



National Audit Office

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## **Report**

by the Comptroller  
and Auditor General

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**Office for Standards in Education, Children's Services and Skills**

# Ofsted's inspection of schools

## Key facts

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**6,079**

number of inspections of state-funded schools that Ofsted completed in 2017-18

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**£44m**

estimated amount that Ofsted spent on the 6,079 inspections of state-funded schools in 2017-18

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**166**

number of school inspectors that Ofsted employed directly at March 2018

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<b>29%</b>	proportion of Ofsted's total spending that went on inspecting state-funded schools in 2017-18
<b>£7,200</b>	estimated average total cost per school inspection in 2017-18
<b>94%</b>	proportion of planned school inspections that Ofsted completed in 2017-18, compared with 84% in 2016-17 and 65% in 2015-16
<b>43 (0.2%)</b>	number of schools for which Ofsted did not meet the statutory target to re-inspect within five years between 2012/13 and 2016/17
<b>296</b>	number of schools that had not been inspected for 10 years or more because they were previously graded as outstanding and are therefore exempt from routine re-inspection, at August 2017
<b>9</b>	average number of days that each contracted inspector who was a serving teacher was deployed in 2016/17
<b>84%</b>	proportion of headteachers who responded to our survey and said that the outcome of their school's most recent inspection was fair
<b>44%</b>	proportion of headteachers who responded to our survey and said that their school's most recent inspection had led to improvements, compared with 28% who said that it had not

Throughout this report, academic years are written as 20xx/yy and financial years are written as 20xx-yy.

Unless otherwise stated, all figures relate to state-funded schools only. Figures relating to numbers of inspections do not include monitoring visits unless they resulted in a change of grade.

# Summary

**1** The Office for Standards in Education, Children's Services and Skills (Ofsted) inspects and regulates services that care for children and young people and services that provide education and skills for learners of all ages. Ofsted seeks to be "a force for improvement through intelligent, responsible and focused inspection and regulation". It publishes reports of its findings and reports to ministers on the effectiveness of services. In 2017-18, Ofsted spent £151 million.

**2** This report focuses on Ofsted's inspection of schools. Approximately 21,500 state-funded schools in England are subject to inspection by Ofsted. They educate a total of some eight million pupils. Ofsted spent an estimated £44 million on inspecting state-funded schools in 2017-18. This is equivalent to 0.11% of the total funding for state-funded schools in the same year.

**3** Ofsted reports on and grades schools on their overall effectiveness and on four specific areas (the effectiveness of leadership and management; the quality of teaching, learning and assessment; personal development, behaviour and welfare; and outcomes for pupils). It grades using a four-point scale: outstanding; good; requires improvement; and inadequate. Of state-funded schools open in August 2017, Ofsted had graded 18,330 (85%) as good or outstanding.

**4** Ofsted is a non-ministerial government department, headed by HM Chief Inspector. HM Chief Inspector is accountable to Parliament for securing value for money for Ofsted's spending. At March 2018, Ofsted's school inspections were undertaken by 166 directly employed inspectors (HM inspectors) and approximately 1,470 contracted inspectors (Ofsted inspectors).

## Focus of this report

**5** Through its school inspections, Ofsted aims to raise the standards of education and improve the quality of life for children and young people. It plays a vital role in the functioning and assessment of the school system. The Department for Education (the Department) and local authorities rely on Ofsted's work to gain assurance about the quality of schools and teaching, and to intervene where schools are underperforming. Parents can use Ofsted reports to compare the performance of schools and help them make choices about schools for their children.

**6** This report examines whether Ofsted's approach to inspecting schools is providing value for money. We assessed Ofsted's role (Part One), performance (Part Two) and impact (Part Three). We set out our audit approach in Appendix One and our evidence base in Appendix Two.

## Key findings

### Ofsted's role

**7 Ofsted's remit has expanded significantly since 2000 but its spending has fallen in real terms since 2005-06.** Since 2000, governments have given Ofsted a range of new responsibilities. As well as schools, its remit now covers other sectors, including children's social care, early years and childcare, and further education and skills providers. Successive governments have reduced Ofsted's overall budget. Its spending (at 2017-18 prices) fell from £280 million in 2005-06 to £167 million in 2015-16, a decrease of 40% in real terms. Ofsted's budget is expected to fall further to 2019-20. Inspecting state-funded schools accounts for the largest share of Ofsted's spending: an estimated £44 million in 2017-18, which was 29% of the total amount it spent (paragraphs 1.2 to 1.4).

**8 The system for school improvement and accountability is fragmented and there is some confusion about Ofsted's role.** A range of different bodies are involved in holding schools to account and supporting them to improve, with different arrangements for maintained schools, academies and independent schools. Ofsted does not decide what action should be taken after it has inspected a school and does not intervene to improve schools. These are matters for schools themselves, the Department, local authorities and multi-academy trusts. There is some overlap between the role of Ofsted and that of the Department's regional schools commissioners, who oversee academies' educational performance. The Department recognises the potential for confusion and duplication and, in May 2018, published principles for a clearer system of accountability. It plans to develop these into detailed proposals for consultation in autumn 2018 (paragraphs 1.13 to 1.17).

**9 Ofsted is independent but the Department influences the framework within which Ofsted works and how it uses its resources.** Ofsted carries out its inspections independently of the Department and of the schools it inspects. However, the Department influences Ofsted's work in a number of ways. For example, it negotiates Ofsted's budget with HM Treasury and can direct Ofsted to carry out additional inspections. Ofsted believes that its remit has not kept pace with structural changes in the school system and that inspecting academy groups (the multi-academy trust and its schools) would make inspection more efficient and effective. The Department plans to seek views on how to improve the accountability of multi-academy trusts as part of its exercise to clarify the system of accountability for schools (paragraphs 1.18 to 1.21, and 1.25).

**10 As a result of decisions by the Department and Ofsted, the level of independent assurance about schools' effectiveness has reduced.** The Department proposes to Parliament legislation that determines aspects of Ofsted's work. Under legislation, schools graded as outstanding are exempt from routine re-inspection. At August 2017, 1,620 schools had not been inspected for six years or more, including 296 schools that had not been inspected for 10 years or more. Ofsted re-inspects good schools through a short (one-day) inspection rather than a full (two-day) inspection. Short inspections provide less assurance and allow inspectors less time to discuss with schools how they might improve (paragraphs 1.10 to 1.12 and 1.22 to 1.24).

## Ofsted's performance

**11 Ofsted did not meet its statutory target to re-inspect schools within five years in 43 (0.2%) cases.** Legislation states that Ofsted must re-inspect non-exempt schools within five academic years of the end of the academic year in which the last inspection took place. In its annual report and accounts for 2016-17, Ofsted reported that it had met its statutory inspection target in 2015/16 and was on track to meet it in 2016/17. However, our analysis found that, of the 17,503 schools that were not exempt from inspection between 2012/13 and 2016/17, Ofsted inspected 17,460 (99.8%) within the statutory timescale. It did not meet the statutory timescale for 43 schools (0.2%). There were 15,750 pupils in these schools. In March 2018, in light of our analysis, HM Chief Inspector wrote to the Secretary of State to tell him that Ofsted had not met its statutory target. She explained that in 32 of these cases the school had expanded or amalgamated with another school and Ofsted had incorrectly treated them as new schools; in the 11 other cases, Ofsted had judged that there were exceptional circumstances and had decided to defer re-inspection (paragraphs 2.8 and 2.9).

**12 Ofsted has struggled to achieve its own targets for how often schools should be inspected but performance has improved.** Performance has improved since Ofsted has deployed more inspectors. In addition, Ofsted has extended some of the timescales for re-inspection to allow schools more time to improve, and this has also allowed Ofsted to spread re-inspections over a longer period.

- Between 2012/13 and 2016/17, Ofsted did not meet its target to re-inspect schools graded as inadequate, where the quality of education provision is most at risk, in 78 cases (6.0%). The target varies depending on whether the school is judged to have serious weaknesses or if it is placed in special measures.
- Ofsted aims to monitor schools graded as requires improvement and normally to re-inspect them within two years. Since September 2015, Ofsted has made extensive use of a new provision that allows it to extend the re-inspection timescale to 30 months. Taking 2015/16 and 2016/17 together, Ofsted re-inspected 692 schools (26.8%) in the period between two years and 30 months; it did not re-inspect 55 schools (1.3%) within 30 months.
- Between 2012/13 and 2014/15, Ofsted did not meet its target to inspect new schools generally within two years of opening in 95 cases (9.6%). It subsequently extended the target to inspection usually within three years, and achieved this for all but 36 schools (7.8%) between 2015/16 and 2016/17 (paragraphs 2.10 to 2.13).

**13 Ofsted has completed fewer inspections than planned but performance has improved since 2015-16.** Ofsted sets its inspection programme based on timescales set in legislation and its inspection framework, supplemented by its assessment of risk and local intelligence. In 2015-16, it completed 3,572 inspections of state-funded schools, 65% of planned inspections. The position improved in the two following years. Ofsted completed 5,098 inspections (84%) in 2016-17 and 6,079 inspections (94%) in 2017-18 (paragraphs 2.6 and 2.7).

**14 Ofsted has generally increased the average time between inspections and missed its target for good schools by around a year.**

Ofsted has not achieved its internal framework target to re-inspect schools graded as good approximately every three years. In 2016/17, the average time between inspections was 4.4 years for good primary schools and 4.0 years for good secondary schools. Ofsted told us that it has been increasing the time between inspections for good schools to free up resources for other activities, such as expanding its system-level research (paragraphs 2.14 to 2.16 and Figure 10).

**15 Ofsted has found it difficult to meet its inspection targets because it has not had enough inspectors.**

At March 2018, Ofsted had 30 (15%) fewer employed HM inspectors than it had budgeted for. There was also a shortfall in each of the two previous years. Turnover of HM inspectors improved in 2017-18 (19%, compared with 26% in 2016-17) but the rate still indicates a high level of churn in the workforce. One of the main reasons that HM inspectors give for leaving is workload. Some inspectors are also dissatisfied that the introduction of short inspections has made their role narrower, with less opportunity for improvement work with schools (paragraphs 2.22 to 2.24 and Figure 11).

**16 In 2015, Ofsted brought all inspection work in-house with the aim of improving quality and this left it with a shortfall of contracted inspectors.**

- Since September 2015, Ofsted has contracted directly with serving practitioners and other external inspectors. Previously it had outsourced much of its inspection work to private companies, but it was not satisfied with the level of control this arrangement gave it over quality. Bringing school inspection in-house gave Ofsted more control over the selection, training and monitoring of inspectors.
- The change left Ofsted with an unexpected shortfall of contracted inspectors, partly because less than half of the existing contracted workforce who applied were assessed as meeting the standards and offered contracts. In addition, Ofsted has deployed its contracted inspectors for less time than it intended. During 2016/17, it deployed each serving practitioner for nine days, and each non-serving practitioner for 23 days, on average, compared with its targets of 16 days and 32 days respectively. Ofsted is training more contracted inspectors to lead inspections to help cover the shortfall of HM inspectors and allow it to deploy Ofsted team inspectors for more days.
- Most contracted Ofsted inspectors are serving or former headteachers or deputy headteachers. Contracted inspectors provide Ofsted with flexibility in staffing and a direct connection with schools. Comments from a small number of respondents to our survey of headteachers mentioned the benefits of having serving teachers on inspection teams, such as a better understanding of current practice (paragraphs 2.20, and 2.27 to 2.30).

**17 Ofsted has assessed that over 90% of inspections meet its quality**

**requirements.** Ofsted has a range of processes to assure the quality of its inspectors, inspections and inspection reports. By sampling and observing inspectors' work, it tests the quality of inspections and the evidence underpinning the conclusions reached. Ofsted's quality assurance processes generate data, which it uses to track whether the quality of inspections is improving. Ofsted's data relating to three of the processes show that, between 2015/16 and 2017/18, over 90% of inspections were assessed as meeting requirements; there was no clear trend in performance. In 2016/17, quality assurance led to the overall effectiveness grade being changed following 17 inspections (equivalent to one in 420 inspections). Data from the first eight months of 2017/18 indicate that quality may be improving (paragraphs 2.38 to 2.40).

**18 In our survey of headteachers, 84% of respondents said that the outcome of their school's most recent inspection was fair.**

As would be expected, the better the inspection grade awarded, the higher the proportion of respondents who considered that the outcome of their most recent inspection was fair: the proportion varied from 100% of outstanding schools to 51% of inadequate schools. Less than half of the respondents who did not consider that the outcome of their inspection was fair complained to Ofsted. In 2017-18, Ofsted received formal complaints (cases which were not resolved during the inspection) relating to 310 (5%) of its school inspections. Of these, 105 complaints (34%) were fully or partly upheld. Ofsted changed three grades in each of 2013-14 and 2014-15, and none in subsequent years. Ofsted views this as a positive reflection on its inspections and quality assurance. In our survey of headteachers, 85% of those who had complained were not satisfied with the outcome of the complaint (paragraphs 2.32, and 2.42 to 2.44).

**19 Our analysis indicates that Ofsted's spending on inspecting the schools sector has fallen significantly.**

The full cost of inspecting the schools sector in 2017-18 (an estimated £60 million) was 52% less in real terms than in 1999-2000 (£125 million, adjusted to 2017-18 prices). Ofsted does not have reliable data on the efficiency of its state-funded school inspections over time. In 2017-18, the only year for which the calculation was possible, we estimate that the average total cost per state-funded school inspection was £7,200 (paragraphs 1.3 to 1.5, and 2.2).

## Ofsted's impact

**20 Ofsted does not know whether its school inspections are having the intended impact: to raise the standards of education and improve the quality of children's and young people's lives.**

Ofsted is one player in a complicated system so assessing the impact of school inspections is not straightforward but would be valuable. Ofsted set few targets to measure performance against its 2016 strategic plan, and has provided limited information to allow others to assess its progress. Its performance measures have instead focused mainly on activity and processes. In September 2017, Ofsted published a new strategy for 2017–2022. In March 2018, it agreed an evaluation framework for assessing performance against the strategy, including performance indicators and targets. The measures include the percentage of parents who consider that Ofsted is a valuable source of information, and the percentage of teachers who see Ofsted as a force for improvement (paragraphs 3.2 to 3.4).

**21 Ofsted's inspection reports are an important factor when parents choose a school, but parents would like the reports to reflect parents' views more.** Focus group research in 2017 concluded that parents were positive towards Ofsted: it is respected, trusted and seen as independent. Ofsted's 2017 survey of parents found that the top three factors when choosing a school were: proximity to home (61%); Ofsted judgement (50%); and siblings at the school (25%). Research by Ofsted and Parentkind suggests that parents would like more opportunity to comment on schools, and would like more views of parents in Ofsted reports. Ofsted seeks parents' views through an online survey but the response rate is low. It received an average of 17 submissions for each stated-funded school in the year to January 2018 (paragraphs 3.5 to 3.8).

**22 There is some evidence that inspections are helping schools to improve.** In our survey of headteachers, 44% said that the inspection had led to improvements in the school, while 28% said that it had not. In addition, 71% of respondents agreed that inspectors provided useful feedback during and at the end of the inspection visit. Ofsted's post-inspection survey of schools inspected since 2015 found that 91% thought that the inspection findings would help the school to improve. Ofsted also helps to build capability and support school improvement by using serving teachers as contracted inspectors. In its 2017 survey of Ofsted inspectors, 99% of serving practitioners agreed that the knowledge and experience they had gained as an inspector would be of benefit to their own provider and to the wider sector that they served (paragraphs 3.9 to 3.11).

**23 Ofsted has taken action to reduce the burden of inspections on schools but the messages have not reached all teachers.** In our survey of headteachers whose schools had been inspected since September 2015, 54% of respondents agreed that the burdens placed on the school were proportionate in order for Ofsted to form a reliable judgement, while 29% disagreed. Ofsted has sought to lessen demands on schools, including by reducing the notice period for an inspection to half a day and emphasising that inspection requires no special preparation. In January 2016, Ofsted launched a 'myth-busting' campaign to dispel common misconceptions about what it expects to see during an inspection that can result in schools doing unnecessary work. The campaign has been welcomed by teaching unions but its messages have not permeated throughout the school system. Ofsted's 2017 teacher attitude survey found that 69% of teachers had not heard anything about the campaign (paragraphs 3.14 to 3.17).



## Conclusion on value for money

**24** Ofsted provides valuable independent assurance about schools' effectiveness and as such is a vital part of the school system. It has faced significant challenges in recent years, as its budget has reduced and it has struggled to retain staff and deploy enough contracted inspectors. The ultimate measure of the value for money of Ofsted's inspection of schools is the impact it has on the quality of education, relative to the cost. Ofsted's spending on school inspection has fallen significantly but it does not have reliable information on efficiency. It also has limited information on impact. Until Ofsted has better information it will be unable to demonstrate that its inspection of schools represents value for money.

**25** The Department plays an important part in whether the inspection of schools is value for money. The Department affects Ofsted's funding, how it uses its resources and what it can inspect. The current inspection model, with some schools exempt from re-inspection, others subject to light-touch inspection and the average time between inspections rising, raises questions about whether there is enough independent assurance about schools' effectiveness to meet the needs of parents, taxpayers and the Department itself. Although government has protected the overall schools budget, it has reduced Ofsted's budget every year for over a decade while asking it to do more. We think that government needs to be clearer about how it sees Ofsted's present and future inspection role in the school system as a whole, and resource it accordingly.

## Recommendations

- a** **The Department should work with Ofsted to review the extent to which the inspection framework and resourcing allow Ofsted to provide enough independent assurance about the quality of schools.** This should consider how long schools should be able to go without being inspected and whether Ofsted's remit should be extended to include multi-academy trusts.
- b** **As the Department develops its proposals for school accountability, it should work with Ofsted to set out clearly and communicate the different roles of those involved in overseeing schools.** In particular, they should differentiate the roles of Ofsted and the regional schools commissioners.
- c** **Ofsted should set out a plan for recruiting and retaining the inspectors it needs to undertake school inspections.** The plan should include what Ofsted is aiming to achieve and by when, the interventions it will use to achieve its aims and how much it expects them to cost, and how it will measure progress.

- d Ofsted should review the effectiveness of its complaints process.** This should include reviewing whether the process is sufficiently fair and independent, and whether Ofsted could allay concerns by publishing information about its quality assurance processes and the changes that it makes during the complaints process.
- e Ofsted should use its new performance measures to monitor, and report publicly on, progress against its new strategy.** It should be transparent about baseline performance, trends and the extent to which it is meeting targets for both processes and impact.
- f Ofsted should build on its research and take action to engage more with parents and make inspection reports more useful to parents.** In particular, it should consider how it can collect more feedback from parents and how it can reflect this in its reports.