

Education Committee

Oral evidence: [Accountability hearings](#), HC 341

Tuesday 5 December 2017

Ordered by the House of Commons to be published on Tuesday 5 December 2017.

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Members present: Robert Halfon (Chair); Lucy Allan; Emma Hardy; Trudy Harrison; Ian Mearns; Lucy Powell; Thelma Walker; Mr William Wragg.

Questions 217 - 302

Witnesses

[I:](#) Sir David Carter, National Schools Commissioner, Department for Education, Lord Agnew, Parliamentary Under-Secretary of State, Department for Education, Vicky Beer, Regional Schools Commissioner for Lancashire and West Yorkshire, and John Edwards, Regional Schools Commissioner for East Midlands and the Humber, Department for Education.



Examination of witnesses

Sir David Carter, Lord Agnew, Vicky Beer and John Edwards.

Q217 **Chair:** Good morning, everybody. Thank you for coming to our Committee. For the benefit of the recording, and those listening outside, could you please identify yourselves and your positions from our left to right?

John Edwards: Hello, I am John Edwards, the Regional Schools Commissioner for the East Midlands and Humber region.

Vicky Beer: I am Vicky Beer, Regional Schools Commissioner, Lancashire and West Yorkshire.

Sir David Carter: David Carter, National Schools Commissioner.

Lord Agnew: Theodore Agnew, Minister for the School System in the Lords.

Q218 **Chair:** Thank you. I start by welcoming the new Minister to his position. Congratulations to you. The cost of the eight Schools Commissioners and the National Commissioner has risen by 550% over the past two years. How do you account for the rise, particularly in the context that one of the purposes of academisation—I appreciate not the only purpose—was to reduce the middle tier of bureaucracy and provide taxpayer value for money between schools and Whitehall?

Lord Agnew: To set the scene, when the Sponsored Academy Programme was set up at the beginning of the coalition Government, we went out to 150 local authorities and essentially began taking away the most disadvantaged or failing schools in the system. We have taken about 1,950 of those over that period. We are seeing results from that. When they came across, only about one in 10 were rated as good. Of those that have been inspected now, nearly seven in 10 are good. That has been a huge exercise. The Regional Schools Commissioners have had to play their part in that.

We estimate this year that the RSC network will cost about £31 million. If you divide that by the 7,500 academies now in the system, that only comes to about £4,000 per academy or, if you focused on sponsored academies, that would be about £16,000. You should also balance it against the resource that used to sit in local authorities that would have been dealing with these issues. Therefore at the moment I feel the amounts being spent are reasonable.

Q219 **Chair:** In *Schools Week* you highlighted the figure of £31.2 million. It was £4 million in 2014 and £26 million in 2016. That has gone up to £31.2 million at the end of the current financial year. It seems a huge rise when, as I say, the idea was to cut costs and not have a big, costly



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bureaucracy between DfE, councils and schools.

Lord Agnew: You have to put that against the number of academies that have been created over that period. As I have said, if you amortise it against the actual number of academies, I do not believe the sum is unreasonable. If it is changing life chances for pupils, it represents good value for money.

Sir David Carter: Chair, I know you want to keep these answers relatively short, but can I add one thing? Part of the answer is the reorganisation of the Academies Group. We have reorganised the Academies Group into one team for the Academies Regional Delivery Group. We are talking about displacement of a workforce that was fairly London based out into the regional offices to give the RSCs more capacity at the front end with schools and the improvements we need to do, which was proving difficult before.

Q220 **Chair:** Have you done projections on what you think the cost will be up until 2020, for example? If it has risen by such a huge amount in such a short space of time, what will this amount be by 2020?

Sir David Carter: I believe it will stabilise now because the role of the RSC has not changed. There are no plans to broaden the role of the RSC. It is very much as it was when I was appointed in the south-west in 2014.

Q221 **Chair:** Is that the Minister's view? You are saying it is going to stabilise roughly at the £31 million mark, is that the view of the Minister?

Lord Agnew: I would not want to give you an exact projection, but I agree with Sir David that the structure has stabilised. I think there are another 1,000 academies in the pipeline so there will be some further growth over the next couple of years. Therefore we will probably see some increase but, again, relative to the number of academies, I do not see the cost going up by very much.

Q222 **Ian Mearns:** Thank you, Lord Agnew. The £31 million is not the comparative cost, because where we had local authorities as a middle tier before, we now have two tiers replacing that one tier. We have the Regional Schools Commissioners who are spending £31 million and then, below them, the multi-academy trusts. The multi-academy trusts have their own administration and back office costs that used to be borne by the local authority. Therefore it is not a direct comparison. If you add what is being spent on administration and back office costs by multi-academy trusts to the RSCs, that would be a decent comparison with what was previously being spent by local authorities. The only problem is that the local authorities themselves have not gone away completely, so we now have three tiers of bureaucracy covering the same geographical areas.

Lord Agnew: I accept entirely, Mr Mearns, that it is not a like-for-like comparison, but there is a lot less resource in education improvement in



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the local authorities today than there was, say, seven years ago. That is the first point.

Secondly, as I mentioned in my opening remarks, we have embarked on a very ambitious programme of tackling some of the schools with the most entrenched failure that in some cases has existed for decades. That is an enormous job. The Labour Government began that process in London with the London Challenge and their early Academies Programme, which tended to be more in London. We have gone out to some of the most disadvantaged parts of the country to try to do this. Having been both the first Academies Chairman when this programme was unrolling three or four years ago, and then becoming a sponsor myself and taking on seven schools in special measures, I know just how difficult this is. The RSCs are providing resource to support that process. For example, the number of multi-academy trusts has doubled in the last three years, which takes time and resource. They are essential to give us the support and capacity to deal with these failing schools.

The other issues we are dealing with are things like very complex PFI problems and land issues. Trying to clean up some of the most disadvantaged schools is a huge process. I genuinely do not feel that £31 million is an exceptional sum of money. We can perhaps provide you with some more information on that.

Q223 Ian Mearns: I hope that you will accept that £31 million is the amount of money being spent by one of the tiers that are still in existence. That does not really equate with what was being spent previously because, as I say, there are now three different tiers in existence, all coterminous in terms of where they geographically exist. We have the RSCs on a regional basis, the multi-academy trusts below them, and then local authorities, which still look after something like 10,000 schools in the maintained sector.

Lord Agnew: I accept that. As I have said, if you just divided that figure by the number of sponsored academies, which were largely the failing schools, it is coming in at about £16,000 per year per academy. I can assure you that I am very focused on the financial side of this programme.

Q224 Chair: Clearly you have acknowledged we need more money on the frontline. You have £40,000 for events and communications in terms of each of the Commissioners and £100,000 to compensate employers of the leaders who sit on head teacher boards. You have eight to 10 employees. Why do you need so many? What are you doing to make sure there is proper taxpayer value and that you shrink the size of the bureaucracy so that vital and limited resources go to the frontline and are spent on education itself in the schools?

Lord Agnew: If you are talking about those administration costs around the RSC offices, it was very clear early in the programme we needed to have regional representation to have people on the ground in the areas



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where the schools were. Again, I do not feel those are excessive costs for having that local knowledge and local representation.

Q225 **Ian Mearns:** A number of Regional Schools Commissioners have left their posts to run multi-academy trusts. Some others have thought deep and hard about doing that but have not done so. Is there a danger that a revolving door is developing between Regional Schools Commissioners and the headships of multi-academy trusts?

Sir David Carter: I will take that question, which I seem to remember being asked the last time I came to the Select Committee. It is true that the Regional Schools Commissioner posts are attracting some of the very best system leaders. I am pleased, probably beyond any other time I have done this role, with the quality of the RSC team I have today. Good people will always look to make the most valuable contribution they can. If you were to ask me about colleagues who have left within a year, that is not ideal.

You addressed your question, Chair, about bureaucracy to the Minister. Inside the bureaucracy and the cost we talked about in the previous question is a huge amount of spending on school improvement. It is not just administrating schools; it is improving the school sector. The RSC revolving door is probably a natural consequence of people wanting to come into the role, make a contribution to the wider system and then use that experience to continue improving the life chances of children.

Q226 **Ian Mearns:** Is there not a conflict there, Sir David, as some of the Regional Schools Commissioners have had direct oversight of the multi-academy trusts they have then subsequently joined? Should there not be some kind of time lag in terms of what the person on the Clapham omnibus would think of the relationship, the outside objective observer thinking, "How did that come about?"

Chair: Sorry, but just to come in on Ian, Ministers are subject to a code that you cannot do a job that you worked in in government for at least two years, as I understand it. Should there not be a proper code of practice for people running academies, Commissioners and the like?

Sir David Carter: The question around conflict is a good one. The first thing I would say, Chair, in response to your question is that RSCs are civil servants and they are bound by the code of conduct of a civil servant.

Tim Coulson, who is I believe the most recent colleague to leave my team, left the RSC role to become the CEO of the Samuel Ward Academy Trust in the region where he was the RSC. Clearly there is a potential conflict there. The process we went through there was that Tim and I submitted a business case to the Permanent Secretary and talked about the potential conflicts as we would see them and I will talk about the mitigations I put in place to resolve those. That was signed off by the Permanent Secretary. Had he been uncomfortable with that, I am sure he would have insisted on there being a gap, whether gardening leave or



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whatever you want to call it, between leaving the employment of the civil service and taking up a role such as the one he did.

The mitigations are around one particular issue, which is that Tim Coulson, as the CEO of the Samuel Ward Academy Trust, knowing the members of the head teacher board and knowing the members of the RSC office, could find himself in a position where he was asking people he once line managed to approve an academy decision to him. In Tim's case the decision we took was that Dominic Herrington would be the RSC who made any decisions relating to Tim's new trust. That is the answer to the question.

Q227 Chair: Surely there should be a proper time lag and a proper code, as is the case for Ministers and so on, in these kind of revolving-door situations, very briefly, yes or no? I would not mind the Minister's view either.

Lord Agnew: Sir David has given a good explanation of how we have protected the risk of conflicts of interest. I am encouraged that we are seeing this movement. If you take the case of Mr Coulson, you now have someone who is the CEO of a trust who has deep expertise in the Academies Programme and has seen it from the frontline. He will bring that knowledge back into that academy trust. It is worth remembering that the title of MAT CEO barely existed five years ago. That is an area of expertise we need to develop. I am personally not worried if there is this sort of movement, as long as the proper protections are put in place.

Q228 Ian Mearns: It has become a very lucrative role for some, hasn't it, in terms of the MAT CEOs? There are some MAT CEOs who—I do not want to say are paying themselves—are being paid fairly substantial amounts of money.

Sir David Carter: That is true. I know we want to move on but I want to balance that. Only 1% of trust CEOs are paid more than £200,000 and only 4% are paid more than £150,000. This is not a sector that is disproportionate. We insist, and work really hard with the boards to ensure, that trust salaries are commensurate to the challenge of the role and give value for money that is benchmarked into the sector. You are right to raise the point because it is something that concerns me, but I think that is the answer.

Chair: We are going to come onto accountability and oversight.

Q229 Lucy Powell: This is more really for David, Vicky and John. Do you feel you have sufficient powers of oversight and mechanisms of intervention that you can deploy quickly where you see failure in any type of school?

Sir David Carter: The quick answer is, yes, I believe we do. The levers we need to deal with abject failure are there for us. We have used those levers in the last three years to address that.



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The accountability question, which is really important, is also founded on the RSCs' knowledge of what the good MATs are doing, what effective MAT practice is, what we expect MATs to be good at before we approve them and what we expect them to be good at before they add a new school to their community. Even in the time I have been in this role, from September 2014, it has changed significantly in that respect. We have the same levers where the RSCs and I will look at educational failure and the ESFA will look at financial failure. We work together as one team to try to move as quickly as we possibly can to resolve a particular situation should it arise.

Q230 Lucy Powell: Is that being deployed quickly enough? Vicky, perhaps you could say what learnings you have drawn from the Wakefield City Academy Trust experience, whether you felt that action was taken quickly enough or whether warning signs were ignored higher up?

Vicky Beer: Before talking specifically about Wakefield it might be helpful to set out what our processes are and how we operate with regards to intervention. We have what we refer to as ladders of intervention that can escalate the different powers. We also have robust and systematic systems that enable us to monitor performance across a multi-academy trust. We do that consistently nationally but clearly, on an individual local level, there may be slight nuances around our professional judgment.

In terms of our intervention and how we exercise our professional judgment, we consider questions on the pace of the improvement, recognising that some schools take slightly longer. Some of our best trusts can turn around an underperforming school in fairly rapid time. Equally, we look at the trust's capacity and credibility. We keep balancing that as the trust grows, to keep being reassured that the trust is developing its capacity to meet the needs of all its schools. We are also looking to gain confidence that it can be sustained.

Q231 Lucy Powell: Sorry, I know there are lots of things people want to ask about. On the Wakefield City Academy Trust, what could have been done there to avoid the total collapse of the trust at the very beginning of an academic year? What lessons have been learnt from that?

Vicky Beer: First, on the timescales, September 2016 was the key date in terms of the chronology where we began to intervene with the trust to challenge their school improvement capacity. A significant proportion of their schools, 17 of the 21, had dipped below national averages. From September 2016 we worked with the trust, initially to challenge their school improvement capacity to answer the questions I have just talked about and to strengthen their governance arrangements, and then to work with them to consider the future direction of the trust. That involved working with the chair of the trust board and the rest of the board to move it to a position where the trust board reflected itself that it did not have the appropriate capacity to meet the needs of all of those schools. They subsequently made that decision in July and also took the decision,



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given it was so close to the end of the summer term, that it was better to wait to make the announcement in September. That allowed us to work through the summer with the trust board to begin to map out a transition plan to make sure we had a range of high-quality—

Q232 Lucy Powell: You are happy with the way that was dealt with, that two weeks into the start of a new academic year parents and children were left completely shocked and concerned about the future of the school? You are happy with the way that all came about?

Vicky Beer: Any news like this is always going to be destabilising initially. We appreciate that. That is why we worked very hard to organise a listening period that enabled parents and other stakeholders to give some responses. We also worked hard at identifying some preferred trusts that were ready to start supporting those schools from the day of the announcement, not prejudging any final decisions on sponsorship.

Q233 Lucy Powell: That has not happened though, has it? David, what are your reflections on that very high-profile case?

Sir David Carter: You asked Vicky a question a moment ago about lessons learnt. There were two lessons learnt where I would be confident in saying to the Committee we would not make that mistake again. When Wakefield City Academy Trust grew out of the outstanding Wakefield City Academy in the period of 32 months, the trust was given 14 schools that were in special measures—14 schools in 32 months.

Q234 Lucy Powell: By you?

Sir David Carter: The Department made that decision, yes, pre-RSC days that that was the growth and pace of growth that was going to take place. In fact, some of them were during the RSC period. Fourteen out of 20 special measures schools, with the remaining six requiring improvement, is an impossible ask of a trust. The second piece of learning is that, even if it was possible, the only way it would be delivered at the pace of improvement needed was if the trust had a really clear school improvement plan; they had built the capacity before the schools joined them, not afterwards.

I can give you loads more, but those are the two lessons where I am confident that, when RSCs are making those judgments now, we would not make that mistake. The other aspect, Lucy, is that at the time, 2013-14, the number of really strong sponsored trusts in the North was a lot smaller than it is today. We have doubled the number of trusts across the whole country. There is more choice today.

Q235 Lucy Powell: Yes, the other point about this is do you feel there is now sufficient capacity for the pace of academisation being pushed upon the system? Are we not in danger of repeating some of those mistakes because of insufficient good sponsors in many parts of the country?



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Sir David Carter: You are not asking me directly this question but if your question was do you think we could ever ensure this will never happen again, I do not think I can ever say that to you. Failure is always a risk in the system. What we can say, and what I am prepared to take responsibility for with my RSCs, is that we are accountable for the decisions we make. If there were another 14 schools in any region, or a couple of regions, that needed sponsors we would not give all 14 to one trust. We would work with a group of trusts, as we have done with our preferred sponsors. My expectation would be that they would start working with that school the moment we decided they were a potential sponsor and not wait for them to take the school into their trust.

Q236 **Lucy Powell:** Do you feel you have sufficient capacity for that?

Sir David Carter: On a national level, yes. I am sure John and Vicky can give you more detail on that.

Vicky Beer: If I talk about my region, am I confident we have capacity? Yes, I am. That is based on the fact that 80% of all our academies are currently good or better and are being led by strong multi-academy trusts. Thirty per cent of them are outstanding. Therefore we have some strong foundations to build capacity from those outstanding academies. We also have a very strong network of teaching schools, we have 122. We have 225 national leaders of education across maintained schools and academies. In addition, we have 91 national leaders of governance. What we need to do is build that collective capacity so that we are supporting the needs of the region, whether that be to support an academy or a maintained school. We are starting to see some real traction in how those different parties come together, particularly through some of the sub-regional groups that have been established to help to facilitate the Strategic School Improvement Fund.

Q237 **Lucy Powell:** Before we move on, can I ask about a story that is in the Manchester news this morning about the Manchester Creative Studio where you have just put out a consultation about closure? In the 2015 academic year, two years ago, 38% of pupils were persistently absent. Pupil progress in English and maths was in the bottom 1% of the country. Do you think we acted quickly enough in relation to that school?

Perhaps I can bring John in here as well about the community test for these sorts of new schools in particular. John was the Director of Education in Manchester at the time. The city council was against this school, as were many people in the local community. It got the go-ahead. It has had terrible results and now is closing. Where is the accountability for local people in that mix? John, do you want to say anything?

Chair: If I could ask you to answer briefly? We have to move on.

John Edwards: Obviously we recognise that all communities want their schools to be delivering a great education for the children. The work we do is absolutely focused on achieving that. In many cases multi-academy trusts have shown themselves to be particularly good at listening to the



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views of the community. Talking to CEOs, in the seven months I have been in post, I have heard incredibly rich stories about those trusts having really strong processes that enable them to engage with parents, through trust surgeries and engaging directly with parents, right from the CEO through to children and parents across up to 20 schools. That enables multi-academy trusts to be able to listen to parents and to listen to the concerns they inevitably have at times and, if a school is joining that trust, to be able to talk to them about what that means, what the benefits will be for those children and to show them the benefits.

Q238 Trudy Harrison: Listening to the lessons learnt, I have to say in my experience there have been no lessons learnt. What has happened in Whitehaven Academy could only, in my opinion, be classed as a failure, taking a disadvantaged school with 45% of good GCSEs in 2014 and seeing that get worse and worse and worse, year on year until last year it was 31%. In my opinion we have taken a school from using its entire building to only a third based on safety and suitability, the results have reduced and the confidence in the community has reduced. Staff say they are broken and students say their futures have been destroyed by the multi-academy trust, which was Bright Tribe. Why has it taken so long to consider re-brokering at Whitehaven Academy? What has gone wrong?

Sir David Carter: You described three particular issues there that have come together to make a perfect storm. I am not going to disagree with you. We need to move quickly and swiftly to make sure we arrest the decline at Whitehaven Academy. I could not agree with you more about that.

The perfect storm is to do with the quality of the buildings, you are right to say that, but those buildings were decaying long before it became an academy so it is a generational decline of the building stock. While you are right to say we have not publicly talked about what is happening with Bright Tribe, behind the scenes for the last year, I have been meeting Bright Tribe. Jan Renou, the RSC for the North, has visited the school three times.

Trudy Harrison: She has not visited in the last two years.

Sir David Carter: We can agree to differ on that but I can tell you exactly the dates she and her team have visited the school. The school may have told you that but I know for sure that she and her team visited certainly within two years and, I believe, in 2017.

I met the Bright Tribe executive team and chair in September, at the start of the academic year, after the results in August to begin that conversation about Bright Tribe moving out of the North, including Whitehaven, because of what had happened.

In terms of the capacity of Bright Tribe to improve the school, it is a very similar answer to the one I gave Lucy a few moments ago. This is a trust that did not have capacity to improve that school. It runs schools in



different parts of the country. It runs schools in Essex, in the East of England and has a trust that works within Bright Tribe in the south-west. The results of those are better but not exemplary. We want them, if they are going to make a success of that, to focus their energy there. Jan and I, as you will know from the announcement we made last week, are now working really hard with Bright Tribe to exit them from Whitehaven and to find a new sponsor, as quickly as possible, to turn that school around.

Q239 Trudy Harrison: I am pleased with that announcement. What I am not pleased about is the lack of accountability, the process. Parents found it incredibly difficult to get through to yourself and the Regional Schools Commissioner just how bad it was. They simply were not believed.

Sir David Carter: If there is a single parent in that community who is frustrated because of what I or the Regional Schools Commissioner did or did not do, I regret it. A lot of the conversation that was coming to me from parents, particularly in the last 14 days, has been through social media. I understand that, but I cannot get involved in a public debate on Twitter. Nor would it be right to raise the expectations of parents that we were going to make a decision that we had not confirmed was going to take place with the sponsor. Now we have done that and we were able to do that the moment we knew that was the case.

Q240 Trudy Harrison: Three years later. In my opinion, if you are having to answer these questions about Wakefield and now Bright Tribe, the system is not working. What needs to be done so this never happens again?

Sir David Carter: I do not want to prolong the answers.

Trudy Harrison: In terms of re-brokerage.

Sir David Carter: Re-brokerage has to be an option. It has to be a toolkit in our locker, but I don't think we should jump to re-brokerage in the first instance. There are a number of things we should do before we get to that point.

In answer to the question about Wakefield, recognising the challenge and scale of re-brokering 21 schools in one go, we were right to push Wakefield City Academy Trust as hard as we could to improve because the right answer would have been for WCAT to improve its schools. When we got to the point in that particular instance where they came to the conclusion with us they couldn't, we moved quickly.

It is a different scenario in Whitehaven because we are really talking about one school here in your constituency.

Ian Mearns: They have just walked away from Haydon Bridge in western Northumberland and were given £1 million to set up a hub that they have not done.

Q241 Lucy Allan: Can I come in, Chair, to back what Trudy has been saying? I have a collapsed multi-academy trust in my constituency. I know we



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should not be using this forum to talk about constituency issues but I want to endorse what Trudy is saying about lessons being learnt. The Telford Multi-Academy Trust collapsed back in 2014. There was some good that came out of it but there were some lessons to be learnt. We cannot sit here in 2017 saying, "Yes, we have learnt all the lessons" if it is still happening.

Chair: Does it not seem astonishing that an MP like Trudy, who is doing her job, is escorted from the premises of this school? That kind of behaviour suggests the eye was off the ball and there was a lot of complacency, given what was going on. What happened to Trudy is outrageous. It is unacceptable. I have never known or heard of anything like that happening to any MP. What is your response to that, please?

Sir David Carter: Of course, I can empathise with the experience you had but I have not spoken to the school and I have not spoken to the trust about what led up to that.

Q242 **Chair:** Should you have not done? This has clearly been in the papers. An MP on this Committee has, allegedly, been treated unacceptably. Surely you should have spoken to them to find out what on earth has gone on and why they behaved like that.

Sir David Carter: I believe my team in the RSC North office have had that conversation. I have not personally. My priority with Whitehaven is to get them a new sponsor. I absolutely accept your point that the behaviour of the school, if you were escorted discourteously from the site, is inappropriate.

Trudy Harrison: I would like to clarify this is not about the behaviour of the school, this is about the behaviour of the multi-academy trust headquarters.

Q243 **Lucy Powell:** What is being built up here is a picture that things are not happening quickly enough. Warning signs may be being dealt with behind the scenes with a ladder of intervention, but the last people to know about the outcome of those discussions are parents, pupils, staff and, indeed, local politicians. We heard figures at the weekend that 40,000 pupils are now sitting in what has been described as zombie schools where they are waiting to be re-brokered.

I feel like the answers so far have been very complacent about this challenge. I would have felt happy if you had come to this Committee saying, "We need more capacity and more powers because we recognise we have not moved quickly enough".

Sir David Carter: I want to reassure you that in 36 years in education I don't think anyone has ever called me complacent. It is your right to do that, but I am not complacent. I have been a teacher and a head teacher for 32 years and a Commissioner for the last three. My passion is about improving schools. For any child to spend a day in a rubbish school is a day too long.



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Lucy Powell: I am not questioning your motives. I am questioning the system.

Sir David Carter: I am not defending my reaction either. You are right to say there appears to be complacency in the three examples you have given me this morning.

Lucy Powell: Four or five, and there are more.

Sir David Carter: Out of 1,350 multi-academy trusts it is a very, very small percentage we are dealing with.

Lucy Powell: I am not sure that is people's experience.

Q244 **Chair:** Can I ask the Minister, given what has been discussed about WCAT and Bright Tribe why has the Department decided that multi-academy trusts are the best structure for school improvement? Why do they need to be so big? Do you not think small is beautiful sometimes?

Lord Agnew: If you look at the average size of a multi-academy trust the vast majority of them are five schools or less so they are not large organisations.

I want to try to slightly reset the conversation. I mentioned in my opening remarks that we took on 1,950 largely failing schools. One in 10 of those were good, today seven in 10 of those that have been inspected are good. The system is working. There are always going to be unfortunate examples. I met Trudy last week when she asked me to, following her experiences in the school. I have agreed to take a personal interest in that situation. I will do that. As Sir David has said, we have sponsors we are already having preliminary conversations with to take on that school.

I have to keep restating that these were some of the most damaged schools in the system. If these problems were that easy to solve, why were they not solved under the previous Labour Government? These are deeply entrenched problems. I speak with passion on that. I had taken on seven myself before standing down as chairman to take on this job. I know how difficult it is. You are dealing with a sense of defeatism at every level; defeatism in the teaching staff, in the children and in the parents. It takes a long time to change that. You have mentioned perfectly valid examples today, of WCAT and Whitehaven, and there are others out there. Solving these problems is very, very difficult. The North is particularly difficult because we had more damaged schools there and less strong schools. That position is starting to improve. We are not going to solve this problem overnight, I have to be very frank with you on that.

Q245 **Thelma Walker:** I declare an interest in that I was the head teacher in Kirklees when John Edwards was Assistant Director.

We mentioned before that small is beautiful. Could I go back to the idea that we have a MAT and there is one individual school that is dissatisfied and wishes to move to another trust? What is the process for that



individual school if they are unhappy within that MAT?

Vicky Beer: The first thing I would say is this would normally be a conversation we would encourage the school to have with the trust board initially to try to understand what it is the trust is not providing for them that is making them dissatisfied. That is often where we see the discussions leading and the problems are often resolved. Over time, what we also see is less about individual schools wanting to move from one trust to another, but more around the strategic growth of the landscape in the regions, small multi-academy trusts consisting of a single school, or a single academy trust choosing to amalgamate with one or two other small trusts to consolidate their capacity and to become a stronger entity in its own right. That is quite healthy in the system as long as we balance it and make sure it is done in a sensible timeframe. Certainly the move towards that greater alignment is a more sustainable model in the future.

Q246 **Thelma Walker:** If one individual school had questions about financial irregularities, what would they do? I am interested to know what the process would be if one school saw something.

Vicky Beer: The first process would be to speak to the trust board. They have their own internal processes to support that. The other route to exercising their dissatisfaction or a concern would be through a process where they could contact my team or, indeed, ESFA. There is a formal procedure that enables complaints and issues to be managed, investigated and reviewed.

Initially we would talk to the trust board to understand whether they are aware of an issue. If it came through a whistleblowing complaint, there is a formal process that ESFA would then manage.

Q247 **Thelma Walker:** What about engagement with parents and the local community? This thread has run through our discussions several times this morning, about when we engage with parents. When does the local community know that their money has been siphoned off, as it were? When are they made aware that there are financial irregularities?

Vicky Beer: I think this is a broader question about how multi-academy trusts engage with parents.

John Edwards: I gave an example earlier of a trust that I have been talking to recently, the Flying High Trust in Nottinghamshire. Some of you may have heard of it. It has nearly 20 primary schools. It has grown really strongly, not only to deliver quality education, but to have a really strong engagement process with parents. It includes making sure that engagement with parents is supportive of those parents, enabling them to understand what they can perhaps do to help their children with their homework or perhaps, as in one school, to run an allotment. It also makes sure those parents have an opportunity to talk to the trust leaders and the CEO as well as local school leaders to express any concerns they have and to include feedback, which goes all the way to the trust board,



as part of that trust self-evaluation. That is an example of a good trust really listening to parents' concerns.

Q248 Emma Hardy: I am becoming increasingly concerned about children with SEN: the number of children with SEN who are being excluded and the number of children with SEN whose parents have contacted me to tell me how they have been encouraged to take their children out of particular academy trusts that are regarded as being very strong but have extremely strict behaviour policies. Other parents have said when they arrive for an open day there is no SENCO there to greet them so they are made to feel unwelcome, as if their children with SEN would not belong in a school like that and they are encouraged to maybe try somewhere else. These academy trusts are then lauded for being so strong and well performing, yet if you looked at the proportion of SEN pupils that the school had years ago, maybe it was much higher.

I wondered whether you were concerned about this, too. Do you think you have a responsibility for children with SEN and disabilities to make sure they are not being either formally or informally encouraged to leave any of these multi-academy trusts? I would like to see trusts that do that damned for doing so.

Sir David Carter: Can I start the answer to that, Emma, and then maybe invite John or Vicky to give a reason or perspective on that? This is a matter very close to my heart. I care deeply about the educational entitlement of SEN, and any disadvantaged, children. I have said many times, in public particularly, that we should not regard any multi-academy trust as being international class or whatever definition we want unless they take care of the most disadvantaged children in their communities. I see that through the lens of educational performance, the progress these children make and I see it in terms of the broadest definition of inclusion.

Q249 Chair: What checks are you doing to make sure this is the case?

Sir David Carter: It goes back to the oversight question. I oversee 11 large national academy trusts, some of the largest in the country. Part of my oversight and challenge to those trusts is exactly what you are talking about there; to look at the attendance data, particularly persistent absence, to look at exclusion rates and to understand what sits behind exclusions when they take place.

There is no doubt that not just one or two but a number of multi-academy trusts introduce a new behaviour code when they are trying to reset behaviours and the community takes time to accept that. School leaders have a right to do that. However, I want to understand the quality of experience those children are getting, whether they are on fixed-term exclusions or back in the school. It is absolutely right that when we look at the data on academies we should, of course, look at the headline data you will be very familiar with. I am interested in the sub-level data about the performance of those vulnerable groups, which



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includes the SEN and disadvantaged children. In my oversight of a trust that I am accountable or responsible for, whatever you want to call it, one of the very first things we will look at is that engagement with those particular children.

In response to other questions this morning, it is often the parents of those children who sometimes feel most disenfranchised. That is why the relationship with parents is such an important priority for MATs to get right.

Q250 Emma Hardy: A few weeks ago, we were talking to the Children's Commissioner. I raised an issue with her about children's rights because I am very concerned about the behaviour policies that some of these trusts have. I believe some of them go as far as damaging children's rights with the amount of time some children are put in isolation day after day and then, surprisingly, they decide to leave the school. I can guarantee the children made to do that are not the ones that are going to get A-star and high grades at the end of the year.

The Children's Commissioner said she would be happy to work with the DfE to write to all schools to remind them about children's rights when they write their behaviour policies. Would that be something the RSCs would support as well?

Sir David Carter: I would do that personally. That would be a really good conversation to have. It is important for us to speak as one voice with trusts.

We also need to recognise, and I am sure the Committee does, that, while we are talking about the extreme end, lots of multi-academy trusts do really great work with the most vulnerable children and I want to see them all do it.

Q251 Chair: We have been approached by the National Deaf Children's Society. They have suggested that it has happened, an academy acting unlawfully in terms of its duties towards children with special educational needs and disabilities. What action should we expect the Commissioner to take if you find such things happening? There is an example cited of an academy getting rid of specialist teachers for the deaf and so on.

Sir David Carter: That is not a conversation I am familiar with but I will give you my headline answer to it. Clearly, if you are talking about the removal of specialist adults in an environment where children are desperately in need of that specialist teaching, it is a question the RSC should ask of that academy or of that trust if it is happening in an academy trust, and that the local authority should ask if it is in the maintained-school sector. It is also an example where I would want to make sure we were joined up and aligned with Ofsted around that because that is part of the regulatory process as well, to test why that decision has been made and what impact the decision will have on children's outcomes.



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Q252 **Chair:** To add to that, in my own constituency when schools have been taken over as academies, if those schools have had particular special needs niches, my feeling is, until I have become involved or parents have contacted me, that parents have incredibly little say in terms of what kind of academy they would like to take over the school. Sometimes their wishes are overruled and they then have concerns that the academy that is proposed has no specialist training in special needs.

What can we do to make sure parents have more rights, particularly when it comes to SEN children and academies?

Sir David Carter: It is a very topical question and a very real one. I have certainly been asked about the parental role in the involvement of the future sponsors of WCAT. That is a very real issue for me.

Q253 **Chair:** What should happen? What would you like to happen? The Minister is very welcome to comment as well.

Sir David Carter: What I would like to happen is that we are robust with multi-academy trusts about their consultation with parents and that it is not an option but an entitlement the parental community has. I say that on the basis that the vast majority do that already. Where that does not happen we should insist on it.

Q254 **Chair:** Should there not be clear guidelines in terms of the rights of parents, particularly when it comes to SEN students, when choosing an academy to take over a school?

Lord Agnew: As you will know, all governing bodies in academy trusts have to have two parent representatives on their boards. I am not aware of any different regulations that apply to academies' treatment of disadvantaged or disabled children as opposed to local authority maintained schools.

It is worth remembering that the total number of permanent exclusions in our up-to-date data has only increased very slightly, from 0.7% to 0.8%. Obviously there are always individual cases of hardship or concern but I do not believe this is national trend. Certainly I would ask the RSCs to challenge any academy where we were aware of this behaviour going on.

Chair: I am not asking about exclusions. I am asking that, particularly when there are deep SEN issues in a school and a school has a specialism, not just the governors, as you say they may only have one or two people on the board, but the vast majority of parents have a real say in terms of what happens.

Q255 **Emma Hardy:** Academy trusts do not even all have governing bodies. They do not all have parents sitting on governing bodies because they do not all have governing bodies.

Lord Agnew: It is a requirement they have two parent representatives.

Ian Mearns: Is that on the trust?



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Lord Agnew: No, on the governing body.

Vicky Beer: The local governing body.

Q256 **Ian Mearns:** Lord Agnew, if you do not mind me saying, that is widely not happening. I really think that is something you can focus on: looking at the governance issues in all the multi-academy trusts to see which schools are complying with what Lord Agnew has said is the case. I would be very interested to see what the response to that is.

Sir David Carter: I am happy to take that away, Ian, and write back to you with some evidence of that if that is the case.

Q257 **Lucy Powell:** The other trend in this regard that you need to be aware of, because we are doing an inquiry into this at the moment, is the use of offsite alternative provision. It is not just about direct exclusions. We are seeing now a massive mushrooming in alternative provision that is particularly affecting SEN children. Much of the evidence we have heard would suggest that some multi-academy trusts, in a drive to improve results, are making greater use of offsite alternative provision than they should be doing.

Sir David Carter: I am not disagreeing with anything you have said this morning, that we have a problem to tackle there. What I am saying to you is that I will make sure we are robust in the challenge to multi-academy trusts when we are aware of it.

Q258 **Chair:** Are you saying you will also look at the issue of parental rights, if a school is not yet an academy but becomes one, in terms of choosing the right academy if the school has a particular specialism in autism or whatever it may be?

Sir David Carter: I would appreciate your clarity on this, I think you are asking me that, where we have a particular specialism in the special education needs area of the predecessor school now going into an academy trust, those particular parents are consulted about how their needs will be met.

Chair: Properly and genuinely consulted, yes.

Sir David Carter: Let me take that away and come back to you.

Q259 **Mr William Wragg:** Good morning, everybody. I am going to move us on to talk more about Ofsted. I welcome Lord Agnew to his role. The Chief Inspector, Amanda Spielman, told this Committee recently that she would welcome the opportunity for Ofsted to inspect multi-academy trusts. I wonder, Lord Agnew, if you would welcome that as well?

Lord Agnew: I don't think it would be helpful for a complete change to the Ofsted inspection framework. What I do think would be very helpful, maybe as a preliminary to going further, is that in any inspection the Ofsted inspector should speak to both the CEO and the chair of the



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academy trust so they start to understand more about the relationship between the trust and the school they are inspecting.

Q260 **Mr William Wragg:** Do you think multi-academy trusts adopt the function of a local education authority?

Lord Agnew: They are autonomous educational institutions. Our view always was that there should not need to be a third tier for those schools that are good and are delivering—

Q261 **Mr William Wragg:** Do you think multi-academy trusts perform the functions formerly provided by a local education authority?

Lord Agnew: They provide some of those functions, for example, finance and HR. Those functions are not delivered by local authorities for academies, they are taken in-house. To that extent, that is correct.

Q262 **Mr William Wragg:** Correct me if I am wrong but Ofsted inspect local education authorities, don't they?

Lord Agnew: Yes, they do.

Q263 **Mr William Wragg:** Would it not therefore be appropriate for them to inspect MATs as well?

Lord Agnew: I feel at the moment it would cause some confusion in the system. For me, the first step would be for them to reach out to the chief executive and the chair. The RSCs have a role of engaging with the head office of a MAT if there are issues. If it is a good MAT, they do not need that extra level of intervention.

Q264 **Ian Mearns:** If it is not a good MAT, if they have form with a number of schools around the country, would it not be appropriate that an independent investigator, like Ofsted, could go in and see exactly what is happening in a multi-academy trust that has problems in a number of schools around the country?

Q265 **Chair:** This is the heart of the issue. You mentioned the importance of academies and the changes they make to many schools. I have seen that in my own constituency. There are some outstanding academy and multi-academy trusts.

The issue at the heart of this is checks and balances when things go wrong. It may be a few or it may be more than a few. The appearance is that there is a lot of complacency and there are not enough checks and balances for academy trusts, such as in Trudy Harrison's constituency. The fact you do not agree Ofsted should inspect them sums up the fact there are not enough checks and balances.

Sir David Carter: Shall we just talk about what Ofsted currently does before we think about what Ofsted might do in the future?

Chair: Yes.



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Sir David Carter: Ofsted currently inspects every school in the country on a section 5 basis to monitor and review. Let's not assume that does not shed light upon what happens in a multi-academy trust because it clearly does.

In the section 5 reports, as you will know, Chair, there is a section at the back that talks about external support. It would be really easy to adjust that to talk about the support the trust provides. The question that inspection of the school has to answer is: is this school better off being in this multi-academy trust than it was before? If you ask that question you see the lens of the capacity of the trust through the school.

At the moment Ofsted inspects schools in batches, through focused inspections. I think I am right in saying that over the last couple of years there have been 17 of those in total. This tends to be where they will look at schools that are due inspections and do a consolidated report around what the trust does on the basis of those school inspections. I am not convinced that tells you about a multi-academy trust because it is fundamentally about the performance of the school.

Q266 **Chair:** Why is Ofsted so keen to inspect them if you think it is not necessary? The Chair has said that Ofsted would welcome the opportunity to inspect them. If you do not think there is a problem, why do Ofsted think it is necessary to do it?

Sir David Carter: I am really clear: I do not think Ofsted should inspect MATs yet. My caveat around that is anything we can tell parents about what is happening in the schools and in multi-academy trusts, picking up on the questions the three of you just asked me this morning, has to be a good thing. It may well be that a future Minister will decide that the train coming down the track is an inevitable one and will want to get that right.

Q267 **Thelma Walker:** Are you saying you do not believe Ofsted has the expertise and capacity to inspect MATs?

Sir David Carter: No, I am not. I would probably say I am more concerned about the capacity than the expertise. It is too simplistic to say Ofsted does not understand MATs because you can find people to recruit who can understand MATs so let us park that to one side. This is not a question about expertise. It is a question about capacity. If you are going to inspect a school, even for two days, to build the time into that to get a sense of what the trust is doing to support that school has to be added to the time of the inspection that has already taken place. It would need some adjustment.

I absolutely understand that Ofsted should scrutinise and work alongside me and the RSCs to hold multi-academy trusts to account. I am just not convinced we need to change the framework—that would inevitably mean the framework for school inspection, I would have assumed, given the capacity issue—at the same time.

Q268 **Mr William Wragg:** I am moving it on because I think this discussion is



illustrative of the lack of clarity there perhaps is between the respective roles of Ofsted, the Regional Schools Commissioners and, indeed, the Education and Skills Funding Agency.

If I could ask all of you briefly, particularly Sir David and Lord Agnew, what are you doing to bring more clarity to those respective roles?

Sir David Carter: This is a comment that is made frequently to me and it frustrates me a little bit because I do not think there is confusion. It is very clear that the Ofsted role is to be the independent inspectorate with a legal framework. RSCs and I work as agents of the Secretary of State. So our entry into the conversations with schools comes from a different standpoint.

I accept that if one school leader in this country says they are confused, we should put that right. I am not complacent about that bit either. I am really clear in my mind that we have some work to do to make it absolutely crystal clear to the system how this works. The two things that I have already committed to doing with Amanda Spielman, which we have already started to do, is to bring our teams closer together. The Regional Schools Commissioners and I met Amanda and the Regional Directors on 8 November. We had a day looking at the things we do together and the things where there are differences. The outcome of that will be a protocol that I hope we will publish in the New Year to explain the system. That, on its own, is not going to be the answer.

Q269 **Mr William Wragg:** The Government's view is that they should work in a complementary and collaborative way. If you have Ofsted regions and Regional Schools Commissioner regions that do not align, and if you have MATs with such a wide geographical spread, how do you bring about that complementary and collaborative working?

Sir David Carter: Let me take your latter point because the MATs that work across at least four RSC regions are the 11 that work directly to me. When I took on that responsibility, when I took on this new job and wanted to have those trusts reporting to me, I worked with Sean Harford at Ofsted to ensure he had the same relationship with them. The complementarity part is achieved by those cross-regional MATs because Sean and I work together with that group. That is working really effectively.

Your point about the regions is a good one. Its roots sit in the decision that was taken before I came into my post but is one I wholeheartedly agree with. That was that London should be divided around three regions to give the RSCs in the East of England, north-west London and south London the opportunity to take the very best London schools and trusts and share their influence more widely out in the regions. I could cite a number of examples—I will not do it now—where that impact of London going into the deeper region has been effective so I think the decision around that is justified.

Q270 **Mr William Wragg:** Does that deeper region extend to the North of



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England? It is a rhetorical question because you say that the argument was for dividing London into thirds, but that doesn't affect Lancashire and West Yorkshire in the North, does it? Do those areas align with the Ofsted areas?

Vicky Beer: I cover Lancashire and West Yorkshire, as you know. I work with two Ofsted Regional Directors. We have a systematic meeting schedule where we meet approximately once a half-term to share intelligence and to review progress across the region. In addition to that, in the north-west side of the region, which covers a slightly larger proportion of mine, we also have an agreement to meet systematically with some of our priority local authority colleagues. The three of us will sit around a table and take a place-based approach to understanding whether the improvement is happening, whether it is moving quickly enough and what each of us can do to support that progression.

Lord Agnew: I will pick up quickly on the ESFA and its role in the system. My view of this is very straightforward, the ESFA and the RSCs are different sides of the same coin. The ESFA looks after the money. The RSCs are concerned with the education. One often flows to the other. They work increasingly closely together. They each have their own ladders of intervention, as we call them. There is much stronger collaboration and information sharing across those two pillars.

Q271 **Trudy Harrison:** I am going to come back to the Ofsted inspection. An Ofsted-framework inspection is dependent on leadership, management and also financial management. That is absolutely the responsibility of the multi-academy trust. If that trust is not providing sufficient funding, for example, to the school to carry out its role, to buy textbooks and so on, surely that will have an effect on its ability to teach and therefore they should be inspected. It is really challenging and we do need to inspect multi-academy trusts. The purpose of the Ofsted inspection is surely flawed if you are not looking at leadership, management and finances.

Sir David Carter: Ofsted has never looked at finances in the school system in my experience of being a head for over 20 years. It has always been about standards.

Trudy Harrison: That does affect how the school performs. It cannot perform without money.

Sir David Carter: It does but that is the role the ESFA plays and I know we want to get onto that in a moment. The oversight of the financial and governance arrangements in trusts is the responsibility of the ESFA and we can talk more about that process.

Ofsted's most important contribution, as a focus for improvement in the system as Amanda Spielman has described, is to shine the light on standards, share that practice when it is at its best and expose it when it is at its weakest. I do not disagree with you that the leadership decision making about financial allocation and where it chooses to spend money is



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a really important part of the school improvement landscape, but there are processes by which that is reviewed. The publication of the annual accounts, for example, will reveal any flaws. That is one of the routes into that.

Q272 Thelma Walker: Going back a little to what you were saying about your collaboration and working together with Ofsted. You said you have regular meetings every six weeks or so, every half-term.

Vicky Beer: About every six weeks.

Thelma Walker: Going back to that idea of information sharing with the communities and the public, following those meetings how are the choices and decisions that are made shared with not just the staff or the leadership of local schools but with the community? Those regular meetings happen. Presumably you have action points from that meeting. How is that disseminated and shared?

Vicky Beer: The focus for those meetings is not necessarily an individual school. If I think about the meeting I had last week, it was focusing across a local authority. We were considering the progress and qualities of academies as well as maintained schools, and also the wider offer that the LA is supporting to enable the schools to deliver what they are. We talked in that case about an inclusion policy, for example. Each of us has a role to play in that. Part of my action from something like that is a discussion with the multi-academy trusts that have responsibility for the academies in that local authority, to communicate some of the high-level discussion and also to ensure that the multi-academy trusts are supportive and playing their part. That is part of this way of approaching it from a place-based point of view. We would expect our multi-academy trusts to be part of that and, indeed, the majority of them are.

Q273 Emma Hardy: We all recognise the significant funding pressures schools and the education system are under. I know you briefly mentioned, when Ian asked you, funding for salaries for CEOs. My two questions, which I will combine, are to do with funding. Do you have an opinion on the top slice that is taken by the different trusts? What percentage should it be and how can you check that the top slice is delivering value for money?

The other point is from the accounts we noticed all the related transactions. Do you have opinion, like with the ministerial code, of whether CEOs and trusts should be employing direct family members and paying them excessive salaries at trust level?

John Edwards: If I can take the first point, which is the question of the top slice as you describe it. What is most important is for us to think of the funding that comes to a multi-academy trust in order for it to provide the education we all want for the children within that trust. Most multi-academy trusts are very clear about the functions they provide. Some of that is very practical help and support that exists much more efficiently for them operating as a single entity for the number of schools they are working with. It also includes educational support and development



capacity, if you like, to enable teachers to be trained and develop their practice. What is most important is that that activity, which is really central to what a multi-academy trust does, supports and delivers quality education within the individual schools.

Regarding the question of whether there is a fixed percentage, I do not think we want to say it should be this percentage or that percentage. In our ongoing review process we are discussing with multi-academy trusts regularly their capacity, performance, interest in perhaps expanding the number of schools or perhaps the work they are doing to improve outcomes in a school that was struggling when it joined them. We will always look for efficiency and effectiveness of that provision as a whole, as a multi-academy trust, to drive outcomes in each of the individual schools, whatever the priority might be.

Q274 Ian Mearns: To come back to something you said about Ofsted not inspecting finances, Sir David. I have been a governor in some way, shape or form for 34 years now. For 25 years of that, we have had Ofsted. As a chair of governors during that period, I have had Ofsted inspectors asking me about the school's capacity to implement a school improvement plan, and that includes financial considerations. So it is not entirely right to say Ofsted does not inspect the finances of schools; they want to make sure the schools have the capacity to improve.

If I can make an observation, you may think this is terribly unkind, but we were asking before about Ofsted inspecting multi-academy trusts and you seemed very reticent about that at the moment. Is that because the next logical step, after inspecting multi-academy trusts, would be for Ofsted to inspect Regional Schools Commissioners and the Office of the National Schools Commissioner?

Sir David Carter: I had a real sense that was where you were going to go with that question. I can see no future where that features as part of the landscape. The accountability for the work that I and the Regional Schools Commissioners do is very clearly in my case directly to Lord Agnew, and in all our cases, on behalf of the Secretary of State.

Q275 Chair: I want to quote what Amanda Spielman said to our Committee when she came. She said, "It is pretty clear what Ofsted does. By and large it is in statute and regulations. We have a rapidly evolving model of what Regional Schools Commissioners do and the fuzziness is probably more on that side of the fence." She clearly believes Ofsted should investigate MATs. I am asking the Minister to respond to this, if I may. Surely, if Ofsted believes that, there is an issue here that it does not have confidence in the system. Why would it want to take on that extra work?

Lord Agnew: Interestingly I am meeting the Chief Inspector in an hour's time so I may get a better insight into her thoughts on this. My own thoughts stand in my answer to Will. We always have siren voices calling for Ofsted to do more. We need to be careful about that. The point Sir David made about adding a simple—



Chair: In this case the siren voice is not people from outside, this is Ofsted itself.

Lord Agnew: Indeed, but I would like to understand her thinking on that a bit better. It is a live debate, I accept that.

Q276 **Lucy Powell:** Moving on but very strongly related is the relationship with the Regional Schools Commissioners, schools themselves and MATs with the ESFA and the financial probity of multi-academy trusts. In the case of the Wakefield City Academies Trust, Bright Tribe and Collective Spirit, all the examples we have been talking about today and many others, many questions over the use of public funds and whether appropriate amounts of money were siphoned off, shall we say, from schools to the multi-academy trust have been written about in the media and have arisen through looking at financial accounts. Do you think that separation, which is what we have been talking about, between financial probity and standards oversight works?

Secondly, which gets us back to the Ofsted point, is it not someone's job, on a very forensic basis, to look at whether a trust is providing value for money to a school in the way they are top slicing funds and how they are allocating that? That directly links to standards because they are one and the same, they should be driving up standards. Therefore what is the check and balance really in the system? Why are we seeing so many really quite appalling cases of the misuse of funds?

Lord Agnew: To start from the top down, as you will be aware an academy has to have its accounts audited externally every year, which is something that does not happen for local authority schools. Indeed, the average frequency of audit of a local authority school is about every four years and that information is not generally available to parents or other stakeholders. So there is a high level of accountability for an academy trust.

Lucy Powell: In a local authority you have many, many more checks and balances about procurement and the way that funds are used than you do in an academy. Anyway, carry on.

Lord Agnew: That is the first point. The second point, on third-party transactions, again the disclosures there are stronger than you will find in maintained schools. I just received the draft accounts last week for my own trust. We made six disclosures on third-party transactions and all of them were donations by individuals connected to the trust. Therefore we need to be careful and need to understand where these are occurring.

In terms of the top slice, the argument ends up being rather circular because it comes back to John's point: what are the services that are being provided? You could have a top slice of 1% and do very little. You could have a top slice of 5% to 6% and do a lot more. What is important is to know that the services they are providing are raising the educational standards of the schools they look after.



Q277 Lucy Powell: The things relate completely and it is part of the conversation we have been having today. You have Regional Schools Commissioners responsible for thousands of schools. They are not sitting there looking through accounts and really analysing it on that basis. The top slice relates to outcomes. If you look at the collapse of the Wakefield Trust, there were huge sums of money, just in that year that Vicky was talking about. Between 2016 and the collapse of the trust in 2017 huge sums of money transferred from the schools' budget to the trust. What value were those schools getting for that huge transfer of funds when it was clear already, to all of you apparently, that the trust was incapable of supporting those schools? This is the heart of what we are all talking about. We do not feel a transparency and accountability about who is making those decisions and how that money is being used. The ESFA are acting separately to you guys, who are acting separately to Ofsted. Nobody has that overall overview.

Lord Agnew: To reassure you, the ESFA has very clear overview of this element of the process.

Lucy Powell: No, they are looking at things like whether the related-party transaction is justifiable. They are not looking at whether the school is getting value for money for giving £800,000 to a trust six months before it collapses.

Lord Agnew: As I was saying earlier, the money and the educational standards are two sides of the same coin. The ESFA is more closely involved than perhaps you are aware. It is getting increasingly better each year when it gets the accounts electronically uploaded, which will happen in the next few weeks for the year ending August 2017, at looking at that data and picking up trends. We already publish benchmarks of the best, the average and the least good in the system across a whole range of different purchasing elements, whether it is the amount of money spent on teachers in classrooms or the amount spent on utilities or energy. A great deal more data is being made available almost every year.

Lucy Powell: I am talking about value within a trust.

Vicky Beer: I will give an example of a trust I met recently as part of our regular conversations. That enables me to understand, first, what the top slice is. The concept of top slice perhaps does not really give a sense of the value the trusts are giving back to the schools, wanting to understand what the value is, whether the trust can articulate that but also whether the schools appreciate the value.

If I give you one example. Waterton Multi-academy Trust is a Wakefield-based trust. It is different from the one we have been talking about. It has grown to 10 primary schools, some of them are very small primary schools. It has a top slice that is about the average top slice we see nationally. What that enables the trust to do is, first, to recalibrate where the expertise sits.



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Q278 Lucy Powell: We all accept there is good practice. We all know good multi-academy trusts that have driven up standards and have used their collective pot of money well. That is not the issue. The issue is where this happens badly. You and I have discussed Bright Futures and many other examples in our area where we know those schools are not getting value for money from those multi-academy trusts. My question is who has full oversight of that and how quickly can steps be taken to ensure that more and more public money is not wasted over a period of time, whether it is Collective Spirit, Bright Child, Bright Futures or Wakefield Academy Trust? Clearly people involved knew there were problems in those multi-academy trusts, yet still huge amounts of money were transferred into them.

Ian Mearns: Wakefield even had a deficit of £16 million that the auditor knew about.

Vicky Beer: Last year's accounts showed a surplus.

Lucy Powell: Because they were siphoning off quite a bit of money and those schools were collapsing and not getting the support they needed, so surplus or deficit is not the relevant point. The relevant point is whether the money is being used well. Is there value for money?

None of us here is talking about good practice. We all accept there is a lot more good practice and that good practice is being spread. We are talking about where the checks and balances exist when there is bad practice and poor outcomes

Q279 Thelma Walker: Lucy's point is about it being public money. If we think about the multi-academy trusts and individual schools, each one of those schools is the hub of their community. Going back to my earlier question about parents and how much they know. Again I will cite the Wakefield Trust: it looks as if that money was siphoned off purposely before it collapsed. If you look at each of those individual schools and the reaction and response from those local community groups, it was shock. They had no awareness at all. Some of it was capital funding. For one particular school I think it was over £200,000 that the parents themselves and the local community had raised funds for. This is what I have been reading. It is the thought that this is money that belongs not just to the whole MAT but to individual communities, many of them in deprived areas, which have worked together as a community to raise funds for the education of that next generation. That is really what we are saying.

Lord Agnew: To pick up on that, I am afraid there will always be examples of bad practice. There are bad people in our society. I cannot give a justification for individual instances of bad practice. We have seen that and you have talked about that a lot today.

In terms of the system itself, we have very strong guidance through the "Academies Financial Handbook". We have a thing called the multi-academy trust "Good practice guidance and expectations for growth". We have created the Academy Ambassador Programme over the last four



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years that has put 700 experienced business people on to MAT boards to bring the challenge and scrutiny you are talking about. In the last set of accounts for academy trusts only 2% were shown to have qualified opinions.

Q280 Lucy Powell: As we discussed at the beginning there is huge growth in this system. I do not think you have answered satisfactorily how we can be sure that there is quick intervention. These bits of bad practice are not isolated cases. You are the Minister responsible for the whole system. There is a systematic failure that is repeated in the many examples we have given. How can we be sure this will not happen? What steps are you taking to put more robust checks in the system?

Lord Agnew: The main step I have taken since arriving a couple of months ago is to ensure that the ESFA and RSCs work much more closely together. That is a process that has increasingly developed over the last couple of years and, for the reasons you are talking about, is now being accelerated. If one picks up intelligence of poor practice in a school, if a RSC goes to visit and senses there is waste financially, they will talk to their ESFA colleague. That is being brought together in a much more structured way. The ESFA itself is getting better at being quicker to predict problems rather than being reactive. These are trends that are improving all the time.

Lucy Powell: Let us hope those trends keep up with the pace of those.

Lord Agnew: Yes. I have to be very clear to all of you, we are never going to eliminate bad practice. We are talking about thousands of schools. There are, unfortunately, bad people out there. We have fraud in the maintained sector. Unfortunately these things happen but we are getting better at it.

Q281 Chair: Going back to the salaries of the chief executives of MATs, what are you doing to make sure these salaries reflect the performance of the MATs?

Lord Agnew: As Sir David mentioned earlier, the number of those receiving very large salaries is very small. I have just authorised a letter to a selected number of these trusts challenging the chairs to justify the process through which the awards were made. Just to reassure you, that is something I feel very strongly about.

Q282 Chair: Obviously there is a public sector pay constraint on teachers at the present. Supposing that a MAT gets a significant rise, what do you do to make sure that rise matches the performance of the academy trust in terms of not just exams but the successful destinations of the students?

Lord Agnew: That is the responsibility of the chair and the board of the trust. That is something I have brought to the attention of a small number of trusts. The letter has gone out. That is the first thing.



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Also to again keep things in perspective, in the data up to November 2016 the mean average salary for a secondary head in a maintained school was £88,300 and an academy secondary £92,000. We are not talking about a huge differential.

Q283 Chair: *The Times Educational Supplement* said the top-paid academy chief executives were receiving pay rises of up to 141%. They looked at the pay of 150 chief executives. If that is correct it is hugely different from the public sector constraint on teachers. If every student in those schools has incredible results and incredible destinations then perhaps it might be worth it. What checks and balances are there to make sure those kinds of rises are reflected in the performance in the school and of the students, especially if the teachers are getting virtually nothing in comparison?

Lord Agnew: I am not aware of that example, it certainly sounds like a dramatic one. Broadly speaking, it is the role of the boards to ensure that there is proper governance around pay awards.

Sir David Carter: I will add to that that I am sure many of the MATs are taking account of the difference and gap between the salary of the chief executive or executive head and the teaching staff who are employed in the trust. The letter the Minister referred to, which has been published today, has gone to the trust of one school where the salary is in excess of £150,000.

Q284 Chair: Do you think the pay rises of up to 141% are justified in the current economic climate?

Sir David Carter: I restate what the Minister said about this being the responsibility of the boards. If you are asking me, no, I do not think you can justify that in the current climate.

Q285 Chair: Minister, 141% pay rises, are they justified in the current climate?

Lord Agnew: The bald facts you have given make it sound unreasonable but I do not know the case involved.

Q286 Thelma Walker: How are resources and finances divided when a trust collapses and how is it re-brokered? How are those resources divided?

Sir David Carter: I had a feeling you might ask this so I will take you through—but tell me if this is not helpful—the process up to where a decision is made to re-broker because that is part of the answer. Then my colleagues and I can give you the answer to the first part of your question.

There is a five-stage process. No. 1 is the RSC is concerned about the performance of a school in a trust. That can be as a result of poor outcomes or a poor inspection. We would then expect that trust to work with us closely on the action plan to turn that school or schools around. We would then commission an education adviser to visit that trust and give us reassurance that the plan is robust, deliverable and they can



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afford it. We would then commission additional support, if that was appropriate. We would find additional governance members. We would strengthen their leadership and commission school-to-school support for them. If all that failed, we would publish a warning notice. If that failed, we would re-broker. As I said earlier this morning, re-brokerage is the final step in the process.

Re-brokerage is something we know we need to use. If I give you some figures as the second part of the answer, in 2016-17 there were 165 academies that had been re-brokered, just short of 2.5%.

Q287 Thelma Walker: What about the timescale of this? When you talk about each stage of that process, what timescale are we talking about? While all this is going on, you have that school community, the staff and pupils, there. If this process is over a lengthy period, and there are questions about standards and financial accountability or whatever it might be, how long are we talking about?

Sir David Carter: I am going to answer that in two ways. I am going to give you the answer to your question and then, if there is time, I want Vicky to give you her answer because she has the largest number of schools that are in the pipeline.

The first thing I want to say to you is the moment we have made a decision to re-broker, we will not leave that school untouchable, as some commentators have called it. We will make sure a preferred sponsor, teaching school or another MAT will provide school-to-school support immediately. We know we have 259 sponsored academies in the pipeline at the moment. We know 114 of those already have a sponsor. We know that we have 104 we need to move swiftly on and 33 of those, which is the answer to your question, have been in that position for more than a year. There are good reasons for that, which are challenging and complex, but we need to get around them. PFI is one, a land issue where a diocese is concerned may be another. The state of the buildings, as in Trudy's example in Whitehaven, might be a third one and how we ensure we can provide some capital support to put the buildings right. In the period I have just described, between 2015 and 2017, the Lancashire and West Yorkshire region had the highest number. It might be helpful to understand why that number is high and what we are doing about it.

Q288 Trudy Harrison: It would be helpful to understand the system that is in place, over how many years or months. When does the first alarm bell start ringing and then what is the system to move to re-brokerage? How are parents involved with that process?

Sir David Carter: Would you like me to write to you with that outline because it is quite a complex answer?

Q289 Trudy Harrison: It would be helpful for us all to know the system, which I presume is written somewhere, but I have struggled to find it.

Then you mentioned my parents were talking on social media. That was



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out of desperation because they had tried every other method, including inviting you and the RSC to public meetings and following the appropriate channels. When that fails, of course, desperation sets in. I do not believe there is a clear and transparent system for re-brokerage but I am sure you can tell me otherwise.

Sir David Carter: There is a very clear and transparent system around complaints, which would be part of the answer to that question. I would expect Bright Tribe and Whitehaven Academy, in your specific example, to have published on their website a complaints procedure for parents, which I know they used. On the School Commissioners' gov.uk website is the process through which they can make a formal complaint to a RSC. I am not saying we have that entirely right. It is sometimes quite hard to find it. One of the things we have committed to is making our website far easier to navigate for parents.

Q290 **Trudy Harrison:** Just for our benefit, where is the process? Let us assume we have an academy that goes into special measures. What is the process? What are the alarm bells that are ringing for the Regional Schools Commissioner and what does she or he do about it?

Vicky Beer: In the case of an academy that goes into special measures in the inadequate category, our first action is to have a meeting with the trust to review the outcomes of the report. Best practice is that we have already done a risk assessment through our regular monitoring of the trusts and we have been able to prevent that through working with the trust. But when it happens, we have a formal process. We have the first meeting with the trust and that is to understand, first, whether the trust recognises the report and the outcomes in the report. Do we have confidence the trust has the capacity to do something about it? Do we also have confidence the trust board has the credibility and capacity to hold the CEO to account for delivering that?

Trudy Harrison: Assuming that is a "no, no, no", what then happens?

Vicky Beer: Then we would start to look at what support needs to be in place. Sometimes that is around, if the trust does not have the capacity immediately, where they can source that additional capacity. Often that is from a teaching school or, indeed, another multi-academy trust. We can facilitate those discussions. What we will do formally at that point is set out a timescale with the trust where we want to understand from the trust how it is reassuring itself that the school will be making adequate progress. That sometimes involves deploying an education adviser to work with the trust, to triangulate what the trust is telling us. It is about holding them to account on a regular basis.

Within my region, 21 academies have been in that position, unfortunately. All but one of them have improved outcomes over the last year. Five of them have had positive subsequent Ofsted monitoring reports. It is about understanding the school's journey. There is one of them whose monitoring report was still demonstrating that progress was



not rapid enough. That is the point where we begin to escalate and possibly have a conversation as to whether that particular school would be better served in a different multi-academy trust.

Q291 Trudy Harrison: Do you think three years is an acceptable time for that to take? From school results dropping and going into special measures, do you think three years is an acceptable time?

Vicky Beer: It is really difficult to make a generic comment because the cases can vary so much, particularly between primary and secondary.

Q292 Trudy Harrison: What is the average time?

Vicky Beer: If you are measuring it in terms of the Ofsted cycle, it is the gap between the inspection cycles. What we reflect on is the time it takes to improve a school. It can be very different. What we understand is that there is a set chronology of steps that need to be taken to build that improvement journey and there are indicators on the way that give us that confidence. The absolute first step has to be about addressing behaviour and attendance. Improved attendance and reduction in fixed-term exclusions gives us our first signpost that things are starting to improve. In many cases it is also an increase in admissions, because that is the first degree of confidence that parents have if their children are going home and have had a good day at school. We look at indicators like that initially to give us assurance that the school is on a journey, rather than simply waiting for an annual set of results at the end of the year because clearly that can be too late. We look at indicators such as behaviour.

Then we would expect the trust, having consolidated that phase and stabilised the school, to start to rapidly improve the quality of teaching and learning. We challenge our trusts to articulate to us how they are doing that. I am happy to write and give you more detail.

Trudy Harrison: It is wonderful when we hear good examples but we are not here for that. We are here to try to understand how we can prevent the bad examples from ever happening again.

Vicky Beer: I understand that.

Q293 Ian Mearns: Before I come on to my final question, I did interject earlier on about Bright Tribe and the £1 million it had received to establish a hub for school improvement. Yet, after a year it had failed to take over a single school. It literally walked away from Haydon Bridge School, which is west of Newcastle in west Northumberland. Are we going to get a report back from you about its activity in terms of school improvement in our area?

Sir David Carter: You will. The conversation about Bright Tribe no longer being a presence in the North includes that discussion.

Q294 Ian Mearns: It did get £1 million. Is there a money-back guarantee when they do not do the improvement in schools?



Sir David Carter: That is what we will write to you on.

Q295 **Ian Mearns:** Thank you very much. We had the Secretary of State here some time ago. I put to the Secretary of State that there was a feeling that, if the fingerprint of the local authority was anywhere near an application to establish a multi-academy trust, it would not be allowed. I think we got a nod of the head that that was the case at the time.

My own local authority has a pretty good record on school improvement, which has been confirmed to me by the Regional Schools Commissioner. If there is a good record of school improvement in a local authority like my own, is there still any bar to the local authority putting together combinations of multi-academy trusts within its own area?

Sir David Carter: I know the local authority you are referring to because I have spoken to Jan about that. It is not the only one. In spite of the challenging times around school improvement teams and local authorities, there are still some very, very strong examples of local authority school improvers who, I have to say, work brilliantly with RSCs, teaching schools and MATs. In the last 18 months I would say the system is more sector-blind now than it has ever been in terms of people putting in the resources we have to improve kids' education, whatever kind of school they are in. I absolutely welcome that. Having been a head in a local authority and led an academy chain, I understand that part of it.

My second part of the answer is that there are a number of examples where colleagues who have been in local authorities have set up local authority school improvement services as a spin-off from a local authority. I am thinking of Birmingham Education Partnership, Buckinghamshire Learning Trust and Herts for Learning, just to name three. The people working in those groups five years ago would have been doing that same service but had credibility with schools. They are working across the piece so, yes, they do that.

The challenge with local authority MATs sits around the composition of the membership of the trust board, where the limitation on a local authority employer is 19.9% of the membership of the board. Any local authority MAT, in the traditional sense of how we consider MATs, would have to be able to address that issue. At the moment that is one of the bars to it. I suspect, however, that the role for the best school improvers in the maintained sector is to work as facilitators of some of this complicated landscape we have described.

To finish my point, we have introduced sub-regional improvement boards, roughly four per region. Local authorities sit on those boards. When we are looking at the needs of three or four areas of a region, to encourage our teaching schools and MATs to put an application in for the Strategic School Improvement Fund, the local authorities are advising and saying we need to include these schools in it as well. We were not doing that a year ago so that is a real step forward.



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Q296 **Ian Mearns:** Part of the problem that existed previously, and this might have been removed, was that there was no aim for local authority employers to sit on the boards of these multi-academy trusts but just to broker establishment of them in the first place. If local authority employees at a high level can help to bring back together partnerships with a school within a locality you do not set it as a bar.

Sir David Carter: I could not agree more with you. One of the examples I cited before is exactly that. The people who were delivering the improvement are not the people on the board. The external recruitment of members and directors to the board was the reason why the RSC made that approval. We would look at it the same way as we look at any application for a new MAT.

Q297 **Ian Mearns:** This might be part of the answer to your conundrum over the lack of appropriate sponsors out there, particularly in the North of England.

Sir David Carter: We cannot afford to rule out any idea if it helps us with that capacity issue, yes.

Q298 **Chair:** Essex is considering taking over, or at least having a small stake in, academies as well.

Sir David Carter: I am familiar with that, yes.

Q299 **Lucy Powell:** A final question for you, David, to reflect on your role and how you see it developing. Obviously it is a relatively new role that is growing in size and importance. I know it is one you really enjoy doing. How do you see that developing over time and what are your reflections on that job? I particularly ask with regard to your relationship with the Government. Do you see your job as more an extension of ministerial office or do you see it being more like that of Simon Stevens in the NHS, where he will push the Government for extra funding and on the issues coming from the grassroots? How do you see that developing?

Sir David Carter: That is a great question. Thank you for giving me the chance to answer it. I will try to be succinct, but this is the best job I have ever had. I absolutely love this job. I could not have done it without 20 years of being a head and a CEO because the scale and scope of it is huge, as we have tried to explain this morning. I bring 30-plus years' experience of a classroom to the role.

I see my role as being somebody who should be the biggest challenger and supporter of the academy sector, which is why I pushed back a little bit when you used the word "complacent". Those people who have worked with me will know I am anything but complacent when kids' education comes into it. I care passionately about that. I accept Trudy's challenge that we are here to talk about the things that have gone wrong, but I also want to say there is some brilliant practice in the academy sector. I worry that sometimes too many of our great leaders get tarred with the brush of a few. I do feel there is a responsibility on



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me to balance that and I hope you feel I have done that to a degree this morning.

In terms of the role itself, I welcome the line management of the RSCs. I welcome the accountability they have to me for the decisions they make. I welcome my opportunity to spend roughly two days a week in the regions looking at their work, talking to their teams and making sure they are focused upon the right things. It would be very easy in this job to have mission creep, which I think is the phrase. I am really clear that this is about academies, school improvement and standards, notwithstanding the things we have talked about this morning, particularly Emma's point about SEN disadvantage, and I care deeply about that part of it.

Q300 **Lucy Powell:** Do you think there may be scope for a bit more outspokenness in relation to the impact of other Government policies on the school sector?

Sir David Carter: It would depend, I suppose, on what I want my next job to be. The reality is that I am a senior civil servant and report directly to the Secretary of State. For me to be critical of Government policy would mean I am being critical of the person to whom I report. I would need to manage that tension.

Ian Mearns: It could have been a predecessor.

Q301 **Chair:** I have one final question before I sum up. The Social Mobility Commission report that was published last week, before everyone stepped down, suggested that, to deal with the problem of teacher recruitment in deprived areas, the Regional Schools Commissioner should have an important role. Can I ask you what your view of that is, briefly? Is it practical and what could you do?

Sir David Carter: I do not believe it is practical. You would absolutely fall into that mission-creep space. You rightly challenged us about the size of the RSC team. We would need more resource to do that work. The best work that RSCs do, in terms of teacher recruitment and retention, is to look as closely as we can at multi and single-academy trusts, how they treat their teachers and how they develop and take care of them, so we keep them in the profession longer. That is a really justifiable part of the RSC role. I would have concerns, at this stage, if we were to take responsibility for that as well.

Q302 **Chair:** In summing up, I am sure that no member of this Committee feels that there are not many outstanding and good academies, which play an important role in improving educational standards. As I mentioned before, there are a number of concerns for the Committee. One particularly is checks and balances with the rotten apples. It may be few or it may be more than a few, but we need proper checks and balances so we do not have a situation like a MP being escorted off premises and so on. There are concerns about special needs that you heard today and answered. There are concerns about parental rights when schools become academies. I would be grateful if you took those



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concerns on board.

Having said that, I am grateful to you for answering some sustained and tough questioning from all the members of the Committee. It is our job to do that. I admire your dedication to public service, as National Schools Commissioner and Regional Schools Commissioners, and I particularly welcome the new Minister to his post. I am sure he will be a great success and we look forward to working with him over the coming months. Thank you.