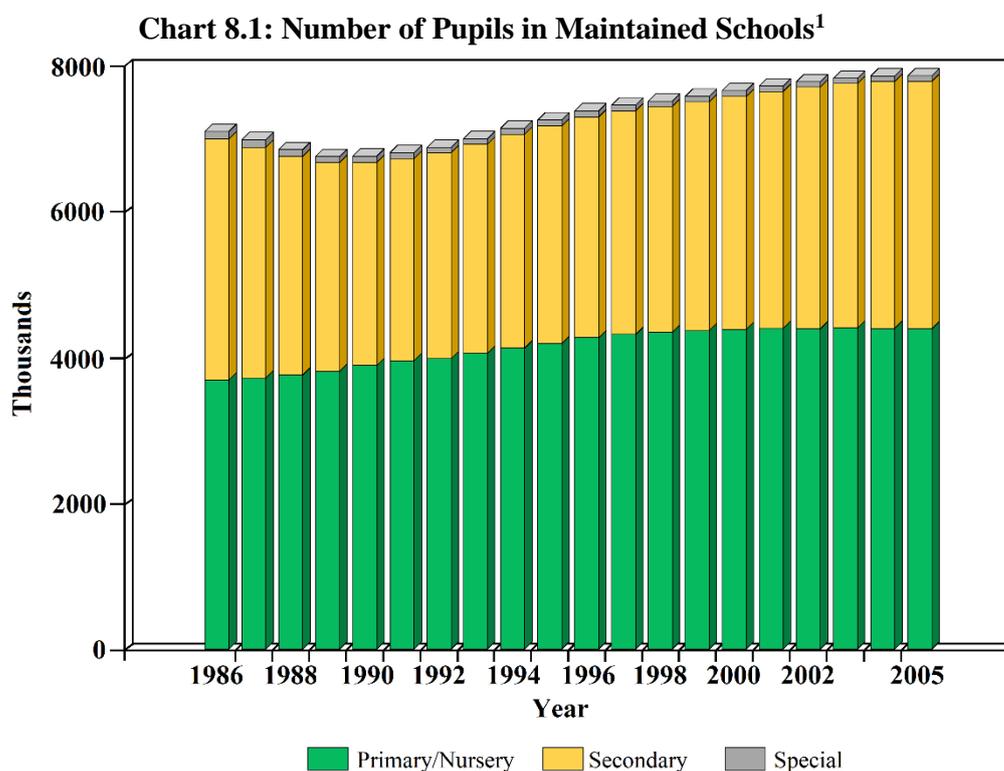


Source: DFE, *Statistics of Education, Teachers in Service*.

7.4 In 1991 there were many fewer younger teachers and somewhat fewer older teachers than in previous decades - about seventy per cent of teachers were aged between 30 and 49. The 1992 figures (the latest available) show some increase in younger teachers with the population aged 50 and over being further reduced. This trend could be expected to be accentuated through 1993 and 1994.

VIII. PUPIL-TEACHER RATIOS

8.1 The information provided by the surveys enables us to estimate what the likely pupil-teacher ratios will be for January 1995 and 1996. Chart 8.1 shows that after declining, pupil numbers are currently increasing by about 1.5 per cent per year. Numbers in both primary education, 2.2 per cent, and secondary education, 1.1 per cent, are rising.



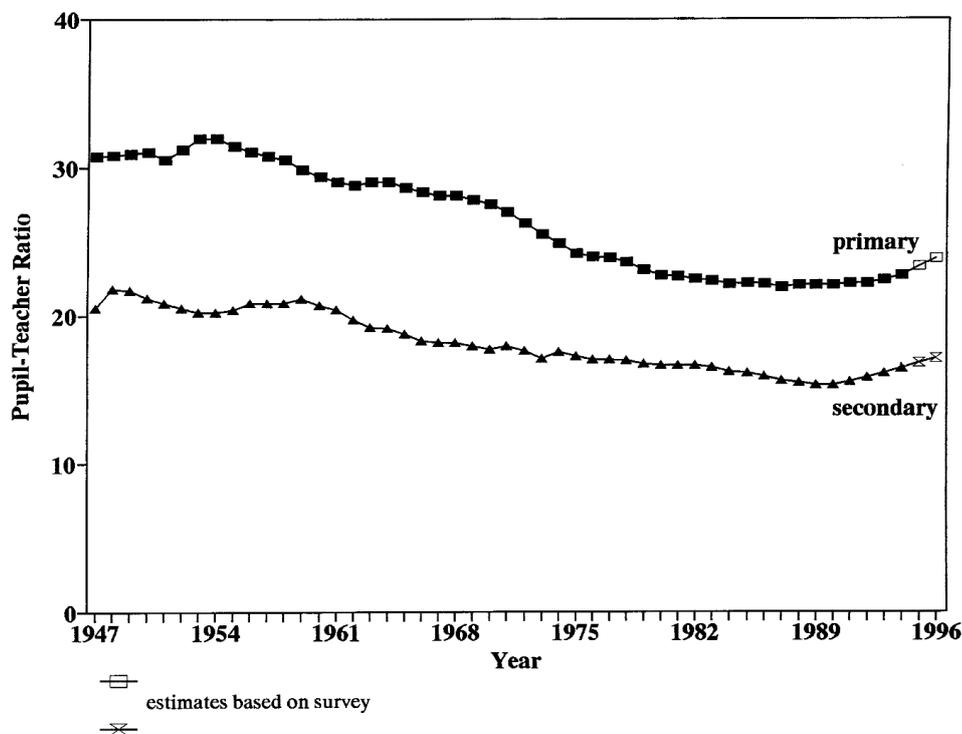
8.2 This might be expected to lead to an increase in teacher numbers but as Chart 8.2 and Table 8.1 show, when pupil numbers were falling there was no *pro rata* decrease in teacher numbers, but the pupil-teacher ratio was allowed to become more favourable. Taking the long view, we can see that pupil-teacher ratios today are really quite generous. But they are tending to rise again.

8.3 Part of the drift upwards may be accounted for by a reversal of the process that led PTRs to fall when pupil numbers were going down. Thus the minimum was reached for primary schools in 1987 but the ratio in secondary schools did not begin to rise till 1991 when more pupils began to flow through this phase of education.

8.4 Most of the recent increases is likely to be due to deliberate action on the part of the schools. Table 8.2 also shows that the differences between GM and LEA secondary schools are only just beginning to become apparent in the PTR - 16.0 as against 16.3. Table 8.2 also shows there are differences between all types of schools.

8.5 Also striking in Chart 8.2 and Table 8.1 is the difference between primary schools and secondary schools. Although this has historically been the case it is hard to justify logically since younger children would seem to require more individual attention.

Chart 8.2: Trends in Pupil-Teacher Ratios



Sources: DFE Statistics of Education Schools: Statistical Bulletin 8/94; News 189/94.

Table 8.1: Pupil and Teacher Numbers for Selected Years

Year	Primary (N in thousands)			Secondary (N in thousands)		
	Pupils ¹	Teachers ²	Ratio	Pupils ¹	Teachers ²	Ratio
1951	3,729	112.4	30.5	1,617	77.9	20.8
1961	3,868	133.4	29.0	2,653	130.0	20.4
1971	4,738	175.4	27.0	2,953	164.8	17.9
1981	4,099	181.3	22.6	3,840	230.9	16.6
1991	3,914	176.3	22.2	2,853	183.5	15.5
1992	3,951	177.9	22.2	2,905	183.6	15.8
1993	4,022	179.4	22.4	2,965	184.0	16.1
1994 ³	4,095	180.6	22.7	2,935	178.9	16.4
1995 ⁴	4,166	179.0	23.3	2,992	177.9	16.8
1996 ⁴	4,242	177.9	23.8	3,025	177.1	17.1

1. In full-time equivalents each part-time pupil counting as 0.5.

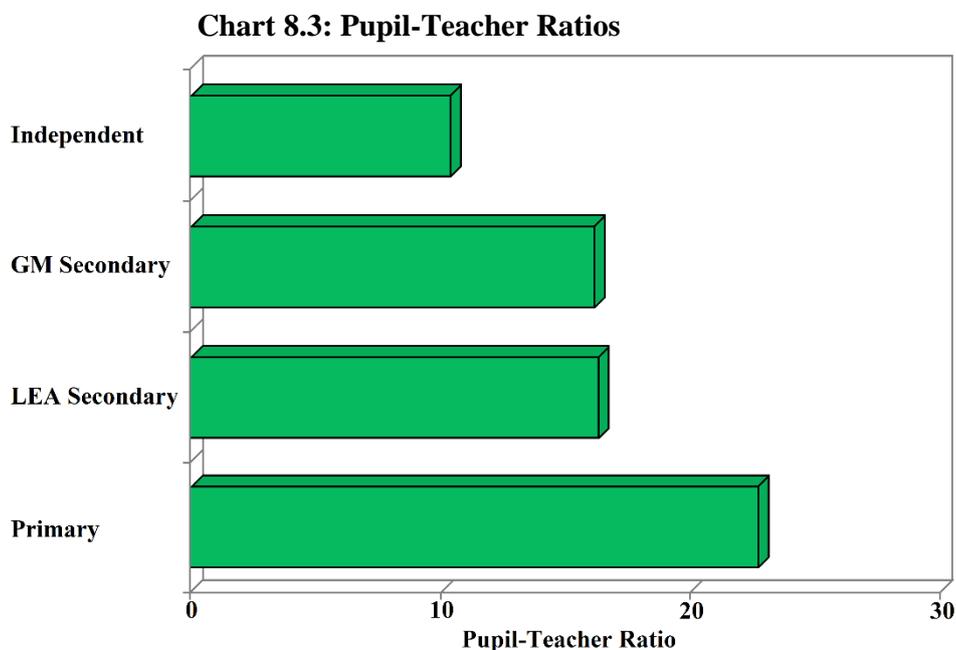
2. In full-time equivalents; from 1971 onwards qualified teachers only.

3. Does not include sixth-form colleges.

4. Pupil numbers from DFE projections, teacher numbers estimated from survey returns.

Sources: DFE Statistics of Education, Schools: Statistical Bulletin 8/94; News 189/94; School Teachers' Review Body, 1995; Survey Returns.

8.6 Chart 8.3 underlines the discrepancy and also brings out the very big difference in the PTRs of independent and state schools. In a survey of a 10 per cent representative sample of 64 independent secondary schools we found this to be only 10.2 against 16.3 for the LEA secondary schools. Chart 8.3 also shows that the differences between GM and LEA secondary schools are only just beginning to become apparent in the PTR - 16.0 as against 16.3.



8.7 Table 8.2 shows there are differences between all types of schools.

Table 8.2: Pupil-Teacher Ratios in Secondary Schools

School Type	Comprehensive		Grammar		Secondary Modern		Total	
LEA								
- to Age 16	16.48	(118) ¹	-	-	16.03	(5)	16.46	(123)
-to Age 18	16.20	(128)	15.99	(10)	16.58	(7)	16.20	(145)
Total	16.33	(246)	15.99	(10)	16.35	(12)	16.32	(268)
GM								
- to Age 16	16.98	(14)	-	-	15.39	(1)	16.87	(15)
-to Age 18	15.76	(35)	15.87	(9)	14.62	(2)	15.73	(46)
Total	16.11	(49)	15.87	(9)	14.88	(3)	16.01	(61)

1. Number of schools.

8.8 There are also regional differences. Table 8.3 shows that East Anglia and Wales tended to have the most favourable ratios both for primary and secondary schools. This could be associated with the greater dispersion of children across rural areas.

Table 8 3: Pupil-Teacher Ratios by Region

Region	Primary¹		Secondary LEA		Secondary GM	
	PTR	(N)	PTR	(N)	PTR	(N)
East Anglia	22.7	(19)	15.5	(10)	15.6	(2)
East Midlands	24.6	(38)	16.6	(22)	15.3	(6)
Greater London	23.0	(38)	16.1	(25)	15.9	(13)
North	23.1	(30)	16.5	(19)	15.8	(2)
North West	24.3	(51)	16.6	(42)	16.2	(3)
South East	23.3	(83)	16.1	(46)	15.8	(19)
South West	22.9	(42)	16.2	(24)	17.4	(5)
West Midlands	23.3	(42)	16.8	(31)	16.3	(7)
Wales	22.7	(34)	15.7	(19)	15.9	(1)
Yorks & Humb	22.7	(43)	16.4	(30)	16.5	(3)
All	23.3²	(420)	16.3	(268)	16.0	(61)

1. Includes 11 grant maintained schools.

2. Differs from national figure because heads did not always include themselves.

- 8.9 Some of the highest PTRs were in the urbanised North West and West Midlands, but population concentration does not alone account for the regional differences since Greater London has relatively favourable ratios. These differences merit further study.

IX. AN ODD BUSINESS

- 9.1 The government, it seems, increasingly likes to think of schools as businesses run by chief executives and boards. But unlike their independent counterparts state schools, whether LEA or GM, are not able to price their services nor decide their employees' salaries. Although schools are increasingly being funded on the basis of pupil numbers, as we have seen, the process by which the money gets from the taxpayer to the school is long and complicated. A 12-year-old pupil can be worth very different amounts according to the part of the country in which he or she lives - £1,387 in Gloucestershire compared with £2,500 in Lambeth⁶.
- 9.2 Salaries are also outside of the schools' control. Under present arrangements it is perfectly possible for the government to accept the recommendation of an independent review body but pass on responsibility for paying it to the local authorities and the schools. The buck gets passed and stops with headteachers.
- 9.3 Most headteachers have very little room to manoeuvre particularly in the small primary schools. Unlike chief executives of actual business they have relatively little scope for managing the income of the organisation. Popular schools usually do not have the room to take extra numbers and lack the money to invest in extra accommodation even though they are now allowed to expand. Moreover one of the ways in which local authorities have been making 'savings' is to adjust the formula so that schools are not always rewarded for increased intake.
- 9.4 Expenditure is also largely out of the headteachers' control. The Audit Commission recently showed that between 60.0 per cent and 85.0 per cent of a school's budget goes on teachers⁷. One of the primary schools in our sample claimed 91.0 per cent and another 88.0 per cent. Since those salaries are set by an outside body and the school is not allowed to go into deficit, any school not able to make ends meet with its existing staff has no alternative but to shed teachers. Since there are also many legal requirements on headteachers, not least the delivery of the national curriculum, at times it must seem like trying to square the circle.
- 9.5 Not all schools are in this position. The transition from the old system where implementation of education policy was largely in the hands of the local authorities to fund as they wished to one intended to simulate a pupil-driven market has created winners and losers. The formulae allocating the money are inevitably blunt instruments and are as remote from the real costs of running a school as are the Crufts-criteria from a real working dog.
- 9.6 The 'needs assessment' which carries money from central to local government favours some authorities at the expense of others - Manchester receiving over 50 per cent more per head than neighbouring Stockport which merges seamlessly with it. The formula which carries money from local authority to schools largely disregards the historic adjustments authorities made on the basis of local knowledge, and being based on average teacher costs clobbers schools with older experienced staff. Thus while some schools are basking in the apparent largesse of LMS others feel they are being squeezed until the pips squeak.

- 9.7 To some extent the problems some schools are experiencing are problems of transition accentuated by the government's desire to control spending. But the wish to create a market running on parental choice will only stand a reasonable chance of success if the money that follows the child accurately reflects the cost of providing the education plus an element of profit to allow for development. At the moment the money schools receive per pupil is idiosyncratic. Even grant maintained schools get different amounts per pupil according to which part of the country they are in. The way the price of services is decided in a true market is by what the customer is prepared to pay, but of course with state education we do not have paying customers but bureaucratic formulae.
- 9.8 Another aspect of running schools as a market is that some would be expected to fail. If enough parents did not choose to send their children to a school it would not be financially viable. Some of the schools in our survey seemed to be suffering due to falling numbers so it may be the simulated market is showing signs of 'working'. But what is the policy for dealing with children in a school on the verge of bankruptcy? Are some children to receive the bulk of their education in schools that are being wound down? Are the schools to be cushioned in some way, or closed immediately and the children dispersed?
- 9.9 Although the market seems a superficially attractive idea for raising the standards and efficiency of schools it is by no means clear that the implications have been fully thought through. Even grant maintained schools do not approach the freedom of independent schools to generate revenue and set salaries. As it is emerging, formula funding of local authorities and schools seems a great way of passing the buck. Can the formulae ever be accurate enough to reflect the true costs of providing education? If not there will always be anomalies and good schools may find themselves handicapped by arbitrarily not receiving enough money.
- 9.10 If the present level of expected teacher redundancies intrinsically reflected improved efficiency in education it would just about be acceptable. But it seems to be due more to the capricious workings of crude financial formulae. There must be a better way of funding our schools. Perhaps there should be a national figure per child since with national salaries for teachers the costs need not vary by very much across the country. The traditional differentials between primary and secondary education should also be re-examined. A simpler and clearer funding mechanism would at the very least allow the government of the day to see whether or not enough money was being provided – which the present arrangements patently do not.

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APPENDIX A: METHODS

A.1 Two surveys were conducted:

- 2 per cent quota sample of primary schools;
- 10 per cent quota sample of maintained schools.

The composition of these samples is shown by region in Tables A1 and A2, by school type in Tables A3 and A4, and by local authority type in Tables A5 and A6.

Table A1: Regional Distribution of Primary Schools¹

Region	Sample		England and Wales	
	N	%	N	%
East Anglia	19	4.5	955	4.6
East Midlands	38	9.0	1,809	8.6
Greater London	38	9.0	2,018	9.6
North	30	7.1	1,411	6.7
North West	51	12.1	2,567	12.3
South East	83	19.8	4,154	19.8
South West	42	10.0	2,078	9.9
West Midlands	42	10.0	2,120	10.1
Wales	34	8.1	1,697	8.1
Yorkshire & Humberside	43	10.2	2,146	10.2
Total	420	99.8	20,955	99.9

1. Includes middle schools

Table A2: Regional Distribution of Secondary Schools

Region	Sample		England and Wales	
	N	%	N	%
East Anglia	14	4.1	133	3.9
East Midlands	31	9.0	310	9.0
Greater London	38	11.0	406	11.8
North	21	6.1	212	6.1
North West	46	13.3	453	13.1
South East	70	20.3	696	20.2
South West	31	9.0	305	8.8
West Midlands	39	11.3	384	11.1
Wales	22	6.4	224	6.5
Yorkshire & Humberside	33	9.6	327	9.5
Total	345	100.1	3,450	100.1

Table A3: Primary Sample by School Type

School Type	Sample		England and Wales	
	N	%	N	%
Infant	53	12.6	2,736	13.1
First	34	8.1	2,197	10.5
Junior and Infant	253	60.2	12,274	58.6
First and Middle	5	1.2	318	1.5
Junior	63	15.0	2,507	12.0
Middle	12	2.9	923	4.4
Total	420	100.0	20,955	100.0
<i>Grant Maintained</i>	<i>11</i>	<i>2.6</i>	<i>415</i>	<i>2.0</i>

Table A4: Secondary Sample by School Type

School Type	Sample		England and Wales	
	N	%	N	%
Comprehensive to 16	137	39.7	1,367	39.6
Comprehensive to 18	173	50.1	1,721	49.9
Grammar	20	5.8	155	4.5
Secondary Modern	15	4.3	169	4.9
Other	-	-	38	1.1
Total	345	99.9	3,450	100.0
<i>Grant Maintained</i>	<i>65</i>	<i>18.8</i>	<i>633</i>	<i>18.3</i>

Table A5: Primary Sample by LEA Type

LEA Type	Sample		England and Wales	
	N	%	N	%
Shire County	284	67.6	14,892	71.1
Metropolitan Borough	57	13.6	2,533	12.1
City	41	9.8	1,488	7.1
London Borough	38	9.0	2,042	9.7
Total	420	100.0	20,955	100.0

Table A6: Secondary Sample by LEA Type

LEA Type	Sample		England and Wales	
	N	%	N	%
Shire County	237	68.7	2,319	67.2
Metropolitan Borough	43	12.5	435	12.6
City	27	7.8	288	8.3
London Borough	38	11.0	408	11.8
Total	345	100.0	3,450	99.9

- A.2 Questionnaires were piloted in telephone interviews and mailed to random samples of 840 primary schools and 690 secondary maintained schools. They were sent out between 12 and 25 January 1995 and the replies were received between 18 January and 25 February.
- A.3 The overall response rate was good, at 57 per cent. Responses received were randomly used to meet the quotas of regions and school types. LEA type was used as an independent variable to check the randomness of the distributions, and the proportion of grant maintained schools is a further check.
- A.4 The survey findings have been analysed in the context of national statistics and illustrated by personal accounts of headteachers given in response to open-ended questions.

APPENDIX B: PERSONAL ACCOUNTS OF HEADTEACHERS

PRIMARY SCHOOLS

NO CUTS EXPECTED

- ***Careful Planning and Generous Authority***

The media likes to make sweeping statements and enlarge every small item. We budget very carefully and are able to employ one teacher for every age group, one SEN teacher for two and a half days a week, one teacher for a morning each week in order to release the deputy head for management work.

South East

We think we shall be in a sound position, and having put a lot of money into classroom furniture this year, some £13, 000, it is planned to at least offset the budget reduction by drawing more on the reserves than we have up to now.

West Midlands

Birmingham has fought hard to increase its budget and we are at present able to expand. If we get hit with lower budgets then we will have to look at vacancies not being filled and at more temporary contracts.

West Midlands

Hampshire fully funded last year's teacher pay settlement. We hope they will again this year. If they do not we will need to use the safety net to support staffing levels and we will have to draw on our reserves and be unable to take on the required support staff for special needs assistants and classroom assistants.

South East

- ***Drawing on Reserves***

We will have to draw on reserves despite the fact that a certain per cent of reserves have always been used towards school development plan projects, e.g. new furniture, equipment, books, etc. as part of an on-going plan. I envisage that this may not be possible to the same extent as in previous years. Some schools are gaining via the formula of pupil numbers rising each year which insulates a school from cuts and deficits, whereas a school whose numbers stay static or drop are in an invidious position. I'd expect this coming year to be worse than previous years.

North West

We have a part-time post (0. 2 of a post) advertised this spring term for statemented children. It is being funded as an extra by the LEA. The other post we may have available is for a music specialist to allow the teaching head some extra non-contact time for administrative purposes - that is to increase administration time from 0.2 of a post by two hours, and also to increase the curriculum expertise in the school. We will have to draw on reserves to fund this.

East Midlands

As this authority is cutting budgets I can see no other options except to use our reserves. Once they have been used up schools, especially small ones, will be forced into closure, then there will be more lost posts.

North West

We will draw on the reserves and will cut the amount of the budget available for building maintenance and equipment, and we shall generally have to cut and pinch to maintain the pupil-teacher ratio.

South East

- ***Rising Rolls***

We will have more money due to an increasing roll but per capita it will be less. Thus we can juggle figures to maintain our staff but only by increasing class sizes and cutting our level of learning support.

South East

Our pupil numbers are rising. The position regarding staffing in most of Cheshire primary schools is not desperate and most schools seem to be coping within fairly tight budget constraints.

North West

We have more children, therefore we have some more money, but the budget overall has been reduced by 3.25 per cent, so in fact our total budget in real terms is reduced by £30,000.

South West

Actual pupil numbers in September may turn out to be greater than forecast. Primary heads in particular are very conservative in their budget planning, and an extra 20 pupils is equivalent to a teacher. Better to appoint in the autumn than make redundant in the spring or summer. Part-time and short-term contracts will become a way of life for small schools. Our school has 185 pupils aged 4 to 11. Small schools' budgets are very susceptible to small swings in pupil numbers and, for instance, the damage that can be caused by a leaking roof and having to repair it.

Yorks & Humb

We are increasing in size with 20 or more pupils, otherwise we would have to reduce staffing levels. Class sizes will increase. As a result the maintenance programme for the building will be put on hold. Where possible we shall appoint cheaper staff, and we may have to reduce non-contact time as well.

South East

- ***Adjustments including Cheaper Staff***

Will draw on reserves, reduce non-contact time and appoint cheaper staff. "At the end of the financial year 1994-5 there will be a carry-forward of between £30,000 and £40,000. This will help us through the dip in pupil numbers."

West Midlands

Will increase the pupil-teacher ratio. No reserves available and have already resorted to appointing cheaper staff. "We will be appointing a new part-time clerical assistant on the lower part of the scale for 15 hours a week, although a full-time clerical assistant is

desperately needed in this large, busy school dealing with children of three to seven years old. There are 220 children on roll.”

Wales

CONTEMPLATING REDUCTIONS

- ***No Room to Manoeuvre***

May have to reduce staffing levels. “Since 91 per cent of our budget is spent on staffing it is impossible for us to make savings by cutting non-staffing costs any further. Inevitably there will be an increase in the pupil-teacher ratio and a reduction in non-contact time.”

Yorks & Humb

Expecting to reduce staffing levels by one temporary full-time and one temporary part-time. “We have spent all our reserves and will be operating at only the highest priority needs, but with 88 per cent of budget needed to pay salaries we cannot make any savings on the 12 per cent left to run the establishment.”

East Midlands

When there is initially not enough funding to keep present staff and ancillary staff in this school, just an extra £5, 000-£10, 000 would be enough to keep our heads above water. But unless an extra five children appear in time for my Form 7 return on pupil numbers to the DFE this will not materialise. Negotiation of salaries is a farce as there is no money in the kitty for posts of responsibility or re-assessment of head’s and deputy’s salaries.

East Midlands

Planning to reduce staffing levels by 0.7 full-time equivalent. Will reduce non-contact time and “have a zero budget for all departments except for essential materials like pencil and paper, exercise books and paints. In fact all consumable items.”

South West

Planning to reduce staffing levels by 1 to 2 full-time equivalents. “We will not have sufficient funds to maintain our existing staff despite an increase in roll (will be drawing on reserves, increasing the pupil-teacher ratio, and reducing non-contact time). No new appointments will be possible.”

North West

Planning to reduce staffing levels by 1 full-time equivalent. “The deputy head moves at the end of the spring term and we are not replacing this post for the time being because we believe our budget would be insufficient to meet salary costs if we appointed a permanent replacement.”

East Midlands

- ***Cumulative Effect of Cutbacks***

The school in 1993/4 had to balance its budget by not appointing a deputy head or allocating an A allowance to another member of staff. The classes are covered by staff on long-term, temporary contracts who are cheaper, and we also terminated the employment of a part-time teacher. We may have to reduce staffing levels in 1995-6 by one full-time equivalent, and we still may not be able to appoint a deputy or provide the A allowance for a deserving member of staff either.

North

Can only speak from experience in our own county. If the proposed cuts go through this year our budget will have suffered a 10.3 per cent cut in three years. This means approximately £70,000 cut, an equivalent loss of three and a half teachers. (As a result have had to draw on reserves and increase the pupil-teacher ratio.) We will be looking to appoint cheaper staff where possible.

Wales

Planning to reduce staffing levels by 1 full-time equivalent. "We are appointing a new head so one member of staff will be made redundant or leave and not be replaced. However, our pupil numbers will be up by approximately 20 so the pupil-teacher ratio will inevitably increase."

East Midlands

- ***Difference in Staff Salaries***

This year we would have had to make drastic cuts in our staffing were it not for a maternity leave. One teacher was off for 11 months due to complications. She was on a higher salary scale than the supply teacher who was straight from college. In Gwynedd we belong to an insurance scheme for sick and maternity leave. Due to the timing of this we were able to make considerable savings. Secondly, in 1993-94, one teacher at the top of the scale retired. Her salary had been allocated in the 94-95 budget and her replacement was on a Scale 2. Because of these two points we were able to maintain our present level of staffing at 2.5 FIEs, although really we should only be able to afford 2.2. I am a full-time teaching head and every afternoon teach 22 pupils aged 7 to 11. The school has 42 pupils aged 4 to 11."

Wales

Governors are considering reducing staffing levels by 1 full-time equivalent. "We are a popular school in a good area with highly talented staff and a hard-working group of governors, and I do my best. We have more pupils than ever before, yet the difference between our actual salary costs and the average salary costs awarded in the budget make a nonsense of trying to manage within the budgets set by the LEA. What are our options? Lose staff and popularity, opt out, or sink into oblivion."

North West

SECONDARY LEA MAINTAINED

NO CUTS EXPECTED

- **Reserves**

We have managed to extract ourselves from an overspend in 1991-2 and now have a backlog so we are in a relatively easy financial year compared with previous years. Many schools are under-spending this year and carrying forward funds.

Comprehensive, 11-16, Yorks & Humb

Drawing on reserves of £40, 000 but we are in a survival situation and depending on the staff salary increase of between two and three per cent with no help with last year's salary increase we could be five per cent down on our budget.

Comprehensive, 13-18, West Midlands

We have not had to make savings since a surplus was generated between 1993 and 1994-5, so that the percentage balance to be spent on salaries, premises and services will remain approximately the same.

Comprehensive, 11-16, North West

No anticipated reduction in FTEs because we are assuming our forward-planning measures are sufficient. We have planned for the loss of TVEI income and lower LEA funding. Our reserves are likely therefore to mitigate these losses and there will be no change in overall staffing levels.

Comprehensive, 11-16, East Midlands

We will continue to be cautious in setting staffing levels, being aware that getting it wrong may have significant impact on the health of the school budget. Having managed a small decrease in staffing levels due to a decline in pupil numbers, we are now set to expand marginally again, but sixth-form recruitment will govern the state of play for subsequent years.

Vol. Controlled, Comprehensive, 11-18, East Midlands

- **Rising Rolls**

As an expanding school we will not be appointing as many additional staff as we had anticipated and developments will be significantly reduced.

Vol. Controlled, Grammar, 11-18, South East

Pupil numbers are going up but I hope to retain staff at the existing level by drawing on the reserves, increasing the PTR and by reducing free periods. The LEA is facing major budget reductions and claiming that they cannot make any more cuts at the centre.

LEA Maintained, Comprehensive, 11-16, Wales

Hopefully rising pupil numbers will help. I am attempting to retain current staffing levels with a freeze on all other costs.

Vol. Controlled, Comprehensive, 13-18, South West

The school's Year 7 intake has increased from four form to five form entry over the last four years. This has led to an increase in teaching staff but not in proportion to pupil numbers and has hidden possible staff difficulties. We have drawn on the reserves and

spent less on non-essential maintenance. In fact most money has been spent on leaking roofs.

Grammar, 11-18, Greater London

- ***Previous Redundancies***

Not anticipating reducing staffing levels this year because we had to make redundancies last year due to falling rolls. These included one deputy head, one premises assistant, one librarian, two part-time clerical assistants, one humanities teacher, half a PE teacher and half a technology teacher. We also had to draw on reserves.

Comprehensive, 11-18, Greater London

The only vacant posts that have been filled from this school are replacements in key national curriculum areas. We have had to reduce from 42 to 33 teachers between 1990 and 1995 as a result of massive cuts in budget, but pupil numbers have only gone down marginally from 435 to 415. I am extremely envious of those schools which seem to be expanding and regularly making new appointments.

Comprehensive, 11-16, Wales

- ***Adjustments Elsewhere***

Not anticipating redundancies but will draw on reserves, reduce free periods and appoint cheaper staff. "I prophesy meltdown in three years if teachers' salaries are not to be funded fully or otherwise. We have absorbed at least an eight per cent cut in budget over three years with no AWP increase, no increments, no allowance for inflation."

Vol. Aided, Comprehensive, 13-18, South West

No spare capacity to cut back on books, equipment, building, development or repairs so they may have to lose teaching staff. The school has no reserves so there will be an increase in the PTR and free periods will be reduced. "Many headteachers exaggerate. I know some who shout about disaster and catastrophe when they mean difficulty and whose contact ratio and class size are better than many."

Comprehensive, 11-18, Yorks & Humb

SOME LOSSES

- ***Cheaper Staff***

Reducing staffing levels by 1 FTE. "We have a good carry-over figure by being able to replace older, expensive staff by newly-qualified teachers. We anticipate having to increase the PTR and reduce the staff free periods."

Comprehensive, 11-16, South East

Expects to reduce staffing levels by 2 FTEs. Savings will be mainly by appointing cheaper staff. "I have never experienced the present level of uncertainty in 20 years of senior management in schools. We are facing a real cut of 5.5 per cent in budget this year, about £95,000, plus no provision for pay rises even though we have an increasing roll. Add in that we need more resources for special educational needs and non-statemented SEN and the idea of any slack is superfluous. Neither do we have vast reserves."

Comprehensive, 11-16, North West

Anticipating reducing staffing levels by 1 to 2 FTEs by drawing on reserves, increasing the PTR, and appointing cheaper staff. “We have to balance out a cut of between £40,000 and £80,000, in the context of a stable pupil intake.”

Comprehensive, 11-16, North

- ***Reducing Non-Teaching Costs***

We will compensate for budget cuts by drawing on the reserves and by cutting back on development projects such as, for instance, the extension to the motor vehicle workshop and the refurbishment of the changing rooms.

Comprehensive, 11-18, Greater London

Will reduce capitation, repairs and maintenance first before staffing levels fall.

Comprehensive, 11-16, West Midlands

Expecting a cut of five per cent in the budget equivalent to about £76,000. One possible teaching redundancy and savings all round.

Comprehensive, 11-16, West Midlands

- ***Previous Cutbacks***

Likely to lose 1 FTE. Will also have to increase the PTR and reduce the number of staff free periods. The school has struggled with a desperate financial crisis for at least four years. “In the 11 years in post as headteacher I have had to manage a 47 per cent reduction in teaching posts and find ways of reducing premises costs. We are a small urban school serving a large council estate. We are sandwiched between two successful schools with number on roll of more than 1200. The LEA supports us as much as possible within the constraints of LMS because we effectively meet the needs of the disadvantaged community. For the past four years GCSE results have been around 25 per cent with five or more grades A-C. I retire at Easter because my job has become too exhausting. In principle I have no strong objections to LMS. Unfortunately we did not enter the game in a position of strength. In the present climate there are winners and losers. We are losing slowly but surely. It is no reflection on our commitment or professionalism.”

Comprehensive, 11-16, Yorks & Humb

To stay within budget we are likely to have to make one teacher redundant and basically by clobbering secretarial staffing as well, although last year there were huge cuts of which non-teachers took a disproportionate share and capitation was reduced to murderous levels.

Comprehensive, 11-16, West Midlands

We will not be able to reduce teaching costs without a very serious effect upon the curriculum, the pupil-teacher ratio and our ability to manage the school. We cannot however reduce on non-teaching costs because we have cut back to the bone. We were hoping to employ more staff because our numbers will grow, but it now seems unlikely. We may stay as we are or reduce by one or two.

Comprehensive, 11-16, Yorks & Humb

MAJOR REDUCTIONS

- **No Reserves**

Reducing staffing levels by 3 or 4 FTEs, even though pupil numbers have risen slightly. I have symbolically written these answers in red ink. The financial situation at this popular, successful, advantaged rural comprehensive is grave. Our policy since the introduction of LMS has been today's money for today's children. There are no significant reserves. Much of the current talk attempts to categorise the financial cuts. There is only one true reason. Central government has significantly reduced funding of state education, and reduced funding means fewer teachers. In turn, this means the curriculum will be determined by staffing availability. Any notion of curriculum-led staffing or an entitlement curriculum has gone. My job is to run the school on the resources that are available and I am resolved to do that. I am forced to respond to financial pressures rather than perceived needs. What price choice and diversity or raising standards. We have a policy in tatters.

Comprehensive, 11-18, North West

Anticipate reducing staffing levels by 8 FTEs and making cuts wherever they can be made. We are an 11-16 school so our funding through the formula is not very favourable. We have had to use reserves of £70, 000 to set the budget for 1994-5. There are no reserves left. The latest information on the budget for 1995-6 suggests a cut of £133,000 plus the £70,000 use of reserve, a total of £200,000.

Comprehensive, 11-16, South East

Reducing staffing levels by 2 or 3 FTEs. "Our reserves have already gone. We will make savings (in addition to increasing the PTR, reducing free periods and appointing cheaper staff) by non-compliance with expensive extras like appraisal time, national records of achievement, negotiated statements, special needs provision. Also there will be a reduction in marginal activities where we have had to pay to open the building, e.g. no Saturday use, and tighter use of evening opening."

Comprehensive, 11-16, North West

- **Cheaper Staff and Other Savings**

Reducing staffing levels by 4 FTEs. "We shall be drawing on our reserves, the little that is left of them, increasing the PTR and appointing cheaper staff. We are encouraging staff over 50 to take early retirement. One of those who left at Christmas was just such a teacher, and there is another to leave at Easter. There is a general policy in all schools to remove expensive staff. We are also reducing the number of allowances paid. It will probably accelerate next year with the cuts, but a high proportion of vacancies will not be filled. After next year LMS is not going to be about better management of schools but about cheaper education."

Comprehensive, 11-18, North West

Anticipated reducing staffing levels by 3 FTEs. "We will have to increase the PTR, reduce free periods, appoint cheaper staff, in fact any opportunity not to spend. One less caretaker, no service agreements, no staff meals, no furniture, minimal repairs."

Comprehensive, 11-18, North

At this stage there is uncertainty about the budget and the pay award. The worse scenario will be a maximum of 6 FTEs less and a minimum of 3. In the financial year 1993-94 the school kept a very large contingency fund. This was very much reduced - from £210,000 to its current level of £50,000. Besides drawing on these reserves pupil-teacher ratios will increase and we will also reduce the range of options available post-16. There will be more joint teaching of Year 12 and Year 13 where appropriate. There will be less support for those with learning difficulties and less individual counselling of pupils, all in order to cut back on costs.

Comprehensive, 11-18, East Midlands

- ***No More Room to Manoeuvre***

Expecting to reduce staffing levels by 6 FTEs. "In Kent the situation will get far worse. The next financial year 1994-96 I have had to cut £94, 000 off the staffing budget with a drop of only 11 pupils on roll. For the following year I already estimate that one more member of staff will have to go."

Sec. Modern, 11-17, South East

Expecting to make 3 FTEs redundant. "It is impossible to reduce non-teaching costs any further. I will have to reduce staffing costs and increase the pupil-teacher ratio."

Comprehensive, 11-16, South West

SECONDARY GRANT MAINTAINED

Going grant maintained will compensate for some cuts that we would have had to make, so we do not anticipate a reduction in staffing levels this year. Last year we were able to make savings through ill-health retirements and premature retirements. We had seven last year in all, which enabled us to reduce staffing levels by the equivalent of 4 FTEs.

LEA Maintained, Comprehensive, 11-18, East Midlands

Becoming grant maintained two years ago has temporarily improved the school budget and the monies the school has have been used more efficiently. I do not anticipate reducing staffing levels for this coming year but if there is a further fall in income in real terms the year after, that is 1996-97, it will be very difficult indeed.

Comprehensive, 11-18, South East

Not planning to make any teachers redundant. As a consequence of going grant maintained have had relatively more to spend on teachers, clerical and secretarial staff, books, equipment, building development and repairs, and "we have had a windfall reduction in costs by being able to replace experienced teachers by newly-qualified teachers at a lower salary level."

Comprehensive, 11-18, West Midlands

Additional funds should come from substantial increases in number on roll despite a lower AWPU. As a result there is also likely to be more funds available for non-staffing expenditure as well.

Comprehensive, 13-19, Yorks & Humb

Don't know whether we will need to reduce staffing levels because we don't know the precise budget yet. This school has increased teaching staff posts over the last five years because of a sharp increase in numbers, from 760 to 1120. However, this has now levelled out. Few staff have left in recent years. We thus have a very static situation. The anticipated budget for 1995/96 may leave us needing to reduce staff for September 1995.

Comprehensive, 11-18, Greater London

Expecting to reduce staffing levels by 2 FTEs. Will make further savings by reviewing all premises, occupancy and administrative costs. "We have suffered successive cuts in the SSA for five years, such that from 1989 to 1993, despite an increase in pupil numbers, we have lost 15 per cent of the teaching force, equivalent to 6.2 FTEs. This has been also accompanied by a progressive shift from permanent full-time to temporary part-time staff in a desperate effort to square a circle of curriculum needs against staffing reduction imperatives. Our solution uniquely in the North-East of England, was to seek grant-maintained status in 1993. Since then our pupil numbers have gone up by 45 only, not much more than in the previous period, but we have increased our FTEs by 5.1. So the downturn in staffing has been temporarily reversed, together with a switch from temporary part-time to permanent full-time staff. The objective of running the leanest of administration possible has brought an estimated £100,000 extra per annum. Grant-maintained status has given us a temporary respite, and elevated the base line from which cuts are relentlessly imposed."

Comprehensive, 13-18, North

If the most pessimistic forecasts are to be believed we may have to reduce staffing levels by as many as 10 FTEs. Our carry-forward figure has gradually been reduced each year from £85,000 to £60, 000 to £26,000 and next year it will be zero.

Comprehensive, 11-18, East Midlands

TES

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