

Education Committee

Oral evidence: [Funding and financial management of schools](#), HC 1237

Tuesday 23 February 2021

Ordered by the House of Commons to be published on 23 February 2021.

[Watch the meeting](#)

Members present: Robert Halfon (Chair); Fleur Anderson; Apsana Begum; Jonathan Gullis; Tom Hunt; Dr Caroline Johnson; Kim Johnson; David Johnston; Ian Mearns; David Simmonds.

Questions 1-113

Witnesses

I: Tony Foot, Director of Strategic Finance, Department for Education; Graham Archer, Director for Qualifications, Curriculum and Extra-Curricular, Department for Education; and Warwick Sharp, Director, Academies and Maintained Schools, Education and Skills Funding Agency.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Examination of witnesses

Witnesses: Tony Foot, Graham Archer and Warwick Sharp.

Q1 **Chair:** Good morning, everybody. Thank you for coming today. For the benefit of the tape and those watching on parliamentlive.tv, can you kindly introduce yourselves and give your title, please?

Tony Foot: Thank you, Chair. It is a pleasure to be here. I am Tony Foot, the strategic finance director in the Department for Education. I am on the panel today with responsibility on core schools funding and capital funding.

Graham Archer: My name is Graham Archer. My title is director, qualifications, curriculum and extra-curricular, but it is probably worth saying that that has rather failed to keep up with my responsibilities during the pandemic. It would be fairer to describe me as being director, curriculum, remote education and education recovery.

Chair: That is a tongue-twister.

Warwick Sharp: I am Warwick Sharp, the director of academies and maintained schools at the ESFA, which is an executive agency of the Department for Education. I lead a team which helps regulate academies and provides support to schools to manage finances and use their resources as well as possible.

Q2 **Chair:** Thank you. I will ask you gently to be as concise as you possibly can in your responses, as we have quite a lot to get through.

The Government has announced a welcome package of £1.3 billion for catch-up support this year, although the £350 million tutoring programme funding is being stretched into a two-year programme. Can you confirm that the additional £300 million announced by the Prime Minister in January is in fact new money and not taken from another part of the DfE budget elsewhere?

Graham Archer: It is indeed new money, as announced a couple of weeks ago. While I am not able to give the breakdown of how that is being used, I can tell members of the Committee that that will be announced later this week, along with more details about how the other aspects of the programme announced by the Prime Minister—summer schools and the covid recovery premium—will be used.

Q3 **Chair:** So, just to confirm, that extra £300 million is not taken out of any other DfE budget.

Graham Archer: No, it is not.

Q4 **Chair:** That is great, thank you. On the £650 million catch-up premium for schools, this funding was left quite open-ended to schools in terms of expenditure. What is your assessment of how effectively the premium is



being used? What assessment are you making of the impact that money will have on boosting outcomes?

Graham Archer: You are right to say that we have left that largely up to schools, and formal accountability will drive through the formal school system, with schools accountable to governors and Ofsted inspection. We are seeing a range of uses of that funding, whether that is for evidence-based programmes of work, providing assessments of where children are after a period out of education, or to support children with their mental health or other issues which make it harder for them to engage with education. It is too early, I think, to have a formal assessment of what the impact of that has been, but we are of course evaluating, as you would expect.

Q5 **Chair:** How will you evaluate it, though?

Graham Archer: We are, firstly, using our own resources to get an ongoing sense of what is going on, which is where I've been able to describe to you what I think schools are using it for. There will be a formal sample study, which will take that further as we get into its greater use. Of course, schools are only now getting the great bulk of that money and will be able to use that very effectively as schools return from 8 March.

Q6 **Chair:** In the £1.3 billion package, are you looking at a long-term structural change to the education system—for example, extending the school day? What modelling have you conducted for average school costs in terms of extending the school day to allow pupils extra time for study and activity—sports activities, mental health—to support their wellbeing?

Graham Archer: I would like to make a distinction between the £1.3 billion package, which will not address all those longer term issues. Our expectation is that it will make a significant contribution, and the additional activity, which will be announced in the course of this week, will make a difference in the short term too.

Colleagues will know, of course, of the appointment of Sir Kevan Collins as Education Recovery Commissioner. He will be working with the Department on precisely some of the questions you described, Chair, including those around how more teaching time can be got into the school system, but also, of course, how you can drive really good teaching quality so that you are getting the most out of all of the teaching that is undertaken.

Q7 **Chair:** Are you saying that the £1.3 billion is literally just because of the catch-up for covid and is not necessarily part of long-term reform in terms of, as I say, extending the school day, or whatever it may be?

Graham Archer: I think what I would say is that the £1.3 billion will have specific focuses, which are predominantly about covid recovery. You would expect, wouldn't you—particularly when you get into Sir Kevan's longer term planning—a synergy between covid recovery and schools reform more generally. That will undoubtedly involve considering the question that you have just described: whether an extension to the school day is a

sensible thing to do, either in covid recovery or as part of the longer term strategy.

- Q8 **Chair:** The £220 million holiday activities and food programme, which is very welcome, is distributed to local authorities. Again, they have a great deal of flexibility about how they are going to spend that money. Are you linking that to the long-term planning about extra school activities, and how will you be advising local authorities to include academic catch-up as well as sports, mental health or other activities that children need?

Graham Archer: It is clear, isn't it, that the catch-up needs to involve both the re-engagement, energising, socialising activity that the holiday activities and food work allows, alongside a more academic focus, and more so for some pupils—perhaps those closer to the end of their period in education or at a point of transition. Yes, we do need those things to work together, and yes, Committee members can expect to hear more about that.

- Q9 **Chair:** What I am trying to understand is whether there is a thread linking all this together, or are you just bunging local authorities money and saying, "Do some holiday activities programmes"?

Graham Archer: We are definitely not just bunging local authorities money. We are working closely with them on what the activities are that are available. We will be working with schools and asking schools—

- Q10 **Chair:** Are you linking it up to the catch-up programme? That's what I mean when I talk about a thread.

Graham Archer: Yes, we are.

- Q11 **Chair:** Can I move on, before I bring in my colleagues, to the pupil premium? We know that it applies to all eligible pupils for free school meals at any point over the past six years. Is the funding sufficiently targeted towards the long-term disadvantaged, and what is the rationale for the six-year rule?

Tony Foot: Chair, perhaps I might come in on that. I will ask Graham to comment as well, if he would like to. The rationale for the six-year rule is essentially to reflect that there are some children who move in and out of free school meal eligibility, and the research suggests that that Ever 6 measure is the best funding measure we have available to target disadvantage most effectively.

- Q12 **Chair:** How feasible do you think it would be to reform the pupil premium so you have a mechanism whereby those pupils who have been disadvantaged for the longer term receive a more generous level of pupil premium funding compared to those families who may have dipped into welfare relief in the short term or to a lesser extent? Could you do this, or calculate it, by cross-referencing of data from the DWP?

Graham Archer: That is a question which Ministers would want to think about in the medium term, I think. Our view has been that schools are the best place to determine how, in detail, to use that pupil premium. We can



HOUSE OF COMMONS

expect, can't we, as we recover from the pandemic, that you will see more children coming, conceivably temporarily, into this group, but we will want to think about targeting and about evidence.

- Q13 **Chair:** Finally, on the Sutton Trust 2019 survey of 1,678 school leaders, 22% of primary heads and 27% of secondary heads said that the pupil premium funding is being used to plug gaps elsewhere in the school budget—in essence to close their deficit. What assessment is the DfE doing with Ofsted to look at how the pupil premium funding is being spent by schools, and what efforts are you making to ensure that money is used to support the most disadvantaged pupils? Surely there is more that can feasibly be done to ensure that the money is used as intended. You could look at more stringent monitoring of school spending, or tighter constraints on how that money could be spent—perhaps through ring-fencing.

Graham Archer: I am not, generally speaking, a fan of ring-fencing. I think schools are the places that are best able to determine where need is. Schools are also accountable directly to their governors for how they spend their money. I would of course expect Ofsted to be thinking about how schools are meeting the needs of their pupils, including their most disadvantaged pupils, and to be assessing the quality of education according to that. And you would want to see, wouldn't you—we signal clearly that you would want to see—schools focusing on evidence-based programmes which deliver value for pupils.

- Q14 **Chair:** But if 22% of primary heads and 27% of secondary heads are saying that they are just using the money for other purposes, surely there should be some kind of assessment or some kind of ring-fencing. Can you just answer that briefly, and then I will bring in my colleagues Ian, Kim, and Jonathan?

Graham Archer: Clearly, we want the pupil premium focused on need and on what children need. I don't want to comment on which schools are or aren't using it to fill gaps, but what I do want is to give schools the flexibility to use it in the ways which are most appropriate for their children's needs, which they know best.

- Q15 **Chair:** I get that, but you are still saying, "Just keep things as they are, even if the money isn't being spent on the most disadvantaged."

Graham Archer: I think what I am saying is that we trust the vast bulk of school leaders to use that funding in the way that is most useful for their pupils, and that we have a system, in particular through Ofsted, which tests whether that is happening or not. *[Interruption.]*

- Q16 **Chair:** Before I move to my colleagues, could I just say to the broadcasters that it is a bit like Quasimodo in Notre Dame, with a bell going off every few minutes. I think everyone is on mute, or perhaps someone is not. If the broadcasters could kindly check what that bell noise is, that would be really helpful.

- Q17 **Jonathan Gullis:** Regarding the National Tutoring Programme, I was just wondering how much has been spent so far, and how many children that



has reached.

Graham Archer: We have £350 million available for the National Tutoring Programme over two years. For this year, £76 million of that is being granted to the Education Endowment Foundation, and £6.5 million to Teach First. At present, we have around 125,000 children who have signed up for tutoring, and we have over 700 of the planned 1,000 academic mentors delivered through Teach First in schools.

Q18 Jonathan Gullis: Can I just follow up on that? That number of kids—125,000—is great, but we know there are at least 1.3 million children who need to be reached, and obviously we are now coming up to just over halfway through the academic year. How are we going to reach the remaining 1.2 million?

Graham Archer: The plan for the rest of this academic year is to get to a number that is double the one I have described: 250,000 children. We are doing that through targeted advertising, campaigning, and working through the EEF and directly through our own colleagues in regions to ensure that, right throughout the country, we have schools that are keen to take up the tutoring offer.

What else will make a difference? I think the fact that schools are returning will make a difference, and schools will be able to see more clearly the needs of their pupils and where tutoring can be best used, so I would expect to see a sharp increase fairly quickly.

Q19 Jonathan Gullis: To follow up on that specific point, my major concern—it is just a comment, Chair, and it will be brief—is that in Stoke-on-Trent, about 30% of the children are on free school meals. I am proud to serve that city and proud of those children, and I have a real concern that we are only talking about 250,000 out of 1.3 million nationally who are going to get that support within a year. Therefore, I do have to question whether that £76 million is covering 250,000 children. If it is not all spent by the end of this academic year, will that then roll into the second year of this funding? I was sad to see that this became a two-year funding pot rather than a one-year one.

Graham Archer: There will definitely be significant funding available to roll into next year. Our plan is that tutoring should be a full and normal part of academic life in all schools. Let me say this personally and directly: if there are schools in Stoke that are keen to access the National Tutoring Programme, there is, as I have just described, plenty of capacity, and I would ask them to go on to the website and seek tutoring for as many of their pupils as they—*[Interruption.]*

Chair: Graham, you are the only one who is not muted at the moment, and I think you have notifications going off on your computer. As I said, it sounds like Quasimodo in Notre Dame cathedral, so if you could sort that out, it would be much appreciated.

Graham Archer: Sorry, Chair. I will see if I can turn that off.

Chair: Thank you.



HOUSE OF COMMONS

Q20 Ian Mearns: Like you, Graham, I have a lot of confidence that headteachers will use the pupil premium that they receive in the best way they can to help the children it is meant for. Of course, they are held accountable for that via Ofsted, but I have heard that there are situations quite often where academy trusts get the money and then do not pass it all on to the schools, so the schools are then held accountable for something that the trust has done above their heads. How do we hold the trust to account for that?

Graham Archer: I have not, I confess, come across examples of that kind. If you have examples of where it is not being passed on to schools, I would be delighted if you can let me know, and I will follow that up.

Q21 Ian Mearns: I think Warwick had something to say.

Warwick Sharp: Thank you. There is a robust and rigorous framework that we use to monitor academy trusts. We think it is reasonable that academy trusts can pool some funding for the use of their academies, as long as they look at the needs of each academy and do that consultatively, and there is an appeals mechanism. I speak to principals and chief executives, and they often value the central services that trusts offer. They will certainly pass it all on, but they might do that by offering central services, having pooled the resources together.

Q22 Ian Mearns: In other words, pupil premium really should go straight through, using the trust as a conduit, and then go straight to the schools. It is the schools that are held accountable by Ofsted for the use of the pupil premium, and they cannot then be held accountable for decisions that are taken at trust board level.

Warwick Sharp: I was making a comment more about academy trusts generally and how they manage their finances across the board.

Ian Mearns: I should declare an interest: I am a trustee of an academy trust board. I am not suggesting at all that the academy trust that I am engaged with is doing anything of that nature. It is just something that has been made known to me.

Q23 Kim Johnson: My question is about catch-up funding. At the moment, it is applied through blanket coverage. Do you believe that greater emphasis should be placed on the most disadvantaged communities so that schools can support those children to level up?

Graham Archer: There are different layers to this in my view. As I have said in a slightly different context, schools are probably best placed to decide and work out who has lost most learning. Learning has been lost for a number of reasons. The covid premium was therefore set up on a per-pupil basis to give flexibility to schools when, in some cases, we did not have very clear evidence at that point of the extent of differential lost learning. The National Tutoring Programme is very much intended to focus on more disadvantaged pupils. I would expect Kevan Collins, and indeed the announcements in the course of this week, to have a sharper focus on the targeting of activity and therefore funding. It is right that there is a base level of funding available for all schools to facilitate catch-up, but as



HOUSE OF COMMONS

we go forward, targeting will definitely be an issue. Disadvantage is an obvious way in which we would want to target.

Tony Foot: May I come in with one additional point on that, Chair? Obviously, all that is additional catch-up funding that is building on the base funding for additional needs and deprivation. In total, £6.4 billion of funding is going into additional needs within the NFF next year, of which £3.3 billion is deprivation, as well as the pupil premium. Then we think about the catch-up funding and the provision over and above that.

- Q24 **Fleur Anderson:** I want to ask about the lost income for schools, which is leading to an inconsistency in schools' budgets. Some schools were previously able to hire out some of their premises and have income, which directly led to them being able to employ staff, and they now cannot. They could have factored that in with more notice, but obviously they have not been able to do that, so some schools have lost out more than others because of that lost income. That was accepted and recognised at the beginning of the pandemic, and accounted for in the covid catch-up funding, but that only lasted a few weeks, and has not been accepted since then. Is there going to be any provision for that for the next few months of the pandemic?

Tony Foot: I recognise the issue; it is something I have discussed many times with the Institute of School Business Leadership and other stakeholders across the sector.

Lost income was not part of the exceptional cost fund originally—it was there to meet significant additional costs incurred at the beginning of the pandemic; it focused on premises costs, on free school meals and on additional cleaning.

On the income question; no, we have not provided additional funding to meet that lost income, but we have made sure that there is access to the furlough scheme and other support so that, where costs are associated with that income, there are other routes for schools to meet them.

Fleur Anderson: In my constituency, I know that some schools have really lost out, and have had to cut down on staff as a result, so that aspect of it not being taken into account is resulting in unfair cuts for some schools over others.

- Q25 **David Simmonds:** For the record, I have worked with Graham Archer, for around a decade prior to now, in his previous role at the Department for Education.

The questions that I'm going to ask are more about the strategy around school funding. To start, can you tell the Committee when the Department last did a zero-based or equivalent assessment of what it costs to run a school, in England, in line with the duties that the Department has for them.

Tony Foot: It is probably worth going back here to the construction of the National Funding Formula, which we began the process of building in 2015 and 2016. We did do an extensive consultation at that point, and we did,



at that stage, look at both top-down and bottom-up approaches to school costs. Of course, there are literature and estimates that exist out in the sector on bottom-up approaches to modelling the costs of schools.

Through the consultation, our proposal and the reactions that we had, this took us towards delivering the NFF on a top-down basis and identifying funding across 152 local authorities, and how that was being used at present, and then moving towards a fair and equitable distribution of it. We also made changes where there was clear evidence that shifting money—towards, for example, low prior attainment—would deliver educational benefit in return.

We do, of course, keep the bottom-up approach under review and carry on conversations with stakeholders across the system on it but, as you see in the variety of different models and approaches that exist across the system, there is no consensus on the way of doing it—or the approach even on core provision, before you even get into the much more difficult questions around deprivation and additional need.

Q26 David Simmonds: That perhaps leads on to my next question. If we look at the Department's most recent returns in respect of overall school budgets, that indicates—I think, as of last year—there was around £1.4 billion in surplus balances held by schools in England, and around £240 million in deficits affecting schools in England. That money is effectively stuck in the system; it cannot move around to support different schools.

When you looked at the creation of the current formula, it is clearly the previous approach that has led to that situation—where you have huge balances in one part of the system and deficits in the other. Do you have a view about, when it comes to the next funding formula, how you might create more flexibility to ensure that money that you have already allocated to schools is able to be used within the system more efficiently?

Tony Foot: I might bring in Warwick in a second to comment on reserves and deficits across the system as a whole, but from a funding policy perspective, I would say a couple of things on that question.

Yes, you are right, there are significant reserves out there across the system—although, when I do talk to MAT chief executives and to local authorities, and when considering the reserves as “number of weeks’ worth of running costs”, those numbers obviously look significantly smaller.

We do, though, keep the deficit and surplus position under review as we are looking at funding. If I could just give you one example of how that has influenced policy: we have, as part of the continued development of the NFF, increasingly put more funding into sparsity and into small and remote rural schools. There is a significant increase from, I think, £26,000 to £45,000 for sparse primaries going through next year. That was informed by a number of things, but one of the things it was informed by was a systematic pattern of higher deficits in those schools. So, we do monitor and look at that information and use it to inform how the NFF



HOUSE OF COMMONS

operates. But if I could bring in Warwick to comment any more widely on surplus and deficit positions.

Warwick Sharp: We do encourage schools—academy trusts and maintained schools—to be in a surplus position. It is sensible to build up reserves for various purposes. But for a trust or a maintained school that is in some difficulty, there are all sorts of tools and advice available. We have, for instance, schools resource management advisers, who are experts. It is a free service. They go in and provide tailored bespoke advice. So, although it is the case that there are reserves held by trusts, by local authorities across the system, there are all sorts of other forms of support and tools available.

- Q27 **David Simmonds:** Thanks, Warwick; that is helpful. One of the things which has been brought to the Committee's attention—I think the Wakefield City Academies Trust, if that is the correct name, is an example of it—is that, in practice, what we see is sometimes poor practice where schools that are part of an academy group effectively asset-strip the balances from some schools within it, and accrue those balances onto the account of a single school within them.

So, clearly it is within the Department's regulations that multi-academy trusts can transfer balances from one school to another, which they may well do for justified purposes like alleviating financial strain within a group. It does beg the question: why, given that the surplus in school budgets is massively greater than the deficit, is it not possible for a schools forum, for example, or indeed a group of schools co-operating, to reduce a wildly excess surplus balance in a small group of schools in order to address deficits which are causing ongoing problems in others? Do you have a view about how that might be relaxed so that it can be dealt with more efficiently at a local level?

Warwick Sharp: Our position is that if there is a trust with schools in it and that trust is struggling and has not got the capacity to improve its schools, we will—this happens rarely and the system is generally working very well—transfer out those schools to another trust and wind up the original trust. But that will be done in a way which follows a really rigorous framework, and the funds are transferred to the new trusts and that is done in a fair and transparent way.

I would say in the case of WCAT, which is the case that you refer to, that was a really exceptional case. I do not necessarily agree with the point about asset stripping, but the case generally was very exceptional and we have learned a lot from that. There have been big changes across the system in terms of how we regulate, in terms of requirements on trusts, new self-assessment tools, and new requirements around internal scrutiny, for instance. I think the system is now much stronger as a result.

- Q28 **David Simmonds:** May I ask, in respect of the ESFA, what the equivalent would be of the scheme for financing schools which local authorities are required to publish, and what that says about how these issues would be addressed?



HOUSE OF COMMONS

The reason I ask the question—I know you said that the Wakefield one was an isolated example—is that I am certainly conscious in my neighbourhood of a number of examples where the funding formula as it has created, for example, a small primary school with a £900,000 balance when financial regulations would suggest more like £150,000 would be appropriate. They are in a multi-academy trust. The multi-academy trust has taken the £900,000 and has transferred it into the secondary's school budget—that is the parent—and is using it for other purposes.

So, I think there is a legitimate concern about whether this is happening as rigorously as it should be. I am not alleging any sort of criminal wrongdoing or anything like that, but it seems to be that there is a bit of a wild west approach sometimes in elements of the financial operation of some schools.

Warwick Sharp: As you say, local authorities need to set out schemes financing their schools. There is an equivalent for academies. So, we in the ESFA, as the regulator of academies, set out a framework ourselves. It is set out in various documents. One of the key ones is the financial handbook, which sets out the framework. It sets out requirements for academy trusts to report various things. It sets out, for instance, requirements about the auditing of accounts.

Just to pause on that for a second, academy accounts are externally audited against very high standards by independent auditors, who say that the accounts are true and fair, and they point out any issues in a letter. The handbook talks about all sorts of rules, responsibilities, requirements and payments that need to come for additional approval to the ESFA. So, there is a really rigorous framework.

It is also transparent. The accounts of academy trusts are published, with all sorts of information. We do the same across the sector. We do the same in terms of our intervention levers, regarding schools that receive additional support and regarding our investigation reports. So I think there is a rigorous equivalent in place.

Q29 **David Simmonds:** In respect of maintained schools, do you have a view about the governance there?

Warwick Sharp: Financial governance is generally strong across the system. The standards of financial management governance are high and that has all held up well, even across the pandemic, despite how hugely challenging that is.

It is a different system for maintained schools. Local authorities set out the scheme and they have ways of engaging their local schools, with the schools forum they have, and intervention levers. They can change the make-up of the governing body by adding governors, they can introduce new requirements through notices of financial concern and they can suspend delegations.



HOUSE OF COMMONS

We have got a dual system; there are different approaches. But I guess that what also ties it all together is that we in the ESFA focus as much as possible on prevention and support, and we put a lot of effort into working consultatively across the sector on the tools we put in place: the schools management advisers; getting help with technology; benchmarking services; teacher vacancy service; help with procurement; and help with regular purchases. All of that should help all schools, whether they are academies or maintained schools, to spend every pound as well as possible.

Q30 Tom Hunt: In terms of the National Funding Formula, I am an MP in Suffolk, which is one of the most poorly funded local education authorities in the country. I know some improvements have been made, but I think at the moment that Suffolk is still about 110 out of 140-odd. Actually, as the Chair will know, I think Essex is below Suffolk; Essex is about 120.

I know that things like demographics are taken into account when these formulas are drawn up, but as somebody who represents a large town within a largely rural county with pockets of quite significant deprivation, I really struggle to get my head around why I should accept that schools in my constituency are funded to any lesser degree than any other school in any other part of the country. So, some clarity on that would be much appreciated.

Tony Foot: Absolutely. I am just looking at the numbers in Suffolk and the NFF is delivering some significant gains within Suffolk. These are the figures I have here: 3.6% per pupil cash gains on schools into next year; and 10.5% on high needs. So there are some very significant increases going into Suffolk.

Of course, what the NFF is doing is distributing funding in a way that responds to need and which tries to fund similar pupils with similar needs at similar levels, wherever they happen to be in the country. That is replacing what I think was an entirely broken funding system previously, where funding was determined essentially by historic funding levels, which was locking funding into some parts of the country, where for example—

Q31 Chair: But is not Tom's point that you might put less funding in more prosperous parts of a county because it is rural, but a less prosperous town within that county may have a lot of deprivation and the National Funding Formula still does not reflect that? The situation is the same in my home town of Harlow, which is very different from other parts of Essex—the more rural parts of Essex.

Tony Foot: Of course, there is a balance between increasing funding and showing gains in areas where need is greatest, and the level of increase for historically higher-funded schools. Within the NFF we effectively have a 2% floor for those previously higher-funded schools and are delivering higher levels of gains for those that have been lower funded in the past, but that is a balance and it takes time to work through.

Chair: I will bring in Fleur and then David Simmonds again.

Q32 Fleur Anderson: I would like to ask about the seeming discrepancy, from



HOUSE OF COMMONS

my point of view, between the real-terms increase and the actual increase in amounts per pupil. Even after the funding formula was brought in, there was a decrease of 4.2% between 2016 and 2018. That was contested at the time and we were told that there were increasing amounts of money going to schools. Yet schools would say, "Actually, our teachers are having to buy their own resources and we do not have enough budget." Has that been addressed now? I understand that that was to do with the increase in pensions, so the real-terms increase was not actually felt by teachers on the ground. Has that been addressed now, and how can you be assured that the real-terms increase will continue so that schools have the benefit of any future increases in funding formula?

Tony Foot: Absolutely. It is probably worth going back through the stages since 2015, if that is okay. We now publish extensive data on this, most recently in January, so people can see the run of per pupil funding year by year from that point onwards. It is probably worth highlighting three phases. From 2015 through to 2017-18, school funding overall was effectively protected in cash terms per pupil, not real terms per pupil, so there were real-terms reductions through that period. From 2017-18 through to 2019-20, schools funding was then protected in real terms per pupil overall and on average. Of course, that did not mean real-terms protection for each individual school through that period; there was some distributional change going through the NFF over that phase. From 2020-21 through to 2022-23, the spending review settlement and the additional money going into the school system see significant real-terms per pupil increases over that period overall, reversing past historic per pupil squeezes. That is £2.6 billion, £4.8 billion and £7.1 billion over those three years. I would think about it in those three phases over the past eight years.

Chair: Thank you. I think there was another question from David Simmonds.

Q33 **David Simmonds:** Yes, Chairman. I want to press this point about the origins of the funding formula and top-down versus bottom-up. We know the funding rates for schools originate in business rates; the General Rate Act 1967 shifted that income from the local area, where it was used directly to fund schools, to be paid into Whitehall. That is the reason the Treasury has always been keen on keeping business rates, because it uses that as a notional amount to fund schools. However, as Tom described, the consequence is that if you were in a rural area that historically had a low business rates income, your schools are still low funded, and if you are in a metropolitan area that historically had a high business rates income, your schools are relatively well funded. It does not bear any relation to the needs in that particular place. Under the previous regulations, local authority schools forums were able to have, for example, an element in the formula that allowed them to take account of deprivation in a particular part of their area. They cannot do that any more under the formula, so now they are entirely dependent upon elements being included by central Government that deal with that issue.



Do you think it is perhaps time to look at a bottom-up assessment of what it costs to run a school, so we have a genuine view of what those costs are? Given that the overall picture seems to suggest that probably the spending across the whole of England is about right, that would allow us to iron out the inconsistencies and unfairnesses that schools such as those in Tom's constituency face and compared with those in some of the urban areas. The historical example that a child with the pupil premium in Shropshire, a rural county, receives less money than a child in Birmingham without the pupil premium is very hard for any of us to justify to our constituents.

Tony Foot: Absolutely. Again, if we go back to the origin of the NFF, and the construction of it, as I say the first step in the design was to take total funding across all local authorities, so not locking in individual areas and individual patterns of spend, but to look at patterns of spend across the country as a whole and take the averages of the 152 in total. For example, on initial needs, as I say, we calculated that total global amount across the country as a whole. We adjusted for what is known as the hidden deprivation effect and the degree to which some uniformly high deprived authorities put money through AWPUs rather than through FSM or disadvantaged indicators. We protected that amount in total and then allocated it through consistent factors for the country as a whole. As I say, we did do a little bit of re-weighting within it. We put more money, for example, towards low prior attainment as an indicator of wider educational disadvantage, but the whole was protected and then allocated consistently across the country as a whole.

On the bottom-up costing point, I think I can probably only say, as I did before, that I and my teams have engaged with many different versions: the f40, the ISBL, the Grammar School Heads Association—all of the different models that exist. I can only come back to saying that they all come to very different approaches and different conclusions. It is very hard to get to consensus even on the basic core per pupil costs, let alone before getting into the complexity of deprivation and differential need for those different pupils. My teams continue to engage in that conversation and keep it under review, but it is incredibly challenging.

Ian Mearns: David missed out the historical political decision to spend above standard spending assessment in some areas as well, but we will not go into that now.

David Simmonds: I was going to mention the 1601 poor law, Ian.

- Q34 **Ian Mearns:** Yes. Why has the Department changed the census date for when pupil premium is calculated from January to October? Will that not simply mean that figures are more out of date and, for instance, exclude those children starting reception in January rather than in September? All pupils will become entitled to free school meals as a result of parents' reduced income from the pandemic. Undoubtedly, this is going to impact some schools, and what they might have thought they were going to get in the next financial year, anticipating what the levels of pupil premium might be based on the number of children that they had on free school



HOUSE OF COMMONS

meals during that period. What is the thinking behind that, and if there is not any particular thinking, how much is it going to save in the forthcoming financial year?

Tony Foot: Absolutely, there is thinking behind it. Essentially, that change was made for two reasons. One was to align the pupil premium with the rest of the core schools funding system. The core schools funding system overall operates on an October census point. Pupil premium has been the outlier as the January census point, and this aligns the premium with the rest of the system.

The other driver and reason was certainty, both for the Department and for the system. We had at that point a certain October count and a certain October census and, this year of all years, giving certainty and creating certainty as early as possible we thought had value. Of course, as it has happened—we did not know this at the time—schools have been only partially open through January and the January census point, but in any event, with the level of uncertainty through this year, we thought that there was a particular value in being certain and going with an established count.

Q35 **Ian Mearns:** Is there any remote truth in the estimates of the savings to the Department as a result of this being in excess of £150 million?

Tony Foot: I certainly do not recognise that number or estimates of savings.

Q36 **Ian Mearns:** What is the number that you would recognise, Tony, in that case?

Tony Foot: I do not have a number. I do not have a figure for savings that are associated with that change. As I say, I think that the January census is extremely uncertain this year of all years. The October census was a series of numbers that we knew.

Q37 **Ian Mearns:** Can I suggest, on behalf of the Committee, that you find out what the number is and then let us know? It is not just curiosity; I have been asked this question by school leaders. They seem to think that it will have a financial impact in terms of a reduced number of pupils who will be entitled to the pupil premium in the coming months, when the budgets are being established

Tony Foot: I am certainly happy to write to the Committee with further details on the census point, and on the pupil premium.

Ian Mearns: Being a governor in an area that is tight on pupil places, particularly in the secondary sector, I see that youngsters are quite often not placed in schools until well after the October census has been established. That is an additional factor. This has been an atypical year, obviously, but school leaders think that it will have an impact.

Chair: Thank you, Ian. Can I bring in Tom Hunt?

Q38 **Tom Hunt:** We know the Government have put an extra £780 million more into special educational needs this year, but we understand that



HOUSE OF COMMONS

much of the extra money provided will be required just to stand still or repay past deficits. How is that being addressed by the Department for Education so that all those that need SEN support receive what they are entitled to in good time?

Tony Foot: Absolutely, and I do recognise the pressures on the high-needs system. On the numbers, there is £780 million this financial year and a further £730 million going in for the next financial year. That is a 24% increase over the two years in total, which is a significant investment of additional resources to support SEN. In parallel, we are continuing to look at distribution and at getting that distribution as effective as possible to support children with high needs. We now have a consultation running that is looking at historic spending levels and the use of that factor in the formula. It is also asking what is in many ways the fundamental question in the high-needs funding system on targeting funding according to proxies for SEN incidence. We have a set of proxies within the formula at the moment, but we are testing that and asking questions about whether they are the right ones, and how we should consider evolving them in the future. To finish, obviously, the SEN review is ongoing at the moment. We have said that we will have a fuller look at the funding system on the back of that review to ensure that the funding system is supporting the policy and reform approach.

Tom Hunt: Only a couple of weeks ago, I had a detailed conversation with Suffolk County Council and the portfolio holder there, along with some of the officers supporting her. I was presented with evidence and data that showed me that about £19,500 a year was received by them for a specialist place for a child with autism, whereas in Norfolk the amount is £26,000 or £27,000. It makes absolutely no sense to me. You can understand why that does not land well with me as an MP for a large urban town with pockets of significant deprivation who is, frankly, largely in politics because of my passion for special educational needs. That needs to be addressed as part of the review.

Q39 **Chair:** Can I just come in? We are trying to understand, given that what has been said is that so much of that extra money is being used literally just to plug holes in deficits and existing problems, how much of those new two £700 millions will be, in essence, real new money? How much of that will be used for the schools that are looking after children with special educational needs?

Tony Foot: I would not describe it as plugging deficits and holes. It is responding to escalating need—and escalating need in the system as we see the numbers of children with EHCPs and the complexity of those EHCPs.

Q40 **Chair:** That is not what we have been told. We have been told that much of it is being used to plug existing deficits.

Tony Foot: As I say, I think the vast majority is going into escalating need. I will make two further points: one to the point made by Tom, and the other to yours, Chair. On Tom's point about the cost of specialist provision, we have noticed that trend in the system, and we have noticed



HOUSE OF COMMONS

the escalating cost of some specialist independent provision in particular. One of the responses we have in place for that is additional high-needs capital so that we are allocating money to local authorities to create more suitable units in mainstream education and more specialist provision, and to reduce reliance on the very highest cost independent provision. Going into next year, we are allocating £300 million for that purpose, which is four times the amount this year. In terms of the distribution of places and capacity in the system, that is an important point.

Chair, to your point on deficits, it is a very mixed picture and pattern across the country. We are working with a small number of individual local authorities where the deficit position is highest, to challenge and support them to recover to a sustainable position.

- Q41 **Chair:** But are you able to show how much of those two extra £700 millions is being used not to cut deficits but to be spent on the children's special educational needs on the frontline?

Tony Foot: I don't have that figure with me. I'm happy to include commentary on that point when we write back on the pupil premium issue.

Chair: Thank you. I think Fleur is next.

- Q42 **Fleur Anderson:** I echo what you've been saying about special educational needs and the gaps we have in our authority after several years, needing to catch up. My question is about the catch-up premium. We said something about it earlier in this meeting. What is your assessment of how effectively catch-up premium funding is being used?

Graham Archer: The current position is that we have some sense of how it is being used. We have given a lot of flexibility to schools, as I said earlier. Through our regional teams and other action, we are getting a sense of some effective use on evidence-based programmes of work.

We are getting some evidence of use to support children with mental health and other needs, which are getting in the way of their learning. We are getting some evidence of use to support remote education. We are funding Ipsos MORI to undertake a full evaluation and we will be able to say much more effectively in due course what the impact has been.

- Q43 **Fleur Anderson:** Will that break down the impact on early years intervention, for example, school-aged children, 16 to 18-year-olds and FE colleges? Following on from that, why can't state-maintained nurseries access the covid catch-up fund, when nurseries next door to them, attached to a primary school, can access the covid catch-up funds? Is there any thought being given to change that discrepancy?

Graham Archer: We would certainly want to have a clear sense of how the premium and related funding is being used across all of those settings. I will come back to you, if I may, on the questions specifically about different early years settings. Early years is not my direct area of expertise but I am very happy to write on that point.



HOUSE OF COMMONS

- Q44 **Fleur Anderson:** Thank you. My final question is about applications for the funding. Understandably, there has been a slower take-up in the number of applications going in, because we had another lockdown. Have you got an assessment of how many applications have been given out and how many have been given out successfully for the different ages? Is there a difference between different areas of the country, different types of school, different ages, in terms of who is getting that funding more than others?

Graham Archer: The covid premium—sorry, I am slightly struggling with what bit—

Fleur Anderson: Yes, the catch-up premium.

Graham Archer: The covid premium is available to all schools for five to 16-year-olds, so it isn't an application process. It is available for every pupil. It is funding based on every pupil in all schools. There is then separate tuition support for 16 to 19-year-olds and support for early years. I am not sure about the application process point—

- Q45 **Fleur Anderson:** It is about the allocation.

Graham Archer: There isn't really an application process for the covid premium. Sorry.

- Q46 **Fleur Anderson:** It is more on the allocation. You talked about the allocation, for example, to Teach First. Do you have information about the onward allocation of funding? Is it now more easily accessible and being taken up more by different age groups or different areas of the country? Are there any discrepancies that you are noticing that you are able to build into the system going ahead?

Graham Archer: The covid premium is on a per-pupil basis across all schools. The National Tutoring Programme is an application-based programme. We are seeing a slightly slower take-up in areas of the country where tutoring is seen as a less normal part of academic life—it is a slower take-up in the north than in the south. We are working closely with tutoring partners in those areas with schools, multi-academy trusts and local authorities in those areas, and we are using our regional teams to push hard the message of the benefits of tutoring to those pupils.

Chair: Thank you. Can I bring in David Johnston and then Jonathan Gullis?

- Q47 **David Johnston:** Graham, can I go back to your answer on catch-up premium and the evidence that you are seeing? You said you are seeing some evidence of it being used effectively. I wonder what that evidence is. You say you are going to use Ipsos MORI to do a fuller analysis. My understanding is that they are predominantly a polling organisation, so does that imply that they will be looking at whether teachers say it has been used effectively, which is one data point, or are we going to have some harder measures of whether it has caught children up?



Graham Archer: There are a number of ways in which we are looking at the extent to which children have lost learning and are catching up. We have a separate piece of research, undertaken by Renaissance Learning, which we don't yet have formal results from and which will help with that soon. But I would expect the Ipsos MORI work to get into a sample of work within schools as to what has worked most effectively for children. In individual schools, we would want to see Ofsted using their inspections to get a sense of how children have been caught up in general, including through use of the premium. You will see a lot of interaction between the use of the premium, between the National Tutoring Programme and between the use of other catch-up methods as we get into—

Chair: Can you be a bit more concise, please?

- Q48 **David Johnston:** I just wanted an answer to the first part of my question: what evidence do you have so far? You said we have some evidence of it working. What evidence is that?

Graham Archer: I would not describe what we have at the moment as hard evidence. I would say what we have are examples of what we believe to be good practice, drawn up by the contact that people in the Department have had with schools through the REACT process. The Ipsos MORI work, when it comes, will be more mixed method and will get more into slightly harder-edge evidence. Ofsted is the place where, school by school, I would expect to see real hard-edged analysis of whether things have worked in schools.

- Q49 **Chair:** Why do you need to use a big polling consultancy like MORI, when you could get daily polling from Teacher Tapp, which is very thorough? Why not actually properly assess the attainment improvements of pupils?

Graham Archer: We intend to give schools maximum flexibility to decide what works most for their children and to deliver that. As we do with any evaluation study, we look at all the options for delivering an evaluation. In this case, we wanted a sample study, mixed method—

- Q50 **Chair:** So why not, in a nutshell, use Teacher Tapp, where you can get almost daily polls on how it is working from the teachers and support staff? Why not do a proper assessment of the attainment improvements of the kids? Surely that is the whole purpose of this.

Graham Archer: Our judgment was that a mixed method Ipsos MORI approach would give us a more in-depth and effective view than Teacher Tapp and the rather less in-depth methods.

- Q51 **Chair:** It is still a survey. It is not going to look at the attainment level. How much does the MORI contract cost?

Graham Archer: I do not know the answer off the top of my head, but I am happy to write to you with that.

- Q52 **Chair:** Roughly?

Graham Archer: I do not know. I will write to you with it.



HOUSE OF COMMONS

Q53 **Chair:** Thousands, or more?

Graham Archer: Well, thousands, of course.

Q54 **Chair:** Right, and who would have decided that?

Graham Archer: That was a process decided by a combination of my policy colleagues and analytical colleagues.

Q55 **Chair:** So nothing is being done to look at the attainment level increases. You are just hiring a polling company—quite an expensive one—instead.

Graham Archer: Sorry, that is not what I said. We are undertaking a reasonably sizeable piece of work on learning loss run through an organisation called Renaissance Learning, which is looking at learning loss across the piece. I do not think that daily polls undertaken by a polling company looking at teachers would give you a robust way of measuring impact. I think you need to dig deeper than that.

Q56 **Dr Johnson:** Could you describe further what the Renaissance work is doing compared with Ipsos MORI, which you said is asking teachers' opinions on funding? Is the Renaissance work actually taking children of whom you have prior attainment knowledge and objectively measuring what those children have and have not learned, and what the learning loss is or is not, or is it again asking for the opinions of teachers on whether there has been learning loss throughout their class? How specific is the work that you are doing?

Graham Archer: The work is pretty specific. It takes estimates of previous attainment and works through them in that way, so it is more than polling in the way you have described, and we are hoping to get results from that study on an interim basis and then final results in October. That uses prior attainment, as I say, and then looks at the likely extent of learning loss on the back of that.

Q57 **Dr Johnson:** Do you think that the SATs tests that are normally done across the major core subjects at various stages of the school career, which would otherwise have been done, could have provided that sort of information, at least for those year groups, and now that they have been cancelled, you have to redesign something to do a similar task?

Graham Archer: I think the Renaissance work will provide significantly less of a burden on teachers, schools and pupils, and are feasible in a way that Ministers took the view that SATs were not and were no more feasible to run than formal exams this year.

Q58 **Chair:** How were Renaissance chosen, and how much does it cost?

Graham Archer: Renaissance were chosen through a fair and open competition.

Q59 **Chair:** How much does it cost?

Graham Archer: I will write to you with that cost alongside the cost of the Ipsos MORI work.



HOUSE OF COMMONS

- Q60 Dr Johnson:** Why does the Renaissance work, which is a new, bespoke design scheme that the teachers are not familiar with, provide a lower burden than implementing SATs, which they are very familiar with and used to doing, and which not only presents a measure of the individual children chosen, but gives the ability to compare this year's results with last year's and next year's, and even with results five years ago?

Graham Archer: The Renaissance study does use tests which schools already use. It is important to say that it of course covers more year groups than SATs did, but it will be a sample rather than something that requires action right across the school system. There is little or no additional burden for schools, and it does not have the process and the arrangements around it that SATs and running them would.

- Q61 Jonathan Gullis:** I am left quite baffled by that questioning, because I do not understand why we are spending all this money on consultants when we have teachers. We had Caroline's question on SATs, and, Graham, I am going to throw in a curveball question that I was not planning on asking. Why not use the existing examples to come up with a standardised test for literacy and numeracy at primary school and English, maths and science at secondary school, which every student in England could sit in the summer term that would therefore give an accurate set of data about how children are performing and how much learning has been lost? It could be marked over the summer holidays so when students return, the Government have data, the headteachers have data, the students know where they are at and we can actually see what the real value of loss of learning is.

I am not quite sure what this Renaissance is doing. I have listened and I am sorry, perhaps I am just being slow today, but I have struggled to get my head round it, to be quite frank. I am worried that consultants from Ipsos MORI are being paid to do a survey when, if I am quite brutal here, the First Minister of Scotland asked for a literacy and numeracy study to be done of Scottish pupils. She had that investigation done, did not like the statistics that she saw so then went to a model where she asked teachers for their views and opinions and there was quite a wide gap between what the statistical data were showing and what the opinions of the teacher were showing. That is not to undermine teachers, but that is always going to be a reality. Data is one thing and teachers' opinions are another. It is always going to be hard to get accuracy in those, as we have seen with many things. I throw those thoughts out there.

I know Fleur has a great question on the National Tutoring Programme that she wants to ask, so I will just ask the one before that. How are you making an assessment of the extent of the loss of learning, the number of learning hours required to be covered by the National Tutoring Programme, and how many hours will that £76 million per year fund cover?

Graham Archer: We are using the Renaissance study, which I have mentioned, to look at the extent of lost learning across the country. We look to schools to make an assessment of the learning needs of each of their children. They are closest to that. The National Tutoring Programme



HOUSE OF COMMONS

will fund up to 15 tutoring sessions for, as I say, up to 250,000 pupils in the course of this year and that would be targeted based on areas of lost learning and the assessment that schools have made of which pupils and what they most need to catch up in.

- Q62 **Jonathan Gullis:** We have the Education Endowment Foundation. I am not attacking them as a group; I think they are a good group. My worry, though, is that we are asking schools to go into the system here and, with all of the challenges schools face, why have we not set the EEF to go to areas, particularly those of multiple deprivation, where we have all the social mobility index calculators already there and we have the existing academic information? In Stoke-on-Trent—again, sorry to bang on about my own area—only 42% of students got a good pass in English and maths. That is vastly below national averages. Why is that not just a red-flag area where you can say to the Education Endowment Foundation, “You are going to pile in there and you are going to go to schools personally and make contact and work with those students”? Why are we relying on a system where schools are going in? This will build in. Chair, if I could defer to Fleur—that’s a tongue-twister—because I think that she has a question that carries on with that theme, and then Graham can respond.

Chair: Jonathan, you are making some very powerful points here. Graham, would you answer first and then I will come to you, Fleur?

Graham Archer: I think at bottom, the issue here is that we want schools, which are best placed to take decisions about individual lost learning and the best way of redressing that with children, to be leading this work. Of course, we want the EEF and the teaching organisations that it works with to be piling in, as you describe it, to areas where tutoring is not as widely used as some other areas. We meet weekly with the EEF to test progress with that. But I don’t think I would want them to be going into schools without encouragement and support, to get a sense of how their work fits with the wider programme of catch-up and education recovery that they have got and that they want to do as a school.

- Q63 **Jonathan Gullis:** Chair, very cheekily, just before Fleur comes in, I want to add something. Graham, I think you said 7,000 tutors earlier. Am I correct in that number or have I got it incorrect?

Graham Archer: We haven’t monitored the number of tutors in that way. There are 700 academic mentors, which are the people who work in schools to support teaching and catch-up. That number will grow to 1,000. That is the Teach First element of the contract, whereas tutoring, which is run through tutoring organisations, is the EEF part of that.

- Q64 **Jonathan Gullis:** Are you tracking how much those individuals are being paid to deliver this?

Graham Archer: Yes. The education mentors are paid a set amount. They are paid, as I understand it, £19,000 a year or pro-rata, depending on how much of the period that they operate, and they work in schools against that salary.



- Q65 Jonathan Gullis:** You can imagine my concern, Graham. We have 700 academic mentors and we have 1.3 million children, at least, whom we need to get to. There is a huge gap there. Teach First is an organisation that I think does great work. But there is not much Teach First in Stoke-on-Trent, even prior to the pandemic. I am sure that people in Ian's constituency in Gateshead will have a similar problem. Those types of schemes have never really got off the ground in our local areas.

My worry is that kids in my area, where there are multiple levels of deprivation and the bottom 20% for social mobility have some of the worst educational outcomes and destinations. I found out from the Office for Students that my constituency is the seventh worst in England for kids going on to higher education. That is a terrifying statistic that I read two weeks ago. My worry is that the children in my area will not get the hours that they are rightly owed from this scheme. That is my personal opinion, Graham. You don't have to respond to respond if you don't want to. I am just throwing it out there.

Graham Archer: Let me just respond to that.

Chair: In a nutshell.

Graham Archer: There is a load of capacity. There are 15,000 tutors. We have a lot of headroom before we get to the 250,000 children who can be tutored. I would urge Stoke schools to get in touch with the National Tutoring Programme and register their kids.

- Q66 Fleur Anderson:** I have a couple of questions. The first one is about access to the tutoring programme. I know that there are two parts to it: the tuition partners and the academic mentors. I must declare an interest. Before becoming an MP, I used to run a tutoring programme for refugee children in my area of London, which provided homework clubs, mentoring and all the additional support needed to access that scheme. You were talking about how people who are more disadvantaged have less chance of getting access. Can community partners be partners for the tuition and mentoring scheme, and are they applying at the moment? Is it easy for them to apply and do they get those additional costs that they need to run the scheme as well as employ the staff?

Graham Archer: The Education Endowment Foundation contracts with tutoring organisations, and any tutoring organisation can apply. The point of that is to ensure really strong quality tutoring and in doing so we insist that there is reach right across the country. I think you said, Fleur, that your organisation was based in London. You are much less likely to find that in Stoke, for example. The point of this is to push tutoring out into those places. We expect—we actually have—a good spread of tutoring organisations right across the country managed and contracted by the EEF.

- Q67 Fleur Anderson:** Could you give us some data about that spread that you talked about? Could you provide that? Is it accessible publicly? Just so that we can see where the spread of partners is and what the difference of partners is.



HOUSE OF COMMONS

Graham Archer: Sure. A lot of partners make themselves available across a number of parts of the country. Let me go back to the data that we have, and I will see what I can send to Committee members to give a sense of that spread.

- Q68 **Fleur Anderson:** My second question is about outcomes. If in the outcomes you see from the data that you are getting back, it seems that children need an extra year to catch up, will there be additional funding for schools to fund pupils doing an extra year of school?

Graham Archer: The National Tutoring Programme is one that we plan to run over a number of years. We already have funding in place for the next year.

The question of repeating a year is one that is very much for Kevan Collins and the work that he is doing alongside the Department to take a view about. In doing that, obviously, we would want to have that fully considered, and the lost learning evidence that I was talking about earlier brought to bear on it.

The spread of tutors is available on the NTP website, by the way. Nonetheless, I will draw it out and write to colleagues about it.

- Q69 **Chair:** To go back again, what focus do you have to ensure that the catch-up funding reaches the most disadvantaged schools and pupils? How are you ensuring that it is not just going to the usual suspects? That links back to what Jonathan Gullis said about some well-known groups being well established in certain cities and so on.

Graham Archer: The covid premium is, as I said, across all schools—

Chair: I am talking about the catch-up fund.

Graham Archer: With the National Tutoring Programme—if that is what you meant, Chair—we are monitoring where take-up is taking place and we are pushing hard to see that those areas of the country that are less likely to take up tutoring do so.

- Q70 **Chair:** How long will that take? What are you doing in practice? In my area, for example, it has been taken up by some schools, but how long does it take you to identify areas that are not taking it up, and what is the intervention?

Graham Archer: We have regular data from the Education Endowment Foundation about take-up. We are working through a combination of the tutoring organisations and the EEF being in touch with schools and multi-academy trusts, particularly those multi-academy trusts that either are not taking up much tutoring or have a mixed bag of tutoring. We use our regional schools' colleagues and our REACT teams to talk to multi-academy trusts, local authorities and others in local areas to make sure that the targets that we have set for each area of the country are being met.

- Q71 **Chair:** Going back to Ipsos MORI, how did you choose it?



HOUSE OF COMMONS

Graham Archer: Through a fair and open competition.

- Q72 **Chair:** On Renaissance—I don't know if I am looking at the right thing, but I am looking at renaissancelearning.co.uk—it offers software, but also has a big shop offering star stress keyrings for £1.50. So, pencil sharpeners and magnetic bookmarks, as well as software. Is this the same company?

Graham Archer: I didn't know that they sold any of those things. They are doing research for us, Chair.

- Q73 **Chair:** I am not quite clear—as Jonathan Gullis, again, and Caroline Johnson said—why you needed to hire a consultancy, which you do not know the price for, when you could have done some assessments of pupils instead, spending the money on the frontline.

Graham Archer: Our view is that the best way of getting a good sense of lost learning was in the way described, using tests that schools make regularly and a sense of prior attainment. We did not want to burden schools, as I said, or indeed pupils with either the SATs or the exams process at the end of this year.

- Q74 **Chair:** Okay. Would you say that the contract is in the thousands for this company that is selling stars, calendars, school rubbers and so on on its website?

Graham Archer: I would be pretty confident that this is not an organisation that sells rubbers and pencil sharpeners.

- Q75 **Chair:** I am looking at the online shop now. It sells stress keyrings, star badge sets, AR colouring pencils, AR magnetic bookmarks and so on. The website does software as well. Maybe I am looking at the wrong thing.

Graham Archer: I did not know that it did any of those things and I would be very surprised if it did. I imagine there is more than one company called Renaissance or Renaissance Learning.

- Q76 **Chair:** If I have got the wrong one then I apologise, but I would be interested to know how this company was chosen and the cost.

Graham Archer: The cost for Renaissance Learning is £140,000.

Chair: One hundred and forty thousand pounds?

Graham Archer: Yes.

- Q77 **Chair:** Could you find out the cost of the Ipsos MORI consultancy as well? It would be good to know that while we are live. Perhaps you could ask somebody in the Department to send it to you.

Graham Archer: I will see if I can do that.

- Q78 **Dr Johnson:** The Secretary of State has said before that all children, to some extent, will have lost some learning, and clearly some will have lost more than others. One of the first things children will need when they are back at school is an assessment by their teachers of the lost learning and



HOUSE OF COMMONS

areas of strength and weakness of each individual pupil. The teachers have worked very hard and been very busy over the last year. This would be yet another thing for them to do. Would actually providing a Government-set test for all children to take next term not be a way of removing burdens from teachers? All the children would be doing the same test and giving the same information. It is not only good comparable data for the Government, it would also reduce the burden on teachers who then don't have to design the assessments as well as administer them.

Graham Archer: First of all, I agree very much, Fleur—sorry, I mean Caroline. Apologies to both of you. I agree with you that an assessment will need to be made of the learning that children have lost. I also recognise and think that teachers have done an extraordinary job in pivoting from in-classroom to remote learning and working through the changes that have been required through the pandemic. I think that schools remain the best place for deciding how best to assess the needs of their children and to put in place the right ways of meeting those needs. My strong suspicion is that teachers in schools and school leaders would be less than overwhelmed by the offer of a compulsory test from the centre.

Q79 Ian Mearns: In terms of school expenditure and catch-up planning, what modelling have you conducted for average school costs of extending the school day to allow pupils extra time for study and activities to support their wellbeing? Of course, there are no firm proposals to do this, but have you done any financial modelling of the costs?

Graham Archer: We are thinking about that issue as part of the work that Kevan Collins has done. There will be modelling undertaken as part of that work, but I don't have anything I can share with the Committee at the moment, I'm afraid.

Q80 Ian Mearns: At the outset of the pandemic, the Department for Education made available some additional funding for special costs associated with covid and making the fabric of schools safe. In a report published in December, the Education Policy Institute found that less than a third of schools' additional costs due to covid were covered by the fund, and that report came before the latest closures. Is the Department for Education planning to make any additional funds available for covid-related costs? What research has the Department done to evaluate the scale of the problem currently?

Tony Foot: I'll come in on that one, Ian. I know the study you are referring to well. The first thing to say, and colleagues in the Education and Policy Institute would recognise this up front, is that it was a small and self-selecting sample that the study was based on. It gives a picture and an insight, but it is not a complete picture.

In terms of tracking the evidence and the emerging picture, we have a number of sources. Obviously, we track that type of research. I would also point to the NFER research and NAHT, and the other studies that have



been done. They are all based on relatively small sample approaches, but they give some level of insight.

Our other mechanism, as data starts to come back in, is through the ESFA and through budget returns. That will give us insight and perspective. I think it is too early to know at the moment, but that will give us a mechanism for understanding cost increases and pressures as they come through.

To conclude, if I could return to the exceptional costs fund, as I said earlier, we engaged with stakeholders in the design of that fund, to target the cost categories and the areas where we thought there was the biggest impact on school budgets, and we identified FSM, the premises and the cleaning as the main focus. That fund has now paid out £102 million across 13,000 schools. There is a second claims window being processed at the moment, which will generate additional funding as well.

- Q81 **Ian Mearns:** While you say that the Education Policy Institute work was a self-selecting sample, were the findings of that not enough to ring some alarm bells? Or are you happy to coast into this, go into the next financial year and see where schools are then?

Tony Foot: No, I certainly wouldn't describe it in those terms. Perhaps I can bring in Warwick in a second, to talk about what we are seeing in terms of signs of financial stress across the system, but I think those are relatively limited.

Chair: Ian, after Warwick I want to bring in Apsana, because she hasn't asked her questions yet. Warwick, briefly, please.

Warwick Sharp: I certainly agree with what Tony has said. I lead a team that works closely with academy trusts and local authorities, which are accountable for maintained schools. Of course, this has been a hugely challenging time for the school system, but, as Tony said, we are not seeing signs of great stress in terms of financial management and governance. We are not seeing more trusts coming forward that are moving into deficits and are particularly concerning.

As you say, some costs have gone up; that is absolutely clear. Some others have gone down. We are focused on working case by case with trusts and with local authorities. If they are struggling, it is a relatively small number. We have got lots of tools to help them.

Chair: Thank you. Apsana, you have been very patient.

- Q82 **Apsana Begum:** Thank you. Just a few questions to the panel about what assessment, for example, has been made of the extra costs that will be faced by schools and teachers in having to conduct assessments for the students who would have been taking exams. We know that is likely to result in a massive increase in teaching and school staff time. Specifically, how will these costs be covered? Can I come to Graham first?



HOUSE OF COMMONS

Graham Archer: Apsana, you will know that the consultation on the alternatives to exams closed on 29 January. Ministers and officials have been considering how best to follow up and confirm to schools what will be done in response to that consultation. I would expect that to be made available in pretty short order. The commitment was to do so by the end of this month, so that will be this week.

It is worth saying that a good deal of effort goes into the setting up, monitoring and marking of exams, so there is a sense in which we are asking teachers to do some things that are instead of, rather than on top of, activities that they would be undertaking during the summer term. I would expect plans and arrangements to be set out in response to the consultation later this week.

Q83 **Apsana Begum:** Thank you. Are you able to say, then, that there is a commitment to actually allocate funding?

Graham Archer: I am afraid that I am not able to say anything until the response to the consultation is issued.

Q84 **Apsana Begum:** Would any of the other witnesses like to come in on this? No.

I have a follow-up question about the cost of appeals, because it is not clear right now whether they will be borne by schools or whether extra funds will be provided to cover those as well. That will be a significant piece of work. NASUWT has done a recent survey, with 7,000 of its members participating. Some 82% of teachers said that their workload had increased, and 78% said that the main workload driver was remote learning preparation, and there are all these things around their wellbeing and the stress that they are under. They have been under a lot of pressure—I think we are all aware of that—and appeals will be a significant part of this process this year. Graham, are you able to say anything at all about that, including on the cost of appeals and administering that, and on giving support to teachers through funding to undertake that process?

Graham Archer: I understand absolutely the pressure that teachers are under, and that an appeals process will be an additional thing that we would ask them to do. On the specifics, I am afraid there is nothing more I can say until announcements are made this week .

Q85 **Apsana Begum:** So you can say nothing about whether the costs will be borne by schools or whether the DfE will cover the costs?

Graham Archer: I am sorry; details around the exams announcement following the consultation are ones that I will leave to our Ministers later in the week. My apologies.

Apsana Begum: Thank you. I will hand over to the Chair, or to Ian.

Ian Mearns: Thanks, Apsana. I am going to chair for a moment or two. Jonathan Gullis, over to you.



- Q86 Jonathan Gullis:** Thank you very much, Ian. What is your assessment of the general financial health of schools? One of the big things that I have heard—I know that many Committee members have heard this—is that if a school was in sound financial measures pre-pandemic, effectively the additional support was not given, and they had to go into their surpluses and reserves. However, schools in a weak or poor financial position had money thrown at them, effectively, and will probably be in a better place. How is that being looked into and reviewed? When will those schools that did all the right things pre-pandemic get their money back?

Warwick Sharp: I think there are real strengths across the sector. We have '18-19 data for academies and '19-20 data for maintained schools. As I say, I think the position is strong. We have prioritised a substantial amount of support through the covid pandemic, including continuing school budgets—even though, of course, costs have gone up in some areas, they have gone down in others.

There are some elements of additional support that are not dependent on a school's reserve position, but there are some that are. For instance, the workforce fund for last term, which funds schools that have high teacher absences and are in some level of difficulty, in terms of reserves. I have heard, of course, that there are schools that believe that everyone should be eligible, but we had to find a way to take what is a finite resource and prioritise it across the sector, as well as continuing all the funding that is happening at the moment. Just to emphasise, the number of trusts—for instance, in the academy sector—that are in cumulative surplus or zero balance was 3.9% in '18-19. If you look at the number of trusts with no regulatory exceptions or unqualified opinions on their accounts, there are real strengths, in terms of financial help from Government.

- Q87 Jonathan Gullis:** Before you come in, Tony, I am glad that you mention trusts, Warwick, because as the Committee knows, multi-academy trusts is something I am desperate to get into. If we look at the regulatory framework, which I know David Simmonds already touched on, when multi-academy trusts were created—again, I am supportive of the academisation system—my understanding was that they would be small and localised, to give very much a kind of private school education, with a local primary school and a local secondary school, and potentially an FE college involved as well, with that sort of lifelong-learning ethos that a child goes through. I was a beneficiary of that type of system, so that is my interest declared. But now I have worked for one—I worked for AET, which has over 60 schools spread over the country. I worked in Birmingham and our nearest partner was in Middlesbrough, which I think we can all accept is barmy; the head office is in London, so where is that money going? Where is the accountability on AET, as an example, when it comes to these types of things?

This is where we need to make sure that school leaders are able to hold the trusts they work for to account and not have to always get the cheque co-signed, if we want headteachers to be able to react quickly, as we are seeing in a global pandemic.



HOUSE OF COMMONS

Warwick Sharp: There is a whole mix of academy trusts. There are certainly academy trusts that fit your first description. There is very rigorous oversight and extensive assurance activity. We go over accounts, in a risk-based way, we validate self-assessments and we do samples of internal scrutiny.

One of the great privileges of this job is to work closely with academy leaders, teachers, trustees, et cetera. We make visits—virtually at the moment, obviously—to a number of schools and see many academy trusts working brilliantly. That includes large and small trusts. The advantage of large academies is the economies of scale. We have seen through this pandemic many academy trusts, including the large ones, take a real leadership role across the system and add a lot in terms of sharing best practice and collaborating across the system. I think there is real strength in our small and big trusts.

- Q88 **Jonathan Gullis:** Warwick, I am delighted to hear that the DfE is able to get oversight and regulation, but I can tell you that, as a teacher on the ground and a trade union representative, I was on the verge of taking staff on strike against one of my employers—because at the end of the day, we simply were not aware of what was going on. Despite the numerous questions, we were just being batted back.

While I am sure that the DfE and regional schools commissioner can get accountability and questions answered, it is not right that for trade union representatives on the ground—but also school teachers who want to know the financial status of an academy—it seems to be whether the heads or boards of these trusts are willing to co-operate. That is not a fair system. The idea of moving to a trust was to move away from LEAs, but at least with LEAs, because they were local authority, there was some public accountability and openness with that. I do not understand why we have not copied and pasted that over with these multi-academy trusts.

Warwick Sharp: May I make two points? We want the system to be as transparent as possible. There were a lot of requirements on academy trusts. The direction of travel at the moment is to level the playing field in terms of making local authority maintained schools more transparent to match the requirements. At the moment, there was a consultation and the majority of respondents agree that more needs to be done on the other side.

My main point is that I am very happy to look into any cases that Committee members want to raise with me. We have a team of very dedicated caseworkers across the country and my team works closely with the regional schools commissioners and their teams. If there are cases you want me to look into, I am very happy to do that.

- Q89 **Jonathan Gullis:** My final question goes back to covid-related costs. As I said to you before about the schools that were in good financial situations, to meet all the requirements for schools being opened, there are the additional cleaning costs. I think most schools have to do two deep cleans a day. I know one school spending £4,000 on cleaning alone,



HOUSE OF COMMONS

which is a massive increase, as well as obviously all the sanitisation stations posted around. I appreciate that the DfE has set up this pot that schools can apply to, but is that pot covering all the additional costs that those schools have to face?

Chair: Answer in a nutshell, please.

Tony Foot: Briefly, as I said previously, the exceptional cost fund focuses on working with stakeholders on the cost categories that were most significant and most impactful. Jonathan, on your very good fairness point in the context of financial management and the incentives in the system, I want to be really clear that there is a distinction between cumulative surpluses and in-year surpluses. With the exceptional cost fund, the restriction was on schools that were in an in-year surplus position, so actively being able to add to their reserves through the year. It was not a requirement for people to draw down on past reserves and surpluses that they accumulated through effective financial management.

Q90 David Simmonds: We are moving on to schools forums. As some of you will appreciate, the dedicated schools grant is a ring-fenced grant that is legally part of the local authority budget, but distribution of funding through the funding formula locally is under the control of the schools forum.

I have a couple of questions, one of which is about the Department's approach to ensuring good governance at school level. What plans does the Department have and what is your approach to ensure good decision making by schools forums?

Warwick Sharp: I think it is right that local schools should have a say over matters that affect them, and the schools forum is representative of schools in an area. There are requirements for how often they need to meet—they meet virtually at the moment, of course—and there is a budget to ensure that they are sufficiently funded. That includes funding for training, and we provide large amounts of guidance. We oversee the model as well: we do desk-based reviews of how they work in terms of membership, minutes and so on, but we also attend a sample—virtually, at the moment. We believe that, certainly by and large, they are working very well.

Q91 David Simmonds: Do any other members of the panel wish to comment? Let me ask a follow-up question, then. Do schools forums have sufficient powers and discretion to undertake their duties? I will give a specific example. Tony Foot, earlier on you spoke about the use of additional resources provided in respect of pressures in SEND—the high-needs block element—and said that that money had to be used to meet additional costs and could not, as the Chair asked, be used to cover deficits. I think that is what you said.

The situation, certainly in schools forums in my area, is that in effect the guidance to them says that they must have a deficit recovery plan—they must use their existing funds to pay back the deficit—and the additional funds can only be put towards those cost pressures. So it is, in effect, a zero-sum game from the schools' point of view, because the additional



HOUSE OF COMMONS

funding is backfilling cuts they are having to make in existing funding to cover up those deficits, which can be paid off over a period of time.

Clearly, if a schools forum had more discretion, such as to ask schools holding very large surplus revenue balances to share that out at a local level, they could address this with a lot less pain, but they cannot. Do you accept that there does need to be a lot more local discretion in decision making in schools forums so that they have the flexibility to agree among themselves a different approach and address these issues much more efficiently?

Tony Foot: Again, I will bring in Warwick on specifics, but from a policy perspective I do not necessarily agree. I do think schools forums have some quite significant flexibilities and important powers, with authorised transfers between the schools block and the high-needs block being a really important one to create some flexibility in the system.

Q92 **David Simmonds:** I will question you a little further on that point. That discretion is limited to 0.5%, so it is a very, very small transfer—significantly less than would be required to address the issues that exist within that funding formula. I have to press you: is it sufficient?

Tony Foot: I think it is, yes. I recognise that 0.5% sounds like a small number, but of course with the schools block being circa five to six times the high-needs block, a transfer of 0.5% in one direction is significant in high-needs funding terms.

I would also say, of course, that there is a disapplication process. We consider higher amounts as local areas apply for them, and one of the things we take strongly into account in that decision making is the support or otherwise of the schools forum for making higher transfers. So we would always look more favourably on an application for a higher block transfer where that has been discussed and is supported locally via the schools forum than one where it is opposed. I recognise that it is a balance in the system, but it is the one we are trying to strike.

Chair: Okay, got it. David, do you want to come back?

Q93 **David Simmonds:** I appreciate the time, Chair. I have a final question on transparency. I want to press Warwick a little on this. You mentioned transparency of academy accounts and maintained school accounts. A number of Members have asked governance questions on the conduct of schools. One thing I am always conscious of is that if a school is maintained, a local authority is essentially engaged in a process of continuous oversight of its budget, so it is more straightforward to spot inappropriate activities going on, whereas in an academy school we are reliant on an annual audit process to identify whether things are going amiss.

I have a number of examples in my neighbourhood where academy schools, in some cases, have broken the law and obtained finance by what is essentially fraud through banks. That is a very significant issue and would simply be impossible for a maintained school to do. So I want to press you again on this point. What measures do you have in mind to



HOUSE OF COMMONS

provide both this Committee and the wider public with an assurance that there is sufficient oversight of what is going on within some academy schools and multi-academy trusts? That's not to say that there are not sometimes issues in maintained schools as well, but they are much more straightforward to spot because there is an elected, accountable local authority that monitors what they do day to day.

Warwick Sharp: We have a detailed framework that sets out the detail and requirements on trusts and academies. As you say, accounts is one element of that. The accounts are audited by independent auditors who go through them in great detail. They are published. We go through them ourselves. There are all sorts of other forms of assurance as well. We validate the self-assessments and academy trusts' accounts. We look at internal scrutiny arrangements, for example. There is a range of other ways in which we can check how academy trusts are doing.

I lead a team of many caseworkers who work case by case. Where we see a potential issue, we act quickly and robustly with a rigorous and detailed investigation, if that is what is needed. We have serious powers if necessary—for example, section 128. We can bar individuals from running education institutions. Clearly, that is a big step to take, so it is a high bar, but it is available to us. There are substantial tools and substantial sanctions available, and they are not needed in the great majority of cases. Fraud is low at the moment.

Chair: David, do you want to come back?

Q94 **David Simmonds:** My final question is: when schools do find themselves in difficulty, what is the Department's view on what measures should be available to help them to get back on track? In particular, do you have a view about how that might be achieved without impacting on the teaching standards, which of course are what the Department and all of us want to see?

Warwick Sharp: I would encourage a school to approach us early on. It is the local authority's responsibility to maintain schools; we regulate academies directly. The tools are available. We have schools resource management advisers, accredited experts and experienced professionals. They can go into different types of schools and offer advice.

This is about finding opportunities to reinvest savings in critical areas. They can look at benchmarking and whether schools are spending more than similar peers. There is help with goods and services and with regular purchases. They can save money on the teacher vacancy service. There are free digital platforms. There is a whole range of advice and support available. And we have teams that work directly with schools and particularly with companies.

On schools resource management advisers, we have really successful pilots in 72 schools. The pilots identified over £35 million of savings. There are more than 800 deployments now. I read many case studies and many accounts of overwhelming positive experiences both in terms of the tone



HOUSE OF COMMONS

and the spirit of deployments, but also the savings that are realised, which are invested back in the school.

Chair: David, do you have any further questions?

- Q95 **David Simmonds:** Can I ask one final question? Given that you have established that the Department does not have a view about what it should cost to run a school, and that the funding formula is based upon where it started from originally and then built up, how do those experts form a view about whether the financial measures being proposed are indeed appropriate?

Are we in danger of creating a situation where places that are struggling because the funding formula is inadequate are put under further pressure and places that are struggling because they are extravagant or badly managed are in fact finding it quite easy to resolve their issues, without there being any fundamental objective assessment about whether the financial position of the school genuinely reflects the educational needs of the community that it serves?

Tony Foot: If I may come in on that one, I have described a top-down process across the NFF; I won't go through that again. We have within the National Funding Formula, as you well know, minimum per-pupil levels: £4,000 per primary and £5,150 per secondary going into next year. And we use intelligence and information from SRMA visits and reports to continue to review and stress-test those levels. So we are providing a minimum level of funding for all schools.

Chair: Fleur, I think you wanted to come back on cleaning costs.

- Q96 **Fleur Anderson:** There was a question earlier about whether cleaning costs have been covered, and I don't think that was responded to. I know local schools that have the kind of cleaning costs that were mentioned earlier—several thousand pounds a month for additional cleaning—and they are having to make staff cuts as a result. It is dreadful for a school to have to choose between cleaning and staff. So the current budget does not seem to cover the actual covid costs.

Chair: Any comment on that, please? Tony?

Tony Foot: As I say, cleaning was part of the exceptional fund in that early—first—difficult phase. We do continue to prioritise the limited funding available towards the highest priorities and needs; that is focused on devices, on FSM and on catch-up provision now.

- Q97 **Fleur Anderson:** If we really are going to open up again on 8 March and parents are to be confident enough to send their children back, they have to know that that cleaning is in place—corners cannot be cut on it—and if that budget does not have enough for cleaning or means other cuts, that is going to jeopardise the return over the rest of this term and next term, so maybe the budget needs to be looked into again. If it is not covering the costs, that needs to be known.



HOUSE OF COMMONS

Tony Foot: Obviously, it is absolutely vital that the environments are safe on return—of course. We pay tribute to all the schools that are getting ready for that and will deliver that over the coming weeks. I don't think that there is a financial constraint associated with that level of cost, but beyond that, I have not much more to add to previous answers.

Q98 **Chair:** Graham, have you managed to find out the cost of MORI yet?

Graham Archer: I have. For Ipsos MORI, in a consortium with Sheffield Hallam University, it's £190,000.

Q99 **Chair:** It's £140,000 on Renaissance, and MORI is getting £190,000. That's a lot of money to be spent on consultants and not on the frontline, would you not think? Nearly £400,000 is being spent on consultants, in terms of the catch-up, that could have gone on the frontline.

Graham Archer: I am not sure that I would refer to them as consultants; I would think of them more as researchers and builders of the evidence base for future action. I think evaluation is really important—

Q100 **Chair:** Who made the decision? Is this signed off by Ministers, or is it just something that you have decided—the hiring of these people?

Graham Archer: Ministers would, I imagine, have been involved in the discussions. Certainly there would have been a formal process involving both policy and analytical colleagues in the Department.

Q101 **Chair:** So was it signed off by Ministers?

Graham Archer: I don't know the answer to that—to be clear, it was before I took over this role—but Ministers would certainly have been involved in agreeing that the evaluation should take place.

Q102 **Chair:** But that evaluation could have been done by—who makes the decision to spend £190,000 on MORI as opposed to, let's say—I don't know what it would cost, and I have no vested interest in Teacher Tapp, I should say. Who makes the decision choosing between—

Graham Archer: There is a formal competition: we tender for it, receive bids from any organisation that wants to bid, and take a decision about the best outcome.

Q103 **Chair:** Understood. I am just trying to understand who made the original decision to spend hundreds of thousands of pounds on any company to do this work.

Graham Archer: The Ministers would have signed off the decision to evaluate the work, yes, and they would have been sighted on the outcome. My guess—although, as I say, it was before my time in this role—is that the decision itself would have been taken by a panel of policy and analytical—

Q104 **Chair:** So you didn't get a direction from Ministers saying, "We need you to spend hundreds of thousands of pounds on pollsters," in terms of the assessment? That didn't come down. They may have said, "We need to



HOUSE OF COMMONS

look at the best way of evaluating,” but what I am trying to understand is this: did they send down a message from the relevant floor of the DfE saying, “Please go and spend hundreds of thousands of pounds on two different consultancies”? There is probably a lot more money being spent on consultants that we do not even know about yet. Is that what happened?

Graham Archer: They would have signed off the proposition to undertake an evaluation. They would not have specified—nor would it have been right for them to specify—who that should go to, and we went to the best organisation in the competition, which was a mixture of Ipsos MORI in consortium with the university.

Q105 **Chair:** Okay. Can I just ask you about the National Funding Formula? When are we going to have a hard National Funding Formula, as opposed to the soft one we have at the moment?

Tony Foot: The Government have set a clear objective to continue to move towards the hard National Funding Formula. We have not set a timescale on that, but we have said that it is a substantial change. I have been involved in this process since 2015 onwards, and have been through those first stages and points of the journey. It is a substantial change. As we did through the first introduction of the soft National Funding Formula, we will consult extensively at each step of the way, and would expect the first consultation on that shortly.

Q106 **Chair:** One final question to Warwick. Going back to the supervision of academy chain funding, the experience in my own constituency has been that a previous academy—it is no longer in the constituency—that was in financial trouble would take over a school that has a surplus, take that money to be spent elsewhere, and mismanage that money. Is that really the right thing to happen—for money to be taken away from a good-performing school when the academy takes it over, and then used elsewhere to the detriment of that school?

Warwick Sharp: I am aware of the particular case that you are talking about, and I believe the school has now moved to a stronger academy trust. Colleagues of mine have discussed that with you in the past, and I think that particular issue is resolved.

What I would say as a general point is that academy trusts can pool funding for the benefit of their academies, and the very great majority do that in a way that is transparent and consultative, taking account of the individual needs of the academies, with an appeals process and so on. We think that is a reasonable way for academy trusts to manage their finances, but we also monitor that closely, with audited accounts—

Q107 **Chair:** I am going to bring in David Johnston, who has a final question—sorry, David; I had not realised—but surely there should be some kind of red warning system that flags up in some computer at the DfE that this is going on, and you should at least take a glance when these things happen.



HOUSE OF COMMONS

Warwick Sharp: We certainly do. It is possible for us to see quite clearly from the information that we collect from trusts how they are spending their money, including the needs of each academy. We will look at that and make sure that a trust is dividing up its money to meet the needs of the different academies in the trust. Where we do not think that is happening, we can see it clearly; we have a lot of assurance activity, and we can intervene if necessary.

Chair: Thank you. Sorry, David; please ask your question.

Q108 **David Johnston:** It is just about capital expenditure and the maintenance of schools. DfE announced a 10-year rebuilding plan last year, so the first part of the question is whether you can assure us that safety issues such as cladding or asbestos, if they exist, will be dealt with first, and tell us what the other priorities are?

Tony Foot: Absolutely. As you say, a 10-year investment programme for rebuilding schools has been announced, and then confirmed at the spending review. We have now announced the first 50 in that sequence, and of those first 50, we had a particular focus on safety issues. You may have heard or seen the methodology: a particular focus on a type of system design called Laingspan or Intergrid, which is approaching the end of its design life.

Twenty-two of the 50 projects in the first wave were prioritised on that basis. The remainder were prioritised by looking at the most acute levels of condition need through the condition data collection. For future waves, we are still working through and designing the methodology, but there will be a consultation process associated with that later this year. Yes, absolutely, in the first 50, safety was a very high consideration.

Q109 **David Johnston:** The plan is 10 years overall, but how long do you think it will take just to do those that need priority work—the priority issues that you have identified?

Tony Foot: As I say, the top priority is the 22 schools with system build issues. I don't have an estimate for across the school estate as a whole. You may be aware that the most recent published information is a £6.7 billion maintenance backlog, which was highlighted on the back of the property data survey. We are currently updating that figure through the condition data collection process. It is a mixed picture across the estate. You see some great buildings and great construction through PSBP and elsewhere, and you also see schools in clearly poor condition. I have been to my fair share of both.

Q110 **David Johnston:** Do you know when you will finish the 22?

Tony Foot: I don't know what the answer is on finishing, but we will start construction this autumn. The system was set up to do that as quickly as possible and get construction going on site as quickly as we possibly can.

Chair: Thank you. David Simmonds has a question.

Q111 **David Simmonds:** This may not be a question that you can answer



HOUSE OF COMMONS

straightaway, but I would be really interested to hear what the expenditure has been on site acquisition for the provision of new schools. How many of those sites have been able to proceed as planned? I would be grateful if you could let the Committee know that in due course.

Tony Foot: Of course. I am afraid I don't have that information. Can I just confirm, David, that you are describing site acquisition for free schools?

Q112 **David Simmonds:** For all purposes of acquisition. I am aware that the Department is doing that. I have had a lot of engagement with it personally, and it has been a positive process. I am interested in what has been spent on the actual purchase of sites and what has been spent on the procurement, lobbying and consultancy work around development opportunities.

Tony Foot: I am afraid I don't have the information on site acquisition costs, but we will collect it and write to the Committee.

Q113 **Chair:** Thank you. Graham, can you kindly send the Committee an explanation of the procurement process for the two consultancies that we have discussed this morning?

Graham Archer: Yes, of course.

Chair: That is very kind. Thank you. I don't think there are any further questions. Thank you all very much for sustained questioning under fire. Thank you for all you are doing. I also thank all DfE officials for their work in getting schools open again on 8 March. I think that will be a relief to millions of parents and children across the country. It is hugely appreciated, because it is a very, very difficult time. I appreciate you being candid and honest with us even when there are difficult questions. Very good luck to you, and all good health.