

Retaining the current grading system in education

Some arguments and evidence

In response to discussion about our use of the four-point grading system, we set out the reasons for keeping it.

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Committed to clearer communication

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Ofsted's grading system

Under the common inspection framework for education providers, inspectors make graded judgements on the following areas:

- effectiveness of leadership and management
- quality of teaching, learning and assessment
- personal development, behaviour and welfare
- outcomes for pupils.

In each area, schools are graded on a four-point scale:

- grade 1 (outstanding)
- grade 2 (good)
- grade 3 (requires improvement)
- grade 4 (inadequate).

They also receive an overall effectiveness grade using the same four-point scale.

Under the proposed education inspection framework, which we intend to introduce from September 2019, the four areas would change to:

- quality of education
- leadership and management
- behaviour and attitudes
- personal development

We will continue to use the four-point grading system when we move to the new framework.

Criticisms of the four-point grading system

The current grading system, and especially the use of the 'outstanding' grade, has been the subject of a lot of debate in the education sector in recent years. This is at least in part because the consequences of being awarded each grade (particularly 1 or 4) can be significant.

A range of arguments have been put forward for changing the current grading system. Some commentators recommend moving to a below/above the line system. Some suggest scrapping the use of grades altogether.

The arguments from commentators against the current system have been well rehearsed, so we will only summarise them here:

- The current grading system has consequences that are seen by some to lead to an enormous amount of pressure on schools and headteachers. People feel that the high-stakes nature of accountability can have negative consequences in terms of provider behaviours (such as gaming league tables), health and well-being of staff and disincentivising collaboration with other providers. This is not just the case for providers in the bottom categories: some people argue that there is also a great deal of pressure on providers to maintain outstanding grades.
- Outstanding schools are exempted from routine inspection by legislation.¹ Some outstanding schools have not been inspected for over 10 years. Their outstanding grade was obtained under a different inspection framework.

For this approach to work we must assume that those providers' effectiveness is stable, and that we can pick up declining standards through exam results or safeguarding reports. It is not clear that this is always true. This, however, is not so much an argument for the grading system to be changed as for the exemption to be removed.
- It can be challenging to provide grades for very large and complex further education and skills (FES) providers that are spread across a range of settings or regions.

We do not pretend that these objections do not exist or that they are not to some extent valid. However, on balance, the arguments for change do not yet counterbalance the arguments for keeping the current system (outlined below). It is our intention that the new education inspection framework as set out in our proposals of January 2019 will counteract at least some of the issues, but we will evaluate and assess this as the framework is enacted from September.

¹ Note that exemption from inspection in the legislation is for schools at the 'highest grade', not specifically outstanding: The Education (Exemption from School Inspection) (England) Regulations 2012; www.legislation.gov.uk/uksi/2012/1293/made.

Advantages of retaining the current grading system

Providing information for parents

An effective system of school and provider choice requires information for parents

It is important that parents and learners have clear information about schools and other providers that can guide their choices, and that they make use of and act on that data.^{2,3,4}

Providing attainment or progress data is one mechanism for doing this. However, this data comes with limitations for those seeking to make these choices:

- Raw attainment data tends to be highly correlated with pupil background and attainment at intake, and value-added models such as Progress 8 are not easy for parents to understand and have some methodological limitations.⁵
- Attainment data does not necessarily tell parents much about educational processes in the school. Parents also want to know what behaviour is like, what extra-curricular programmes are offered and what it will be like for their children to be at the school. Attainment data will not provide that information.

Relying solely on these measures for a judgement of quality can also have undesirable consequences in terms of providers' behaviour, such as:

- off-rolling
- narrowing the curriculum to focus on assessed subjects
- prioritising those qualifications that are seen as easier to achieve even if they are not best for pupils, particularly those from disadvantaged backgrounds.

Inspection judgements provide parents with a useful headline indicator of provider quality that is different to but complements performance data. In order for these judgements to be most useful, they need to properly distinguish between providers

² JS Hastings, JM Weinstein, 'Information, School Choice, and Academic Achievement: Evidence from Two Experiments', *The Quarterly Journal of Economics*, Volume 123, Issue 4, November 2008, Pages 1373–1414; <https://doi.org/10.1162/qjec.2008.123.4.1373>.

³ EF Chester Jr, BV Manno, BL Wright, 'Charter Schools at the Crossroads: Predicaments, Paradoxes, Possibilities', Harvard Education Press, 2016.

⁴ S Burgess, D Wilson, J Worth, 'A natural experiment in school accountability: the impact of school performance information on pupil progress and sorting', October 2010, Working Paper No. 10/246, Centre for Market and Public Organisation, Bristol Institute of Public Affairs, University of Bristol.

⁵ G Leckie, H Goldstein, 'The evolution of school league tables in England 1992-2016: "Contextual value-added", "expected progress" and "progress 8"', *British Educational Research Journal*, 43(2), 193–212; <https://doi.org/10.1002/berj.3264>.

without over-complicating matters. For example, reducing grades to a 'below/above the line' judgement would reduce the amount of quickly accessible information available to parents and reduce the extent to which they can make fine-grained distinctions. The vast majority of providers would pass the threshold based on current grades. There would be little information in this system to allow parents to distinguish schools above the line.

This is even more true in the FES sector. The FES data world is very complex, with many qualification and provider types. Ofsted gradings provide a helpful way to distil this information for users.

Parental trust in the current system is high

While we have never directly asked about the four-point grading system in our research on parent perspectives, we have a range of evidence on the high degree of public trust in Ofsted's work that suggests that the current system is working for parents.

For instance, our most recent YouGov survey of parents, conducted in autumn 2018, found that:

- 74% of parents agree that the information Ofsted provides is reliable
- 67% of parents of a school-aged child agree that Ofsted is a valuable source of information
- nearly nine in 10 parents know the rating their child's school received at the last Ofsted inspection
- of parents who have read an Ofsted report, eight out of 10 found it useful.

These proportions are consistent with recent years.

Similar findings come from focus group research of parents conducted by Public First, which found our work to be generally trusted (note that again no specific questions were asked about the grading system):

'Parents had mixed views about Ofsted as an institution. Overall, the groups show that Ofsted is trusted ... people considered it to be independent and trustworthy. Across all the groups, most parents were able to state what the rating of their child's school was.'

A second series of focus groups gave more information about the degree to which parents use our reports:

'Following a brief discussion about the nature of schools' communications with parents, we asked parents how they chose their children's schools. Across the groups, a significant minority of something like a fifth, said they read all the relevant Ofsted reports before choosing which schools to apply to. In other words, for this group, Ofsted was decisive. Additionally, across the groups, roughly a third of parents said they used Ofsted as an

important sense check but that other factors were more important: for example, where most of their children's friends were going; word of mouth; local knowledge; and convenience (for primary school parents, convenience, in the form of how far it was from home was a major factor).'

A study by ParentKind shows relatively high levels of use of Ofsted reports by parents:

- 55% of parents said they looked at Ofsted reports when choosing a school
- 65% of parents found it easy to understand Ofsted's written reports.⁶

The fact that parents appear to have high levels of trust in the current system suggests that it is unwise to make major changes to the current, known and established practice.

Teachers' trust in the current system is higher than often realised

Social media might suggest that the teaching profession is opposed to the current grading system and would prefer to move to an above/below the line system. However, the Teacher attitude survey conducted for us by YouGov shows that views are mixed:

- 49% of teachers agreed that a clear grading system allows schools know what they are aiming for and helps parents, while 34% disagreed
- 40% stated a preference for an above/below the line system, with a significant minority (24%) disagreeing.⁷

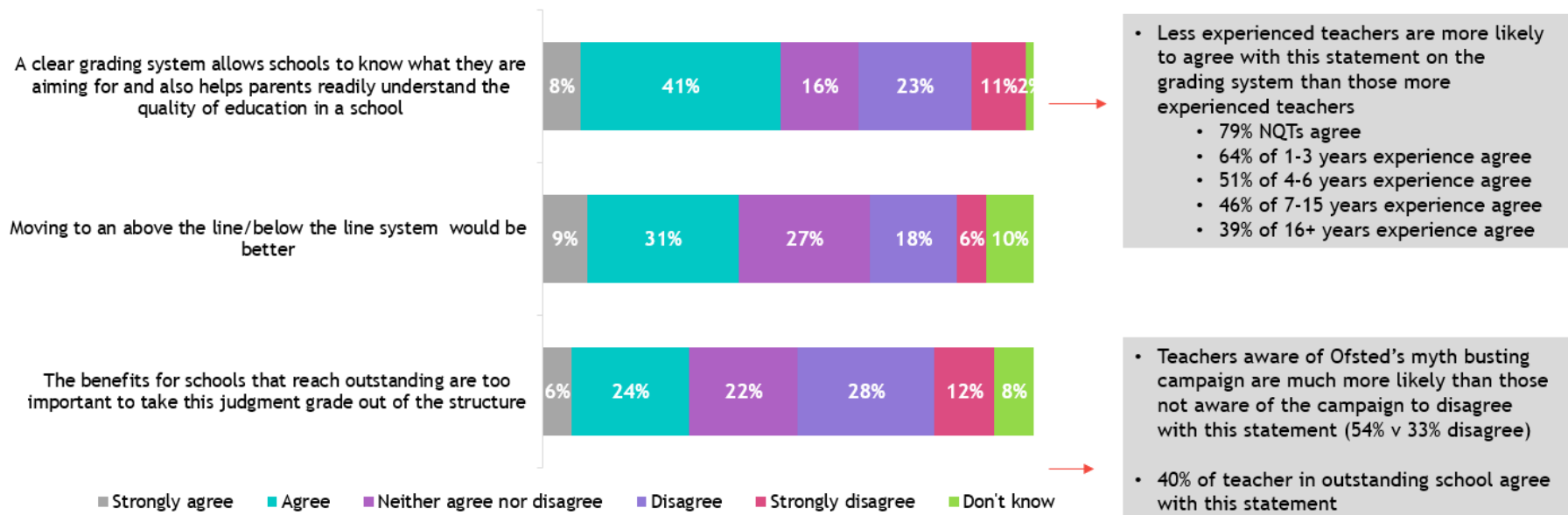
⁶ www.parentkind.org.uk/News/What-do-parents-think-of-Ofsted.

⁷ www.gov.uk/government/publications/annual-teachers-survey.

Figure 1: Teachers' awareness and perceptions of Ofsted 2018, page 36

— Almost half (48%) of teachers agree that a clear grading system allows schools to know what they are aiming for, and 40% say an above the line/below the line system would be better

- Ofsted currently gives schools an overall judgement grade of either, inadequate, requires improvement, good or outstanding. There is ongoing debate about the impact and desirability of this structure.



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G1. Ofsted currently gives schools an overall judgement grade of either, inadequate, requires improvement, good or outstanding. There is ongoing debate about the impact and desirability of this structure. To what extent do you agree or disagree with the following statements?

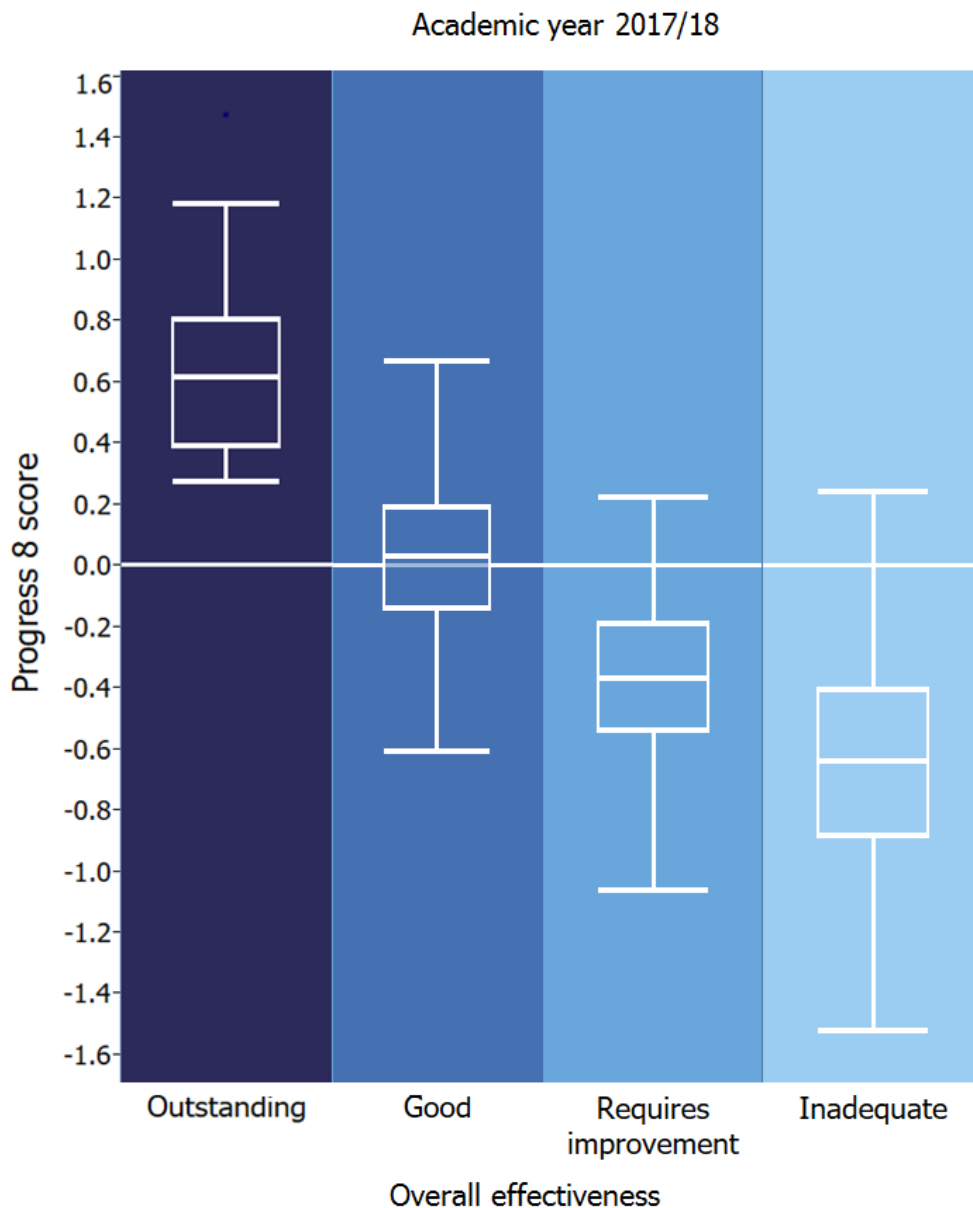
Providing information for those seeking to improve standards

Inspection grades provide useful complementary information to policy-makers

There is a clear relationship between Progress 8 scores and inspection grades: outstanding secondary schools have the highest median scores. This gives our grading some face validity.

However, there is also a wide range of scores within each overall effectiveness grade and considerable overlap in the Progress 8 scores for the four grades (see figure 2). This overlap suggests that, as intended, inspection grades measure different aspects of school quality than just Progress 8.

Figure 2: the relationship between Progress 8 and overall effectiveness grades



1. Based on inspections carried out in 2017/18. Includes short inspections of previously good schools, where the inspection did not convert to a full inspection and the school maintained its previous judgement of good.
2. The Progress 8 data is for 2016/17.
3. The centre mark on each bar shows the median score for each group of schools. The top and bottom of the boxes show the upper and lower quartiles. The whiskers extend to 1.5 times the inter-quartile range, and outliers beyond these points are not shown.

The current grading system provides policy-makers with useful information about the performance of the education system as a whole, which may not be available in a pass/fail system or with no grades at all.

For example, the ability to distinguish between requires improvement and inadequate allows more targeted interventions for providers rated below good. This granularity allows better allocation of resources in terms of inspector time, inspection type or specific types of intervention by other bodies such as the Department for Education.

The grading structure underpins legislation

Inspection grades are often used as a trigger for intervention. The Education Act 2005 granted an exemption from inspection from schools awarded the 'highest grade'. The Education and Adoption Act 2016 places a duty on the Secretary of State for Education to make an academy order if a maintained school is graded inadequate. In 2018, the Secretary of State determined that these orders would only happen where a provider was graded inadequate by Ofsted and not, as before, when a provider's Progress 8 score dropped below a 'floor standard'. This explicitly recognised that Ofsted grades provide a more holistic view of education standards than test scores alone.

The four-point grading system as the best practice model

The four-point scale developed by Ofsted has been adapted across public sector inspectorates. It is seen as being clear to the public and providing a suitable level of distinctiveness between providers. It demonstrates how Ofsted is seen as an exemplar of best practice inspection.

Four-point grading can be applied flexibly and adapted to a range of potential outcomes:

- the Care Quality Commission, for example, uses outstanding, good, requires improvement and inadequate to judge GP practices on safety, effectiveness, caring, responsiveness and leadership
- Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) uses the scale to judge the effectiveness, efficiency and legitimacy of police forces.

That the four-point system transfers well across contexts gives us some assurance that it is working for both public service providers and users.

Funding and improvement in the FES sector

Ofsted grading is directly linked to FES funding – the current system provides a mechanism to stop funding for certain types of providers with an inadequate outcome. This helps learners by weeding out bad providers.

The grade system also helps drive improvement in FES:

- The requires improvement grade helps support the work of the FE Commissioner and helps with the allocation of the Strategic College Improvement Fund.
- The Education and Skills Funding Agency (ESFA) uses the Ofsted judgements in their risk selection process.
- Since 2014, the Skills Funding Agency (SFA) and Education Funding Agency (EFA) (now the ESFA) have terminated the contracts of any independent learning providers judged inadequate.
- Colleges intending to enrol and receive funding directly from the ESFA for 14- to 16-year-olds must either be outstanding or good.

Providers compare their Ofsted rating with other providers. Independent learning providers look at the reports to see what their competitors are doing better and how they themselves might need to improve to compete in the marketplace.

Ofsted's own evaluation and development

Within Ofsted, the current system has proved useful in allowing us to target providers that are placed in particular categories and improving our inspector training and development. The current breakdown of grades is useful in testing our own quality of inspection.

The current grading system also allows us to look at trends over time, which show, for example, the fall in the number of requires improvement schools. Changes to the current system would make comparisons over time more difficult, for example for our Annual Reports, and remove an important source of data available to everyone in the sector.

Unintended consequences of change

Moving to a below/above the line system would make the decision to place a provider below the line potentially even more high stakes than the current good/requires improvement cut-off, because all the providers placed below the line would be in a single 'failed' category. More providers might become eligible for intervention of one sort or another.

Not grading or moving to a below/above the line system could lead to the system becoming even more reliant on attainment or progress outcomes as the main measure. This in turn could increase behaviours such as off-rolling and gaming the exam system.



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