

Education Committee

Oral evidence: School and College Funding, HC 969

Tuesday 6 November 2018

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Watch the meeting

Members present: Robert Halfon (Chair); Lucy Allan; James Frith; Ian Mearns; Thelma Walker; Mr William Wragg.

Questions 144 - 247

Witnesses

I: Darren Northcott, National Official, Education, NASUWT, Kevin Courtney, Joint General Secretary, National Education Union, Jon Richards, National Secretary Education, Local Government, Police and Justice, UNISON, and Valentine Mulholland, Head of Policy, National Association of Headteachers.

II: Stephen Tierney, Headteachers' Roundtable, Julia Harnden, Funding Specialist, Association of School and College Leaders, and Jules White, Founder, WorthLess?.

Written evidence from witnesses:

[WorthLess?](#)

[UNISON](#)

[National Education Union](#)

[National Association of Headteachers](#)

Examination of witnesses

Darren Northcott, Kevin Courtney, Jon Richards and Valentine Mulholland.

Chair: Good morning. Thank you very much for coming today. Just for the benefit of the tape and those watching on the internet, can you kindly introduce yourselves from our left to right? The acoustics here are not brilliant, so kindly speak as loudly as possible.

Darren Northcott: Good morning. My name is Darren Northcott. I am from the NASUWT.

Kevin Courtney: I am Kevin Courtney. I am Joint General Secretary of the National Education Union.

Valentine Mulholland: I am Valentine Mulholland. I am from the NAHT School Leadership Association, representing about 28,000 school leaders.

Jon Richards: I am Jon Richards, National Secretary for Education and Local Government for UNISON, the support staff union.

Q144 **Chair:** Thank you. Could I ask you, with the different funding pots and the new national funding formula, how easy is it for schools to strategically plan for the future?

Valentine Mulholland: One of the big challenges for schools is that they never have more than one or two years' certainty of funding. We have a current position starting with the national funding formula, which is still a formula that is going to local authorities, and every year local authorities determine how that is going to look both for maintained schools and taken through for academies. There could be a very different formula for primary or secondary schools, and for schools with different levels of disadvantage every year, so there is no certainty.

What is quite ironic is that the Education and Skills Funding Agency wrote to all academies in the spring and asked them to give it three-year forecasts of what income they will have and what budgets they will have, which is quite ironic considering that we have a comprehensive spending review period that finishes in March 2020. We have no certainty about what is going to be happening about the current funding crisis but also about additional costs like the teachers' pension scheme contributions and pay, and yet the Government are saying to academies, "We want you to give us three-year forecasts. We are not telling you any assumptions".

I have academies saying to me, for example, "There is no way that I can show in my three-year forecast that I won't have a deficit next year, so I'm going to have to say that I'm going to get a charitable donation in 2020 because there's no other way that I can prove that I won't have a deficit budget". Academies are not allowed to have deficit budgets. The



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reality of the situation they are facing is that they are having to make something up. That is patently ridiculous.

We are going to have reassurance to the ESFA that academy budgets are going to stack up over the next three years, because they have to make it reassured.

Q145 Chair: Thank you. Does anyone else want to comment at all on that? Can I also just ask you as a general point, because we have a lot of you on the panel, if we could have slightly briefer answers? That would be helpful because we have a lot to get through.

Kevin Courtney: There is always a danger when you have said that that repetition is a curse, then.

As Valentine says, there is Government guidance to school governors that asks school governors to look ahead three to five years on pupil numbers, on a curriculum and on staffing needs. There is this expectation. It is quite sensible to think that you need to plan on that sort of time horizon, but schools really have no information on that sort of time horizon.

We know there is £1 billion in the Red Book being added to education. Our estimates are that there are £2 billion of costs in schools alone, even if you leave aside the pensions contribution. We do not know what that means at this stage. We do not know how much money is going to be in school budgets, so schools cannot plan effectively and that means that you cannot plan your curriculum effectively.

It also means that you do not know whether you are looking at redundancies; then you employ people, and that is very costly as well. It is crazy to be in this situation.

Darren Northcott: Just to add to that briefly, going back to your original question, Chair, about the national funding formula, when we maybe end up with the hard formula, then perhaps there will be some certainty. We can debate whether that formula is correct or not, but I would underline the point about single-year budgeting, which you moved to at the beginning of this decade. Previously we had a system of three-year budgeting, which did provide some certainty, and it was done very deliberately for that purpose.

I would invite the Committee to perhaps look at that particular issue, because that does help schools plan more strategically, and I think it addresses some of the turbulence that we sometimes see across the system.

Q146 Chair: The IFS says, "The benefits of increasing expenditure on schools today would not be felt for several years—while increasing investment on schools might be popular, any impact on, for example, PISA scores would not be felt for five to 10 years." We know there is a lag between the introduction of changes and levels of expenditure on schools and colleges. Does this not make the case for a 10-year strategic and



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financial plan, as we have in the national health service, for schools and colleges?

Jon Richards: Yes, it does, and we argued that in our evidence to you. One of the key parts of the NHS funding discussions was a social partnership discussion. All the way through it, the NHS unions and also the employers were involved directly in steering that plan. There was commitment from the workforce, from the employers and from central Government to that.

One of the problems we have at the moment with the DfE is there is a certain amount of downward diktat, and we pick up little bits and we get some involvement on some discussions but we are not part of the whole process. I think there is a need for wider engagement beyond just the small group who are deciding efficiency funding.

Kevin Courtney: I think that means, as well as looking at a 10-year plan—you have laid that out, Robert, and we really welcome that—we need to look at how we are thinking about school budgets in the first place. Are we sharing a pot that is centrally decided and looking for a fair way of sharing out the pot, or are we trying to work out how much you need to run a school? Our formula at the moment just does not do that. It does not provide enough to run a school. That is why you have this top-up built into the national funding formula.

Q147 **Chair:** The Government decided that in order to fulfil a 10-year plan for the NHS there would be an extra £20 billion given to the NHS. What do you think the figure should be for schools and colleges, if there were a 10-year plan for education?

Jon Richards: For a start, I would put in the money that has been taken out in real terms, and then I would have a longer-term plan. We could come up with long-term figures, but it is a debate to be had, as I said, between the three partners: the Government, the employers and the workforce.

Q148 **Chair:** You must have a rough figure of what you think is needed to make a 10-year strategic financial plan for education work.

Kevin Courtney: We have those figures and we can share them with you. The figures are quite ambitious. We think they are necessary because there has clearly been historic underfunding in many areas of the country.

Q149 **Chair:** What is the figure, all of you, that you would recommend to have a 10-year strategic financial plan?

Kevin Courtney: I do not have that figure written down in front of me, but we will write to you. The National Audit Office's estimate was that school costs were going up by 8%. We think that is now off the mark and that next year school costs will have gone up by 11% since 2015. That is



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just running the system as is. That money just is not in the system at the moment.

Then we need money for the underfunded areas to catch up so that we are not taking money out of London and Liverpool. There is an ambitious total that comes from those figures.

Q150 **Chair:** I am not disputing those arguments. I am just asking what the figure is—what you think the figure should be.

Darren Northcott: There has been a 14% cut in real terms since 2010, so the first step would have to be to make up that. I can write to you with what that precise figure would be. Your idea about having a 10-year strategic plan has a lot to commend it. What we would want to do is think about what the different features of that plan would be and then how much investment we should have. A good international benchmark is 6% of GDP. We think that is a good benchmark. Some of the highest-performing education systems in the world set that as their benchmark for investment in education. We would say that is a good starting point, but we can certainly write to you with more detailed figures.

Q151 **Chair:** Do any of you have figures? Are you all happy we call you by your first names? Is that working?

Kevin Courtney: Yes, thank you.

Chair: Valentine, do you have a suggested figure?

Valentine Mulholland: We work together with the other unions in the School Cuts collaboration, so the figures that Kevin is talking about are the same figures.

We also need to be really clear that to some extent there is so much uncertainty about what additional costs the Government are going to pile in. The decisions about the increases in the teachers' pension contributions alone will be an increase of 7% of the wage bill.

Q152 **Chair:** We are not arguing with those costs, and they are clear to see. The IFS has set that out. If you look at Simon Stevens with NHS England, he clearly set out the amount of money that was needed for the national health service and made a big case to the then Health Secretary, Jeremy Hunt. I am just trying to find out from you, what is that figure?

Kevin Courtney: We could give you a figure to level up the schools in the underfunded areas to the higher-funded areas. We could give you a figure for dealing with school cuts. I think that still is not the right way to approach it. You need to look—like the Australian Government have done, with their Senator Gonski—at working on a bottom-up formula, and the work has not been done on that. You cannot do that easily from a trades union perspective. You need the resources of the state to do it. We need to decide what it is we want from education, then we need to decide, what class sizes are we aiming for? What curriculum are we



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aiming for? Then you build a formula from the bottom up with those figures.

Chair: Surely you guys would have worked that out. What I am trying to say is that if we are doing this inquiry or making a case to Government for more funding, it is much more helpful if you say how much more funding you need. I know there are the 7% or 8% costs and so on and so forth. Those are not disputed. Those are day-to-day arguments about current spending. I am talking about our inquiry about having a long-term education plan and what the funding should be for that. We need to know what the money figure is.

Q153 **Thelma Walker:** Could I suggest that one of the challenges of having a strategic long-term financial plan is that because of the cuts to local government, schools are providing what were front-line services—social care, public health? Could I suggest that that is one of the challenges if you do not know what you are going to be providing as a headteacher or as a governing body? It is funding that was previously provided by local authorities. That is the challenge of planning for the future. Would you agree?

Valentine Mulholland: Absolutely. For us, that is really fundamental in terms of understanding what we need from education funding.

I will give you an example of the education of pupils with high needs. We have recently carried out a survey where our members are saying that in 70% of cases there is no contribution from health and social care for education, health and social care plans. What we are seeing is that schools are having to pick up the pieces for the decline in social care funding and the decline in health funding. It is very difficult.

That is why we go back to Kevin's point that we need to understand what education should be paying for. There are lots of things where head teachers are having to deliver services that they are quite clear are not their responsibilities, but they have the children in distress with them five days a week, six hours a day, so they have to do it. Absolutely, it is the role of education, alongside the rest of the system, which is why we have also come together with lots of other social welfare and children's charities to say that children as a whole and the experience they have must be at the heart of the comprehensive spending review, not just in isolated pots. Mental health is part of the 10-year NHS plan, and long-term conditions are there, and education is completely on its own. But it never is completely on its own.

Jon Richards: Simon Stevens got to his figures after discussing it with employers and unions. We did our figures on what we need immediately, and there is clearly a need for £1 billion to be put immediately into further education. There is £500 million needed to be put into sixth forms because of the additional resources there. We reckon there is £2 billion, as Kevin said, that needs to go into schools. Those are the immediate



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ones that would cover us over the short term, on top of the funding that will allow us that negotiating—

Q154 **Chair:** You are talking about £5 billion in the immediate—

Jon Richards: Absolutely, to allow us during that time to have those negotiations and discussions that come to a figure, as the NHS did after a long period of negotiation.

Q155 **Chair:** As far as a figure for the long term for an education system fit for the 21st century, you do not have that?

Kevin Courtney: Surely, as Thelma says, there are two things that we need to look at. We do not know what the costs are in the system. For example, the STRB recommended 3.5% for all teachers. The Government have not done that, disgracefully. For the first time in 27 years they have ignored their own pay mechanism. On 24 July the press release went out from the Department saying that the pay rise that was going through was fully funded. That is not true. Unless we know whether the Government are going to fund those things, it is hard. We need to have enough money to employ the teachers and the TAs that the children need.

Chair: Yes, but you can make a case to the Government and say, “This is the money that we need”.

Q156 **James Frith:** I think you are arguing that we need a principle shift from one where a budget is allocated and that allocation is then trimmed according to the finite resources to one of a budget that is determined by need and aims. This bottom-up model that you talk about, Kevin, is about revisiting some of the principles of what we want from education but also understanding the pressures on particular areas, like the pupil premium. Is it fair to say that pupil premium does demonstrate that as an example determined by need and aims, and that principle is what needs to be applied to the whole education funding system?

Darren Northcott: I think that bottom-up approach is very important. As Jon says, that is what happened in the NHS, and that is a discussion that we need to have. There is an important discussion around the cash envelope that goes into the education system—there is no question about that—but there is also a discussion, once we have identified what we think the fund is, about how we make sure that that money is invested appropriately. How do we make sure that it actually goes to the frontline?

The pupil premium is interesting because it is a very important part of our funding system that tries to address disadvantage. That is the aim of the pupil premium. The National Audit Office and others have identified the fact that that money is not always spent for the purposes for which it is intended. A key part of this process has to be making sure there are good controls and good oversight in place to make sure that the money that Parliament votes for the education system is spent for the purposes for which it is intended. Some of the issues with the pupil premium are a



good example perhaps of where it is not always spent as effectively as it could be.

Q157 **James Frith:** Sure. Perhaps a better question is: are there examples where, within the system, funding has been determined by the need and aims, which is this paradigm shift you are asking for, which I think sounds very sensible?

Darren Northcott: Just to go back to the last decade—and I am not saying this is something you support or not—the last Government prior to 2010 had an overarching children’s plan that looked at schools’ needs. Also, to pick up your point, it looked at the wider children’s services landscape and thought, what do we want all these services for children to achieve? Then it sought to establish budgeting that met those objectives. It started with the plan and then it followed on with the budgeting. That is a sensible way forward. That is the NHS model, and I think that model has much to commend it in the education system as well.

Valentine Mulholland: I would just say that the pupil premium is shown to have been effective. We have seen a 10% closing of the attainment gap between disadvantaged pupils and their peers since 2011.

A lot of the funding that comes into schools at the moment is dedicated grant for special things, and that is not useful. We need a bottom-up approach to what is required. We have a sports premium, we have a pay grant now, and we may have something to cover the pension. We have all these different aspects of grants, and what we need is a fundamental review of the funding pot and sufficient funding to achieve the educational achievements we want.

Kevin Courtney: A paradigm shift is absolutely right. We are all talking about—and this was the Chair’s comment originally in calling the inquiry—wanting to move to a situation where education funding is driven not primarily by Treasury processes but rather by a long-term strategic assessment of our priorities for education and skills. That has to be where you start, and the system currently is not doing that. I do not think it is doing it on pupil premium.

A clearer example in the immediate term: the teacher pay grant that has just been given to schools is not distributed according to need. It is not distributed according to how many teachers you have in your school. Rather it is distributed according to the number of pupils in the school, so it does not match the need in particular schools. That is not the right approach to it.

The pupil premium looks like it is an attempt to deal with need, and we welcome its existence, but it is not being driven by some sort of educational assessment of how much funding you need to try to deal with disadvantage. It does not have a rooted, theoretical, educational philosophy behind it.



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Q158 Ian Mearns: In the Budget, the Chancellor announced there was going to be a one-off £400 million capital payment to schools "to buy the little extras they need". First of all, what is your reaction to that? £400 million is useful. It is obviously, from the conversation we have had, not enough, but is it being spent in the right way, and what is your reaction to the £400 million?

Valentine Mulholland: If I could start just by conveying the views I have had from headteachers, the expression "little extras", at the same time as a Budget speech that recognised that schools have underfunding pressure, was particularly ill-judged. We are not talking about "little extras". We are talking about fundamentals.

For primary schools, the average grant would be around £10,000, and we know that on average primary schools have lost £45,000 in real terms funding since 2015. We are not going to look a gift horse in the mouth. It is helpful, but it is capital funding as well. The feedback I am getting from members is, "That is great. I can finally use that room because I can fix the ceiling that has been leaking for the last five years while we have been struggling with this, but it is not going to fundamentally address the funding crisis that we have".

There is a recognition in the speech that there is an issue. £400 million as a one-off payment to try to persuade parents that something is being done has not gone down well in the system. I am sure that the Chancellor was well-intentioned, but using "little extras" did not help.

Jon Richards: The National Audit Office has said that if you were to bring all schools up to standard, that is £6.5 billion. £400 million is way short of the money necessary.

Kevin Courtney: For headteachers looking at the situation, the very reality in their schools is that last year there were 66,000 more children in our school system with 5,400 fewer teachers and 2,800 fewer TAs. We are seeing class sizes going up across the system, with a 118% increase in the number of primary classes over 30 since 2010. Class size average has gone up to 27.3 from 26.6. It is the highest since 1996. You can repeat that for each key stage. 12% of pupils in secondary schools are now in classes of over 30. That is the highest since 1990. There are secondary schools stopping music provision altogether. There are serious declines in the number of children doing music GCSEs, so whole subject areas are being hollowed out. There are 2,068 pupils with SEND, with EHCPs already organised, still awaiting provision. The crisis in schools is very real, so the phrase "little extras" is just enraging people.

The fact is that it is capital spend; it is not even built into the expectation that you can spend it on the day-to-day, when all that day-to-day spending is leading to that crisis. It is spectacularly misjudged by the Chancellor.

Q159 Ian Mearns: The point about it being capital is that it is a one-off, so it is



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not built into the base of the education budget moving forward, which is also an important point.

Darren Northcott: I think “little extras” was an interesting way of describing it. That may have created an impression in the minds of parents and students that is not fulfilled in reality because, as Valentine says, it is capital funding, not current funding.

Obviously it is welcome, but the overall extent of the cuts in capital funding is significant. We have seen it go from £7.5 billion in 2010 to £4.5 billion in 2021. That decline in capital expenditure is one of the underemphasised parts of the funding position that we are in currently. This is welcome, but it is very small compared with the overall extent of need.

Q160 **Ian Mearns:** Given the scale and nature of the funding problems that we have at the moment, if £400 million additionally had been brought from the Budget into revenue, it would have got lost, wouldn't it?

Darren Northcott: You could have done other things with it. For example, we have talked already about high needs. We think high needs is an area under significant pressure. You have £400 million; you are going to have to choose to spend it in one part of the system or another. If we had to choose, I think we would have said that a better way of investing that money would have been to put it into high needs, where there are currently urgent, pressing needs. In terms of making the choice, that might have been a better choice.

It is welcome, but given the overall needs of the system in terms of capital expenditure it is very small.

Kevin Courtney: I do not know what your estimates are as a Committee about the spending pressures on schools, but there are 125,000 new students coming into schools in that financial year. We think that costs more than £700 million. Continuing the teacher pay grant, which is promised, is another £300-and-something million. If there is any sort of pay rise from the STRB—a 2% or 2.5% pay rise—that will cost £900 million alongside the staff pay rise. Then there are some non-staff costs as well. There is £150 million as a measure of inflation. We think there are £2 billion extra costs in schools, leaving aside the pension contribution.

The Treasury sometimes says it is going to fully fund the pension contribution. We really need to interrogate that because the Department said it was going to fully fund the pay rise and it is not. Even if you leave the pensions aside, we think there are £2 billion extra spending pressures in schools alone, and the Red Book only allocates £1 billion for the whole of education. Are they going to squeeze everything out of SEND, early years, sixth form, FE? That cannot happen. This is not a good Budget round. £400 million would be a start towards some of those figures if it were in revenue, but it is nothing like enough.



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When Paul Johnson from the IFS says that if he were a prison governor, a local authority chief executive or a headteacher he would not think there is much to cheer in the Budget, he is absolutely right. That is the way headteachers are looking at it. They are not seeing a solution in the Budget.

- Q161 **Thelma Walker:** As well as the “little extras”, and the insensitivity and inappropriateness of that in my opinion, the head of Ofsted, Amanda Spielman, wrote a letter to the Commons Public Accounts Committee in which she said, “In recent years, as funding growth has slowed, school leaders have had to work harder to balance their budgets and we see this necessitating some difficult choices. Currently, however, my inspectors are not seeing an impact on education standards.”

Do you have any thoughts on that?

Valentine Mulholland: It is about that kind of lag. 80% of respondents to a recent survey said that by next year they think their budgets will be in deficit. Schools have been making cuts. They have been using up any kind of reserves that they might have. They have been making cuts to pastoral staff and support staff. 86% have made cuts—

- Q162 **Thelma Walker:** Do you agree with Amanda—

Valentine Mulholland: We agree that they have kept the ship running. My concern is that they are prioritising children. In the process, what we are seeing are individuals working longer and longer hours, but they are prioritising children. They have a moral purpose to ensure those children’s education, and I think that is being taken advantage of, that they will continue to deliver their best for children.

We are starting to see some worrying signs, particularly about children with additional needs. The children with the greatest needs are becoming more and more of a challenge. The schools that are really good at including children with SEND are attracting a lot of parents who want to send their children. Those schools have to be incredibly brave because they are going to have to subsidise that from their own resources.

I absolutely agree that school leaders are making it work, but they are pulled completely tight now.

Jon Richards: As you have touched on earlier, there are issues about pastoral support care that is disappearing, and that does not show for some time. We did a survey of about 12,000 support staff—and I am happy to send you details on this—and about 70% of those support staff reported that they are doing work that was previously done by someone at a higher level. There are issues about people doing that, and that is only sustainable for a certain amount of time. The Government have announced that within the overall cut there is to be £3 billion of efficiency savings. £1.7 billion of that, again, is on support staff and pastoral care. That does not show for a short while and that will not show for a number of years, but ultimately that is going to hit social mobility targets, and the



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members of staff who do that support work just are disappearing, particularly groups of staff like learning mentors, who help with behavioural differences, poor attendance, self-esteem and motivation. Those sorts of things are pastoral care.

Q163 Thelma Walker: What I am really asking is do you think Amanda Spielman gets it? Does she understand? She talks about “difficult choices” ahead. Does she understand?

Kevin Courtney: I think she is fundamentally mistaken. It is interesting that she is talking about the funding that Ofsted gets and is saying that because Ofsted’s funding is not going up, they cannot inspect schools, so she knows that money does make a difference to what you can do.

I would want to ask her—and when I next get the opportunity, I will—how she would judge that standards were being maintained. The comparable outcomes methodology for GCSEs means that we get the same results year on year. We have stabilised the results by sharing that the same proportion of children get an A* this year as last year, or now the new grade 9, but it is the same proportions. If you are using GCSE results to judge standards, you cannot see any change. Children are being lost. They cannot do music in many schools. They cannot do arts in many schools. Their class sizes are going up. They might not be getting as much understanding of the subject even though they are still getting the same results. We do not have that sort of methodology for SAT results, but everything else Amanda Spielman tells you is that headteachers, for understandable reasons, concentrate their resource on getting children through the SAT scores.

If we think that education is just about SAT scores and GCSE results when we are using that comparable outcomes methodology to rationalise them, then we are really fundamentally misunderstanding the need to engage children in learning. I do not understand what rationale she has, how she can think she can look at standards, when the GCSE results are stabilised in that way.

Darren Northcott: Just to add to that, I have seen that correspondence between Amanda Spielman and the Public Accounts Committee. That passage you have quoted is effectively Amanda Spielman just saying what she sees, that she does not see any impact on standards of the current situation in respect of funding.

There is a debate around whether in the long term that may have an impact, not on the overall level, but on the way in which money is spent locally and the way in which choices are made locally. That is important. She is describing a circumstance she identifies.

I just want to add, in addition to issues around school funding, the fact that it is not just school funding that raises standards. It is funding in wider children’s services that is very important. We may begin to see the cuts in those wider services beginning to have an impact, particularly on



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the most vulnerable and disadvantaged children and young people. If we are looking at public investment around standards, yes, we have to look at schools, but we also have to look at those wider services usually located within local authorities or the NHS. They are under real pressure, and we should not ignore that.

Valentine Mulholland: Just one final point. On the other hand, she is coming out at the moment and saying that she is very concerned about the type of education that we are delivering, that the curriculum is narrowing, and that is not just about the punitive accountability system. It is also about the funding choices we are having to make, so that goes to the points that Kevin is making about all the subjects that are being cut from the curriculum.

Q164 **Ian Mearns:** I think we have got the lie of the land: you do not feel the Budget was particularly perfect from the perspective of the £400 million and how that could be spent. Do you agree with Darren, though? Given that it is a one-off payment and it is not going to go into the base, how should it be best spent? How should we best target that £400 million as opposed to giving it as a sort of capital boost, which is, for a primary school, roughly £10,000? I am chair of governors of a primary school. I could spend £10,000 probably eight or 10 times easily. How should it be best spent, the £400 million?

Darren Northcott: I think your question, Ian, was around a very difficult choice. This is all you have. You have £400 million. How are you going to choose to spend it? You could spend it in a lot of different ways that would be very worthwhile. If you absolutely forced me to choose one area of the system to spend it on, I would spend it on high needs, and I would make sure that that £400 million actually went into addressing the high needs issues that we face. That would require scrutiny and oversight of how decisions at local level are made and determined to make sure that every penny of that money went to meet children with special and additional educational needs.

Q165 **Ian Mearns:** You are agreeing with yourself, Darren.

Darren Northcott: I am just clarifying the position.

Q166 **Ian Mearns:** No, I understand that entirely. Would the rest of the panel concur with that? Given the constraints, with £400 million—it is a one-off, it is not going into the base—how should it be spent?

Chair: If you could just reply briefly, please.

Kevin Courtney: We cannot accept that that is the limit. Darren is absolutely right, there is not enough money in SEND. The Government increased the entitlement up to 25 and put no money in.

Q167 **Ian Mearns:** You are saying you cannot accept that that is the limit. Are you anticipating more?



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Kevin Courtney: Yes. We have to fight for more money for schools. We cannot accept this Budget settlement.

Q168 **Ian Mearns:** I do not disagree with that, but are you anticipating more in this Budget round?

Kevin Courtney: We need money in the comprehensive spending review and we need money in this Budget round.

Q169 **Ian Mearns:** Kevin, let's pretend it is not going to happen, alright? Given that it is not going to happen, where would you want it spent?

Kevin Courtney: I would not now take it away from where you have put it. I might have made a different decision beforehand, but with that money put in now, I would not take it away.

Valentine Mulholland: I absolutely think it should not be capital, that it should be revenue, so that schools can address the particular enormous pressures that they have. At a national level I think that the pressures on high needs are having an impact on mainstream and special schools and are eating into schools' non-high needs budget. If you looked at a strategic level it might have been a relatively small amount of money, but we have schools that do not know how they are going to cope next year, and £10,000 is a lot for some of those. It is not very much, it should not be very much, but it is a lot those schools that are struggling and for secondary schools.

Jon Richards: Pastoral support. I think that is where things have been really hitting schools.

Chair: We are going to come on to pastoral support in a bit.

Ian Mearns: Just to clarify, I am not against campaigning for more money, Kevin, but I just do not anticipate we are going to get any more in this Budget round.

Q170 **Chair:** I think Ian is saying, "How would you deal with the world as it is?" Not necessarily the world that you would like it to be.

Could I just go back to what you said, Darren? You said you want 6% of GDP. Are you talking about education from primary through to tertiary?

Darren Northcott: That is overall investment in the education system.

Q171 **Chair:** That would be another £48 billion in 2016 terms.

Darren Northcott: I think, from my memory about what the national income is, that would be about right. Yes.

Q172 **Chair:** Given that there are financial constraints, given that it was a pretty big struggle to get the NHS £20 billion, do you think asking for £48 billion extra is a realistic figure, given the current situation we are in?

Darren Northcott: I would start by having, as you were saying earlier in terms of the NHS, a strategic plan. What do we want our education



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system to achieve? That is a discussion that we need to have as a society. We have ideas on those. We can absolutely share those. When we have identified those, we then need to identify what is the funding necessary to achieve those aims. That is the kind of decision around the allocation of resources that has to be made across the public sector.

We would say 6% of GDP. Other countries manage that. We think that is achievable. We struggle to find anything that is more important than investment in children and young people's futures and in the wellbeing of our education system. That is critical, but I think that would be negotiable. The issue would be: let's start by thinking about what it is we want our education system across the piece to achieve. How much do we need to invest to achieve that, and then how do we make sure that the money we do invest gets spent appropriately at a national, regional and local level?

Q173 Chair: The extra £48 billion that you think is necessary: where would that come from? What other budgets should the Government cut to get that money?

Darren Northcott: That presupposes that the debate is around having a fixed amount of public expenditure and reallocating it between them. What we would want to see is greater investment in the education system—

Q174 Chair: No one is disputing that, but you have given a figure of 6%—the whole thing from primary through to tertiary—which would be another £48 billion. I am not disagreeing or agreeing. That is what our inquiry is here to find out. Where would the money come from to—

Darren Northcott: I am not saying it should be overnight either. I am not saying tomorrow it needs to go up to 6%. I think you need to plan for that increase in public expenditure. There are a variety of models out there, a variety of analyses that have been done that call for greater investment in public services generally and more investment in the education system.

My position on 6% of GDP does presuppose an increase in overall public expenditure that some people think is sensible. I accept others are more sceptical, but my view personally would be that we need to invest more in our public services generally. Therefore, we need to invest more in education as well to reach that really important 6% target.

Q175 Chair: Just to follow up that question, as you know, the schools budget is about £43.5 billion. What should the schools budget be? Perhaps all of you would like to answer. You will not give me a figure in terms of a 10-year plan, but just tell me how you would like the schools budget to be. It is £43.5 billion now. Where should it be? Do you want to comment?

Jon Richards: As I said, from our perspective, the short-term boost of £5 billion. You could certainly find that through reversing the cuts to



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corporation tax, for instance. We have one of the lowest corporation tax rates—

Q176 **Chair:** You think it should be £48 billion, rather than £43.5 billion. Is that what you are saying?

Jon Richards: Yes, absolutely. As I said, cuts to our corporation tax are at £5 billion a year.

Q177 **Chair:** The cuts to corporation tax have actually brought more money into the Exchequer, so the revenue has gone up by 21%.

Jon Richards: We can debate this.

Q178 **Chair:** That is according to the *Financial Times*, perhaps the expert on these things. I am not saying that moneys from corporation tax should not be used for education but there is a debate on whether it brought in more or less revenue.

Jon Richards: There is a debate.

Q179 **Chair:** What should the schools budget be?

Valentine Mulholland: Our view is, at an absolute minimum, that the £2.7 billion that has been stripped out of the budgets should be brought back in, but that does not achieve what we have talked about, which is a fundamental review.

Q180 **Chair:** Give me a figure.

Valentine Mulholland: If we want to reinstate the 2015, then £2.7 billion.

Q181 **Chair:** £2.7 billion. If you had a magic wand, what would it be? If you had everything you wanted, what would it be, realistically?

Ian Mearns: And a money tree.

Chair: Would you have it at £50 billion? What would it be?

Valentine Mulholland: Because of the growth in the pressures in terms of pupils with additional needs, pupils with safeguarding needs and all those additional pressures, we are probably talking another couple of billion on top of that, but I am not—

Q182 **Chair:** £4 billion extra?

Valentine Mulholland: Yes.

Kevin Courtney: We would want to level up the East Riding, because it has been historically underfunded.

Q183 **Chair:** Just give me the figure—what figure you would want.

Kevin Courtney: We would want to make sure that the teachers got the pay rise that they need in order to stop the teacher—



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Q184 **Chair:** Give me the figure. We understand that. Just give us the figure—what you want, what you think it should be.

Kevin Courtney: It is an ambitious figure. The £43 billion, you need to increase that by £8 billion at least.

Q185 **Chair:** You want another £8 billion. You two are saying £4 billion to £5 billion; you are saying £8 billion.

Darren Northcott: We need to increase the overall investment in education to 6% of GDP. In terms of the education sector, we need to catch up on the—

Q186 **Chair:** I am talking about the schools budget. What should it be? It is £43.5 billion now. What do you want it to be? What is an ideal situation?

Darren Northcott: As a starting point, back to real terms in 2010. I can calculate that figure precisely today and send it to the Committee.

Q187 **Chair:** Why don't you just tell me now? You must have a figure in mind when you are going to the Government, saying, "It is £43.5 billion. We want X".

Darren Northcott: Speaking roughly, and I will clarify this later, it is £5 billion. That would go a long way to making up the deficit that we have seen. I would also make the point that if we are looking to have a 10-year strategy, then that will require a different set of calculations, particularly in terms of the schools budget and how that sits alongside our budgets.

Q188 **Chair:** I would be very interested in that if you are going to write to us. I understand the cost pressures and, as I say, I am not disputing any of it, but I do not think it is enough just to go on about the cost pressures and say things are terrible. You need to give precise figures about how much you think spending should be both now and in the long term, and none of you really have done that today.

Kevin Courtney: Schools are facing real cuts now. There is a question of how ambitious we are being, and we want to stop the cuts happening to children's education now.

Q189 **Chair:** The purpose of this inquiry is to find out what people in the education sector think an education system fit for the 21st century for a 10-year plan would be.

Kevin Courtney: We think we need to work on a bottom-up formula to get to that. We do not have all the information that is necessary to do that, but we could work with you on developing that and looking for a Gonski-type formula that does those sorts of things. Right now we are looking at the cuts that are happening and the cost pressures in schools.

Q190 **Lucy Allan:** Just moving on to the national funding formula in terms of evening out underfunding and the disparity in different parts of the country, does the national funding formula do that in practice?



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Valentine Mulholland: I have to say that broadly we really welcome the Government's courage in bringing in a national funding formula. However, what we still have is a halfway house to a national funding formula. There is a calculation at a school level as to what each school should receive, but then it is put together at a local authority level. Local authorities make really different decisions. The intention was that this would last until March 2020 and be reviewed.

This summer we were very sorry to see the Government extend that for another further year. We still have 150 funding formulae. I can still tell you that there are primary schools in the country that do not receive £3,300 of minimum funding. That is the first problem.

The second problem is that, clearly, at a time when the actual funding sum is under such pressure, as we have just been discussing, the ability for schools and local authorities that were identified as being underfunded to reach the level that the formula demonstrates has been severely hampered. There is a cap, and that cap means that in some local authorities it is having a really, really big impact, and even more so for high-needs funding.

With the high-needs funding formula, we can look at some of the metropolitan local authorities that should be getting between 10% and 20% more funding for high needs, and they can only get 3%. We are seeing some of the historical inconsistencies and unfairness that cannot be addressed quickly enough.

We really welcome a national funding formula. It must go to schools and academies, but the issue is that, at a time of funding shortage, we cannot get people to where they should be quickly enough.

Jon Richards: From our perspective, we slightly differ from Valentine on the method because we think having a local authority intervention is quite useful because it allows them to make a decision on a wider level than just individual schools. If you have a series of schools making those individual decisions, it may have an impact on admissions and other issues in the area. I certainly agree that the idea of a national funding formula is right, and I think it is important to do. It is a step in the right direction. Clearly, there are areas that are not quite right yet. We think there is still a gap between primary and secondary funding that potentially needs closing. Generally, it is a step in the right direction, but there is a way to go.

Kevin Courtney: The funding formula does not generate enough money for a school. In Portsmouth, grammar schools, because they have no disadvantage, do not get disadvantage funding. They do not reach the basic level with the formula funding, so they have to have the top up. Then they end up getting the same amount as the comprehensives in Portsmouth. That is crazy, and that is because that grammar school is not getting enough money from the basic national funding formula. The funding formula is not generous enough, and the rate of moving to the



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funding formula is far too slow because there is not enough extra money going in.

We think there are 2,000 schools that need to grow by 10% in real terms according to the national funding formula.

Q191 **Lucy Allan:** You welcome it in theory, but in practice you are saying it simply is not going to be able to make the changes—

Kevin Courtney: Yes. There are some mistakes in the formula in generating enough money, and also in the way the Government are moving towards it by taking money from other schools, effectively. That is not working, and the Government have now slowed that down, so now the schools that are best funded are getting 0.5% cash, and that money is there, so the schools that are at the bottom of the pile are only gaining 3% in cash. 3% in cash is not the same as real-terms increases. By 2025 there will still be 2,000 schools that have not reached their national funding formula level, so it is far too slow. That is because there is not enough money in there.

It is really important that you should look and argue for levelling up. You look at the results in London where the funding has been best, and you see that in London the gap at GCSE between children on free school meals and the rest is the smallest at 7.5%—this is on the attainment 8 measure—and the number of children achieving the attainment 8 measure is the highest. Funding works. The idea that you are going to get to fair funding by taking money from London is taking money away from an area where education is working. Yes, we do agree with the national funding formula in principle, but it should be levelling up—all boats should rise.

On the specific point where Jon and Valentine disagree, we side with Jon on that question. We think that it might be impossible to develop a formula that can be hard and national, that there are too many local bits and pieces that you just cannot be clever enough to imagine a formula that gets everything right. We think there should be a funding formula that distributes at local authority level, with guarantees about the ratio between primary and secondary schools, for example. There are lots of things you can guarantee in there, but you still need to have some degree of local intervention to look at the odd cases that you cannot capture in a national funding formula.

Q192 **Lucy Allan:** Darren, do you want a hard or soft—

Darren Northcott: Just briefly, I think it is a step in the right direction. The emphasis given to additional educational needs, with the factors there, is helpful.

In terms of the balance of a national formula versus local flexibility, our view is that there is probably too much local flexibility currently. We see different decisions being taken in objectively similar circumstances between different local authorities that are very hard to justify in



practice. It does lead to unjustifiable variation at local authority level that cannot be explained meaningfully. That does not mean there should not be some flexibility, but the national funding formula is a step in the right direction because at least it provides certainty and at least it emphasises some of the key things that people are concerned about, particularly disadvantage and how you tackle the needs that some of the most vulnerable children face.

Valentine Mulholland: Can I just pick up the point you made very early on about the ability for schools to develop three-year plans? With local authorities developing a different formula every year, we are really clear what the national funding formula looks like, and the DfE, based on pupil numbers today, could give any school the next three years-worth of what their funding would be. Local authorities develop a slightly different formula every year. Even without changing very much at all, if we had a hard formula going straight to schools, based on the national funding formula, which really was a very good effort at trying to take into account the additional needs of pupils, then we would have certainty for both maintained schools and academies.

Q193 **Lucy Allan:** That is very helpful. Jon, just picking up your point about pastoral provision—we have touched on it—are you saying that that is the first area to get hit where pressures are coming in, and what would be the consequence of that in a school?

Jon Richards: What we have seen is, as I have said, that for instance the number of teaching assistants in secondary schools has been cut by about 10% since 2013. It has increased in primary schools due to increased pupil numbers, and that has had a direct impact on support for disadvantaged and other learners.

We are just about to do a survey—if I were here doing this in another couple of months, I would be able to talk about it—of our learning support mentors. We think in particular they are seen as quite costly. At the moment the Government are hooked on the idea of efficiency, and we know that heads are having real struggles to balance budgets. Unfortunately, we have started to pick up that learning support mentors are being got rid of. As I said, they deal with behaviour, they deal with access issues, they deal with all sorts of additional issues that teachers are not trained to and cannot deliver. We have real concerns that the disappearance of learning support mentors will really hit the ability to deal with issues around social mobility and disadvantage.

Q194 **Lucy Allan:** Presumably, it would make it harder for teachers to teach a class for all children, not just children in need of learning support.

Jon Richards: Just quickly, what we have been trying to do is some imaginative work, not just about that but, for instance, about how you deploy teaching assistants. There have been big questions about outcomes and teaching assistants. A number of Education Endowment



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Foundation reports have shown that if you use teaching assistants properly, they have a huge impact on educational outcomes.

We have just sponsored a piece of research at a school in south London, which shows that where the teaching assistants take handwriting classes, it allows the teachers to take out the pupils who need the most additional learning. I do not want to get into exploiting teaching assistants, but it shows that you can work around different ways of supporting disadvantaged pupils. Those pupils also get access to learning support mentors in that area. There is a real issue about how you would have a skill mix in a school when, in a sense, it is support staff who are going to go first.

Valentine Mulholland: The decision to make redundancies in pastoral and learning support staff is a very difficult decision. Headteachers are not saying, "We'll be fine with this". They are not fine. We are seeing an impact. We are seeing an impact in being able to deal with behavioural issues. We are seeing an impact in being able to deal with the additional needs of pupils.

I would just refer you to the Education Support Partnership, which is the mental health charity that supports teachers and school leaders, which two weeks ago published its really important teacher wellbeing index. It reported very high levels of stress and anxiety in teachers and school leaders. Workload is the biggest theme, and these redundancies are having an impact on those who remain.

The second part was about dealing with pupil behaviour. Pastoral staff and staff who support pupils' behaviour and support the teacher in the way that Jon has just outlined are critical. If schools do not have that, it is going to have an impact on all the pupils, not just those who need the support.

Q195 **Mr William Wragg:** Good morning. Kevin, you have described the bottom-up approach to a calculation of how much it actually costs, all things being even, to have a child in a primary or a secondary setting. There would of course be a great deal of variety in that depending upon the staffing structure of various schools and so forth. Leaving that to one side, the secondary minimum per-pupil figure has been derived: what would your view be on a minimum per-pupil figure for primary?

Kevin Courtney: You want me to say what we think the minimum figure is in primary schools?

Mr William Wragg: The principle of it. Of course, it is there for secondary but not for primary.

Kevin Courtney: We think historically primary schools have been underfunded compared with secondary schools, so we would like to see an increase in that. That is partly because you want to have some more subject teaching. In secondary schools you find there are more teachers



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with allowances. That is more costly. We think that there needs to be a levelling up in that area.

Q196 **Mr William Wragg:** Would that minimum primary level be the levelling up that you talked about?

Kevin Courtney: We want to see a levelling up across in the country. I do not know if I am quite on the question that you are asking, William.

Mr William Wragg: We will see.

Kevin Courtney: In the East Riding of Yorkshire, one of the most historically underfunded areas, because you do not have as many children with disadvantage, the formula is not generating enough money, effectively.

Q197 **Mr William Wragg:** Indeed, but are establishing what that minimum figure is and the principle of it. If it is there in the secondary sector, or is planned to be there in the secondary sector, why can it not be there in the primary sector?

Valentine Mulholland: There is a minimum level of funding for primary schools, which is £3,500 per pupil. What we see is that schools that are only receiving that minimum funding are absolutely not sustainable. In some areas the schools that have higher levels of funding, because they are dealing with higher levels of disadvantage, are actually in some cases slightly more protected than schools working in more affluent areas.

We were all involved, because the DfE was very inclusive, in the development of the national funding formula. What it never developed was what we all called the de minimis funding. That £3,500 is an absolute safety net, but no school can operate on that alone. There is that and a lump sum.

The one area where we think the national funding formula needs looking at again is that issue of the de minimis funding. It is very difficult, because we have the structure of the formula and then we have the funding crisis, but we are seeing that for schools in affluent areas, some of them are at the greatest risk because they are living with that de minimis funding.

When we were in discussions around the formula there was a general view that anything below £4,000 per pupil is really not viable. We are quite a bit below £4,000.

Q198 **Mr William Wragg:** I absolutely agree with that. I represent a part of Stockport, which is one of those areas of relative affluence but with historically very low spending. I agree with you.

Would you favour a targeting of money at that? If that takes the form of a de minimis level of funding, would you be in favour of that for such schools?



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Darren Northcott: You can have that, but I think it has to be accompanied by more effective oversight of how that money is spent. You see unjustified variation in the ways in which that money is spent between different schools and certainly between different multi-academy trusts. That has to be part of it. It is not just about that level. It is about how the money is spent.

Just to go back to your point about primary and secondary, with the national funding formula, I think the per-pupil strand of the funding is 29% higher per secondary pupil than per primary pupil. There are historical reasons why that has generally been the case. The argument has always been that, in a sense, funding secondary schools is more expensive than primary, but we think there is a good case for looking at whether we need, over time, to try to reduce that gap—certainly by maintaining investment in the secondary sector, and increasing that funding.

I would stress very strongly the early years as well. You could argue that our funding system is completely inverted. All the evidence tells us that the more investment you make at the earlier stages of a child's life, the bigger impact you will have later on. We spend most on university students and then it goes down as you get younger and younger and younger. That seems to me to be a fundamental point that we may think about in the context of a 10-year education plan.

Jon Richards: Absolutely. Particularly, we know that the best-quality outcomes for early years are in school nurseries. They are particularly suffering as a result of some of the recent financial pressures. Again, I agree with what Darren said about slowly moving the primary funding upwards. I absolutely agree with supporting school nurseries in particular, because we need to reward quality as well.

Valentine Mulholland: Just to make that point, while we are acknowledging that there is a problem with funding through the whole school system, schools that have sixth forms are having to massively subsidise them, and schools that have nurseries and maintained nursery schools, and schools with nursery classes, are having to massively subsidise them. For 71% of our members who are offering the 30-hour free childcare offer, it does not pay for itself and they are having to subsidise that through the rest of the school. They do that because they know that that good-quality, high-quality early years education will have an impact through the whole of the primary education. It is the best start we can have.

Mr William Wragg: There is almost a need for structural change and then ensuring that it is adequately funded within that.

Q199 **Chair:** A final question, on the pupil premium. Should it be ring-fenced?

Darren Northcott: We have argued that it should be, because then you make sure that it is spent on the purposes for which it is intended. It



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often is—there is lots of very good practice—but too often it is vired elsewhere. We argued from the outset, and we have seen no evidence to make us change this view, that ring-fencing it would be sensible.

Kevin Courtney: Schools are in practice sometimes viring money from the pupil premium because they do not have enough money in the rest of their budgets, and I would not want to get involved in talking down those schools. Pupil premium is also not increasing in line with costs. The Government are not putting enough money into that area.

Q200 **Chair:** Should it be ring-fenced? Yes or no?

Kevin Courtney: The money is there to be spent on children that come up for the pupil premium, so in that sense it should be ring-fenced and schools should try to behave in that way, and they try to ring-fence it, but we have to have enough money in the school budgets as well.

Valentine Mulholland: In the current situation that we are trying to manage, I think that would really difficult. We have pupil premium accountability to the governing body. We have very clear strategies for the pupil premium and how it is spent, so there is visibility of how it is spent in schools, but to ring-fence it from where we are at the moment, with the really difficult funding decisions, would be quite challenging.

Q201 **Chair:** Is your view also, as has just been said, that the pupil premium has gone down as well?

Valentine Mulholland: It has gone down in relative terms. It has not gone up since it was introduced.

Jon Richards: If you had asked me two or three weeks ago, I would have said it should be definitely ring-fenced. After reading some of the work that Rebecca Allen has been doing looking on that, I am open to persuasion. At the moment I am erring towards saying that it should be ring-fenced at this time, but there are clearly some issues that need to be addressed in the way the pupil premium works. We know it has some great aspects.

Q202 **Chair:** In principle, you are saying it should be ring-fenced.

Jon Richards: At the moment, but I am open to persuasion on that because some of the work that Rebecca Allen has done is quite interesting in terms of how you get to it.

Q203 **Ian Mearns:** I mentioned before I am the chair of governors of a primary school. In our catchment area we have many youngsters who are entitled to pupil premium and get it, and there are many others with equally great needs but who are not entitled to the pupil premium and do not get it. Should those children be deprived because we cannot vire money from the pupil premium to them from those who get it?

Valentine Mulholland: The key point as well is that since the introduction of universal infant free school meals, we are really struggling



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in schools to get parents to come forward so that we know they are eligible for pupil premium. Under the Digital Economy Bill the Government have the ability to share data with schools and tell them who should be getting the pupil premium. At the moment, parents are having to come forward. That is another reason that you would not want to ring-fence it right now. That is a really good point, Ian.

Jon Richards: It is the definition. If you use that blunt measure, then you are going to exclude people and you are not going to use it, and that is why I am open to persuasion.

Q204 **Ian Mearns:** School catchment areas are geographical areas. Quite often within a geographical area you will have youngsters living cheek-by-jowl, often with very similar needs, but some do qualify and some do not. School catchment areas are quite often made up of a geographical area where the housing tenure or the housing type all is very similar in particular estates or particular neighbourhoods. Therefore, as a chair of governors, I think it would be very, very difficult if I were not allowed to spend pupil premium for some kids on other kids who have equally great needs. I really do wrestle with that.

Jon Richards: Agreed. Also, the issue is, do you treat all pupil premium people the same and give them all the same intervention? They do not need the same interventions. The trouble is, it is a blunt entry mechanism and a blunt definition of what you do with people. That needs to be—

Q205 **Ian Mearns:** The thing is, entitlement to school meals is a broad-brush and blunt instrument in itself.

Darren Northcott: That is a very valid point. I think it is countervailed by the fact that in too many cases we see it is not even spent on the children you are talking about. That is an important point.

Ian Mearns: I accept that.

Darren Northcott: Very briefly, the EEF toolkit has some very interesting approaches that schools can use their pupil premium money on, and many of those approaches would not only benefit pupil premium pupils explicitly. They would benefit other children who suffer other forms of disadvantage as well, but still represent a legitimate way in which the pupil premium could be spent.

Ian Mearns: All I am trying to do is highlight what could potentially be a major shortcoming of ring-fencing.

Valentine Mulholland: Could I just highlight a major shortcoming of pupil premium very, very quickly? We acknowledge that early years is the time when you can make the greatest difference in closing the disadvantage gap. The early years pupil premium is £300. The primary school pupil premium is £1,300. Why on earth are we investing the least



in closing the gap at the point where you can make the greatest difference?

Chair: Thank you very much. Can I just make one final suggestion that if you do believe in a 10-year plan, you could send us what you think a 10-year plan should be and how much it would cost? It would help our inquiry quite a bit.

Ian Mearns: An agreed position would be wonderful.

Chair: Even better, but also a realistic plan, given the current spending constraints, would be helpful. Thank you very much indeed.

Examination of witnesses

Witnesses: Stephen Tierney, Julia Harnden and Jules White.

Q206 **Chair:** Good morning, everybody. Thank you very much for coming—it is very much appreciated—and for giving your time. Could you kindly, for the benefit of the tape, set out your names and titles from our left to right, please?

Stephen Tierney: I am Stephen Tierney. I am Chair of Headteachers' Roundtable.

Julia Harnden: I am Julia Harnden. I am the Funding Specialist for the Association of School and College Leaders.

Jules White: I am Jules White. I am a headteacher and I co-ordinate the WorthLess? campaign.

Chair: Thank you. Just a reminder that the acoustics here are not great.

Q207 **James Frith:** I have to go to Treasury questions, so I will be leaving during this session. Please forgive me for that.

Good morning. What is your reaction to the Chancellor's announcement of a one-off £400 million capital payment for schools, and should colleges be getting this "little extra" funding?

Stephen Tierney: I think we will repeat a lot of what was said. I am sure there are moments where he sat with his head in his hands, thinking, "Little extras, little extras. What was I thinking of?" The term was just misplaced in what was done.

I would also reinforce very, very strongly the idea that while a capital payment would be welcomed by some schools, there will be others desperately saying, "I just need it to pay for the gap there is in teachers' salaries and the gaps in support staff". I do not know whether there is any way at this late date that greater flexibility can be given around a one-off payment accepted but not as capital.



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My major concern is really looking forward. It is that “potholes before pupils” issue. If this is what is coming out of the Budget, I just start to worry more about the comprehensive spending review, which I know is a different beast, but there are a lot of demands on it. The fear is that education is going to be poorly served for years ahead.

Q208 Chair: Can I just challenge you that potholes are also very important in our infrastructure and our towns across the country? It should not be one or the other. It should be both, ideally.

Stephen Tierney: You can challenge me, but I would still look and worry about the comprehensive spending review if schools are going to come out as badly.

Julia Harnden: We would absolutely welcome any additional funding, of course, and I think all school leaders would, too. I would agree with my colleague. What we all would have liked to see was the money being given to schools for them to make the decision about how it was spent. If there is any opportunity for review, we would also support a move to revenue.

Jules White: I am not so charitable. I think that the announcement made by the Chancellor was a very cynical attempt to suggest that we have enough money and we just need a few more extras. 2,000 headteachers under the WorthLess? banner marched on Westminster and we specified a specific sum of £400 million for one area. It was high needs, as you have heard earlier.

There are a couple of other things that I think are useful discussion items. It is worthwhile thinking about why the Chancellor makes a decision about where we are going to spend our money. We are professionals and we know what to do. Some schools will need to make some capital investment. In the case of my school I am very fortunate; I have a well-equipped school in terms of capital, but I am desperate for money for staff. In effect, that is what I needed, and I will spend my money there as well, whatever the Chancellor tells me to do, because I am only interested in doing what is right for the children in my school.

We do see quite frequently the Chancellor making decisions. There was the announcement when Nicky Morgan was Secretary of State to spend £500 million on mass academisation, which would have been another utter waste of money, which the profession said no to.

I would really be interested to know the discussions that the Treasury had with the Education Secretary about how to spend the money. I cannot believe those discussions went particularly well. We will accept any money, but I think schools should spend it in the best way possible, and that is what we will do in our school.

Q209 James Frith: Are you surprised at how neglected further education was in the Budget, with “little extras” for schools but absolutely nothing for



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Julia Harnden: It is fair to say we are incredibly disappointed that the situation in post-16 is as bad, if not worse. There is absolutely no educational justification for the dip that we see. With the earlier panel you touched on how the minimum per-pupil level for a secondary child is £4,800, and then the learner rate for post-16 dips, at £4,000, and then obviously we all know the situation with fees in HE. There is absolutely no educational justification for it. Yes, we were disappointed. It is an area of funding that has seen significant cuts over the last 10 years. Over 20% of their funding has been cut, overall even more than pre-16.

Stephen Tierney: It is one of those things where it is very easy to be disappointed, because I can be disappointed at both ends because the trust that I lead has both post-16 learners and early years. Essentially, we are just moving money to the older and the younger. The whole point—and it will probably come through quite clearly—is that you can have a funding formula, but if there is insufficient money, all you are doing is giving people insufficient money, no matter how you split it up. I would come back to this issue: if we are really going to talk about moving forward, that issue of sufficiency, which you have tried to grapple with this morning, and what that might look like is key.

If you are giving schools nothing and giving it to post-16, yes, we would have gained, but I am trying to increase post-16 education as well.

Q210 **James Frith:** If the freedoms were removed, as you ask, from capital spending, give us a sense of what you would spend that money on.

Stephen Tierney: We have two gaps that we essentially need to fill, because we are running in-year deficit budgets. One would be the 1% on the teachers' pay. When I heard "fully funded", I thought, "Fabulous", and then the detail came out and it was not fully funded. We have that to fill and we also have support staff costs, and we will need to fill that. If they could be removed and put to revenue—we accept it is one year, but at the minute we are scrabbling from year to year—we would just put it into cover and not go so far into debt.

Jules White: From a whole-school perspective, we would have wanted money to go to the high needs block, because that is probably where need is most urgent, and I think that is what parents are talking to us most about. That is certainly what heads within the WorthLess? group are talking about. That would have been a priority. I certainly would not disagree with anything that Stephen said about trying to grapple with other real-terms costs that come time after time.

I also think that the high needs block funding would have helped us, because of course the 0.5% transfers that local authorities are putting in place are crippling schools. You heard earlier that many schools, particularly those in historically low-funded areas, were not even getting our minimum. We were promised £4,600. Areas in West Sussex, where



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my school is, did not receive that this year. We have already had a communication from West Sussex to transfer £2.7 million from the designated schools block through to the high needs block for 2019-20, and these schools are historically really underfunded. Exactly the same, you will have heard the Member for South Gloucester talk on Radio 4 with passion about how high needs block transfers are affecting his schools. Three out of four academies are going to be suffering there. It is exactly the same within Torbay.

The problem is you are just robbing Peter to pay Paul. Were we disappointed about the high needs block? Were we disappointed about fully funded pay? Were we disappointed about post-16? We are just disappointed.

Julia Harnden: The comments that my headteacher colleagues have made support our view from a more national perspective that that money should be given to schools. School leaders are the best people to make decisions to where it is most needed, and they will be different in different schools.

Stephen Tierney: May I just make one point on that? There is an issue that sits here across a system based around trust. If you ask parents, "Who do you think would be best to make a decision at this school, the headteacher or Parliament?", they say that the headteacher would. There is an issue of subsidiarity in that trust that has to be built within the system at a wider level.

James Frith: I should have referred Members to my entry in the register of interests at the start.

Q211 **Ian Mearns:** What are schools spending their pupil premium on?

Stephen Tierney: They will be spending it across the board. When you look at it you would say that additional pastoral staff will be one area. Additional interventions would be another area that you could be looking at. There would be the quality of teaching and learning generally. But this begins to make the point that you were making: we do not put pupil premium children into a class and teach them badly. They are spread across the curriculum and they are not a homogeneous group. Pupil premium pupils can be very different, from some who require immense support to some who require none. There can be children who miss being in that group by a gnat's whisker and so are not entitled.

I think you are cutting right across the pastoral support, emotional and mental health support that you are looking at. You are looking at the quality of teaching, the training and the provision for staff, but there are benefits that are accruing to other pupils and pupil groups within it. There is also an essence of you looking and thinking, "Right, if I am going to maintain an extra teaching group in year 9, I am going to attribute pupil premium funding to that".



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In early years, we invested heavily in two teachers because both primary schools are significantly disadvantaged. We have had to stop that. We can no longer afford it.

Jules White: A couple of years ago the Sutton Trust came out and was horrified that about 30% of headteachers were saying that they were spending pupil premium money to prop up their core budget. We did a survey across 1,700 heads up and down the country and 90% said that they were spending at least a proportion of PP funding on propping up their core budgets, and about 50% said they were spending over half. I am certainly doing that in my school. Apparently, I am breaking the law doing that but I have to make ends meet. You had a discussion earlier on about whether pupil premium should be ring-fenced. I do not believe that it should be. We just need to be funded adequately, and then we need to be held to account for the type of outcomes that pupil premium disadvantaged children get.

If you look at pupil premium—and I have to disagree with what Valentine said—the gaps are stubbornly staying the same and, in some cases, going up. On average, disadvantaged children achieve 0.5 points less on progress 8 than other pupils. That means if they take 10 GCSEs in five subjects they are a grade below. That has stayed the same.

I do not think that pupil premium money per se makes a difference. What you need is to have the teachers in front of children who are good enough to make a difference with every single child. Then when you publish your results you have to make sure that disadvantaged children are doing just as well as those from other backgrounds.

The only caveat I would put to that is that we must not stereotype disadvantaged children. Stephen is right that some of them are very able and we need to give them a different diet. But in some affluent areas what can make a difference—it is very helpful in my area of Horsham—is private tuition. You have lots of children who get private tuition. High school takes all the results for the great outcomes that they get, but private tuition makes a huge difference. Disadvantaged families often do not have the money to engage in that.

First and foremost, children need to have a great teacher in front of them. Then they need to have the opportunity to engage in cultural activities, extra activities that rely on parental funding, and then we need to make sure that their overall school opportunity is enriched. But pupil premium does not do it for me. The money must not be taken away, but you just need to have enough money in your school to do that.

One other thing about pupil premium: it costs £650 million to fund universal free school meals for reception, years 1 and 2. £102 million goes to disadvantaged children, and the rest, £500 million, goes to the families of middle-income families. My children, your children, they do not need a free school meal. Why not give the £500 million to disadvantaged children in years 1 and 2? That would make a real



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difference. Please do not extend free school meal provision to year 6, because that is an extra £350 million. Give it all to the most disadvantaged families or give it all to schools and just make us accountable for the outcomes that these young people get.

Julia Harden: There is no doubt that pupil premium is being used in a variety of different ways, and it will be used in the best interests of those pupils. There is a much bigger question: is pupil premium grant money being accessed solely by pupils who need it and not subsidising core provision in any way, which is what we are hearing increasingly? We need to be clear about that.

We would not think it would be a good idea to ring-fence it. We think it should be left as it is once it gets into school. There is definitely an issue about if it is going to be a grant that is sustained it needs to be inflation proofed and there is a point Valentine made earlier—and I would agree with it—that schools should be able to know who is eligible for pupil premium and that claims should be made on that basis rather than waiting for families to come forward.

Stephen Tierney: Can I just add one thing on universal free school meals? This was an example, when you were trying to build your budget, of something that was not well enough thought through, because the evidence would suggest that if you did breakfasts that would have more impact upon the attainment of young people than doing dinners. You would not have the massive capital costs and outlays of kitchens in schools, and you could have either extended it to either more pupils for the same amount of money or retained it within. For the regional external advisers, £10 million is the latest one coming out of the Department for Education. It just makes me want to weep.

Q212 **Chair:** You think the funding should have gone on breakfast instead of—

Stephen Tierney: The evidence would seem to suggest that breakfast would have been—

Chair: Because when that was proposed—I think it was proposed in the Conservative manifesto 2017—it was proposed that some of the free school meals would be taken away and money put forward to breakfast, there was a big backlash against that.

Stephen Tierney: The issue was that when you did the calculation you could not provide the breakfast for it; I remember that issue. I think it was that the amount of money that was being suggested just could not provide breakfast. There is a general point—if we are going to do things as an education system, let us think about some of the big decisions that we make and whether the evidence would support that.

Q213 **Chair:** Would you agree with that in terms of breakfasts?

Jules White: Things like breakfasts can make a difference, but all schools will have different contexts and different challenges. Just make



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us accountable, make sure that we look after young people. That is what we do best. Make sure that schools support them in every way and then when we are inspected you then talk to children, you talk to disadvantaged children, you talk to them about the things that they need. Do they have a breakfast? In an area of real disadvantage that might be more of an issue. In my school area, in Horsham, a relatively leafy area, we still have 12% to 13% of youngsters with free school meals but we would handle that slightly differently.

But when you refer to some of the decisions over breakfast clubs post the snap election 2017, just before that the Conservative Party were talking about a reduction in universal free school meals. That is something that I personally think is the right thing, for the reasons that I have mentioned. Directly after that, because schools were so high up on the agenda and that was what you were hearing on the doorsteps—I like to think because of WorthLess? to quite a large degree—you immediately flipped and made a different decision. It was not based on evidence, it was based on politics. That is, as school leaders, what we find. For 20 years, with any political flavour the strategic decision making is based on either political dogma or what people think is going to go down well at the ballot box. That is not how we should run education.

I am all for a 10-year funding plan, but if you have a 10-year funding plan where schools are not adequately funded then I am not interested in a 10-year funding plan.

Chair: It is not just 10-year funding, but a 10-year funding and strategic plan.

Jules White: Absolutely, but you then have to think, what is your strategy, what are your priorities?

Chair: Which is what is happening to the NHS.

Jules White: It is, but of course you have lots of caveats even within the NHS. Immediately people are saying that ring-fenced budget will not include training. So we are going to have some training taken away from that.

Q214 **Chair:** In the real world of politics, as opposed to idealism, you will always have some caveats here and these kinds of political considerations. It is just the inevitable nature of politics, whoever is in Government.

Jules White: We are arguing in exactly the same way because we are right in the real world, in education. We absolutely know what we are doing. If we did not we should not be in our jobs. Just hold us to account, but give us the tools and the money and the teachers to do our jobs effectively.

Q215 **Ian Mearns:** Stephen, just to make sure this is on the record and we have a position, would you be opposed to ring-fencing of the pupil



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premium?

Stephen Tierney: I would, because when you have the practicality of two children who need counselling support, if one is PP and one is not, they are both going to get it.

Q216 **Ian Mearns:** Are there any particular benefits to keeping pupil premium funding separate from the core budget?

Stephen Tierney: There are in terms of people being able to hold you accountable for how you spent it. But these plans, which I wish we would lose, people are not reading. It is a waste of people's time. If you want to save some time and effort, there is one way. With a little bit of creative thinking, you can attribute it how you like. Ofsted turning every three or four years to look at one for a cursory glance, because they have to do so much in the few hours they are with you, I just do not think makes sense. There is an issue of subsidiarity of decision making that is built around trust and built upon headteachers working with governor/director school leaders to delivering on what we decide, as a nation, is important.

Jules White: My school got pupil premium funding for approximately £123,300, and if you go on to my website and look at my pupil premium statement, my spending is £123,300. I will spend it and allocate it and account for it however I need to. But in reality, I am spending it in the way in which disadvantaged children in my school are best served.

Q217 **Chair:** Let us say there were not funding pressures on schools and you had the money that you needed, and there was still a pupil premium. Under that circumstance should it be ring-fenced?

Jules White: If that allowed you to give children the type of additional experiences that they might otherwise not have. For example, we do use pupil premium to allow youngsters to go off to a local provider after school and get some independent and private tuition. That is important because it gives them the same opportunities that other youngsters across West Sussex in more advantaged areas get. But it does not have to be ring-fenced. Let us do our jobs properly. That was the whole thing—that heads had to be trusted, as Stephen has said. Trust us to do our jobs. Do not tell us what to do, just make sure you are measuring the outcomes.

Julia Harden: We should be thinking about—I think this is the point Jules is making—the impact on young people if it was absorbed, for instance, into the schools budget. Possibly the impact would be minimal there, because these people would make sure those children had what they needed. I do think there is a risk of it being absorbed, because the situation in funding is so grave at the moment that we are quite clearly talking about the core schools budget, and pupil premium grant sits outside that. There would be a real risk if we were to support absorbing it that we would just see a net reduction in funding.



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Jules White: But Robert was asking if we had good funding and adequate funding.

Stephen Tierney: I sat as a head on a Monday morning waiting for domestic violence reports to come in. At the root of so many of them were things like drugs and alcohol and mental health. There was the issue around mental health for pupils from disadvantaged families who might have witnessed things over the weekend that they wish they had not. It is about the housing that they live in, alongside the education provision, because the benefits of growing up in a community that is stable, that is safe, that is secure, support education.

One of the things that we were looking at—I know it moves it slightly wider—is connectivity across Government and schools in education, working with housing and with mental health, social work and other areas to support those children and families.

Q218 **Ian Mearns:** Given that we have the plan and we have the accountability of Ofsted, what would be a better way of holding headteachers and schools to account for how they spend pupil premium?

Stephen Tierney: Do we need the accountability of Ofsted? We need some accountability within the system.

Q219 **Ian Mearns:** That is what I have heard from you, but you said we have that—they come and visit every two or three years and they have so much other things to look at. What would be the best way of holding schools to account for how they spend pupil premiums? What would be a better method?

Stephen Tierney: You are basically looking at life chances for young people, so a progress measure. When you are a disadvantaged child, you start from behind the curve and you can make good progress and still be behind the curve. This is one of the things that we push forward, because the performance table measures are all too similar. No Government has ever said, "Right, we are going to have a measure that is purely about how pupil premium children do." Because if you are in a school with a massive amount of pupil premium children, their performance takes your whole school—

Q220 **Ian Mearns:** Are you suggesting modified contextual value added in that case?

Stephen Tierney: It could be modified contextual value added, which we would strongly support over three years for the key headline measure. However, I think you need an attainment measure for children from disadvantaged backgrounds that does not get lost in everything else. That allows you to say, "Do they have the passport to go post-16?" for example, if we are talking about year 11.

Jules White: There are two things there. First, if you are going to have any form of accountability it should not be over two to three years. It



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should be weekly, it should be termly, and you need to find a different way of getting under the skin of the opportunities that young people get, the quality of teaching and learning that they receive and the pastoral care that they receive. Fundamentally, I have no time for the type of accountability that you are predicating it on. You need lots and lots of proper peer-to-peer accountability—not just friends looking after each other—and then that has to be externally verified by a group like Ofsted.

But when you are then looking for figures, the reason why you need to look at the overarching provision for the disadvantaged groups you are talking about is that, for instance, my school is very well established. We do get some good outcomes, but anecdotally, three years ago we had a particularly challenging cohort of free school meal pupils. They were out of kilter to what we normally see in lovely, leafy Horsham.

Ian Mearns: It happens.

Jules White: Absolutely. Not only were those youngsters from disadvantaged backgrounds very challenging behaviourally and socially, sadly, but they had good key stage 2 scores. That meant that progress was going to be a real issue. We managed to get a zero progress 8 value, which was decent because nationally it is about negative 0.05.

Over the last two years, my school's progress 8 values for disadvantaged children have been very much stronger. They are very good. We have done absolutely nothing different. It just so happens that the pupil premium children that we have are the right pupil premium children. They come to school. They are motivated. They did not necessarily get an over-inflated key stage 2 score. Relying on data as a simple measure is not the right way forward in and of itself.

I would point out that I am not just trying to talk about my own school. There are many reasons why we get some good outcomes. It is because of the area that we are in, which is far more advantaged than many other areas. If you look at all the national data, if you want to run a good or outstanding school, make sure you are in leafy West Sussex.

Q221 **Lucy Allan:** I wanted to ask about the pressures on pastoral provisions. Stephen, in your schools has there been a reduction in what you can provide?

Stephen Tierney: We are seeing reductions, but we are now confident. As a trust we are employing an educational welfare officer to fulfil the statutory duties of the local authority. They might have a bit of that. But we employ from the local authority almost full-time an educational welfare officer to work across the three schools within the trust; they are now fulfilling statutory responsibilities. So you have an issue there about the local authority being able to support the pastoral provision, because that is one place that I would go.

What we used to have available to us in terms of social worker support, mental health support and family support workers has just dissipated.



But inside the school you are desperately trying to backfill that, and you just have good people working harder and harder and harder and harder and the danger is that they fall over at some point.

But yes, we have certainly seen reductions in the numbers of support assistants and teaching assistants. We have tried to maintain it because of the area we are in; it is Blackpool. It is quite useful that you have people with very different perspectives on. Ian is nodding—many of you might have similar feelings. We have to maintain that level of pastoral support.

Other things then have to go as a consequence. We cannot afford everything. So that is where you begin to wonder. This year, for the second year running, we are running in deficit budgets, and we never did that for 16 years.

Q222 Lucy Allan: What about mental health support? Would you include that?

Stephen Tierney: For CAMHS—the mental health support for young people and adolescents—the waiting list is so long. The difficulty they have, and I know why they do it, is that if a young person misses an appointment then they will say, “Right, no further work”, yet quite often those young people are the ones that we are tearing our hair about, saying, “Their life is imploding.” Missing an appointment is almost the least of their problems, and we have to get them there. But it is the provision within schools, which I have some control over, working with the headteachers, that we try to make sure we have as much of as possible. Not as much as we need or would like, but it is backfilling the provision that is no longer there, which used to be available via health or the local authority.

I just fear that our pupils are not getting the deal that they did maybe five or 10 years ago, just because of the provision that is available. We do maintain very high levels of pastoral support because we need to give them an option.

Lucy Allan: Jules, what about in your school?

Jules White: Everything is within the context of a completely diminished local authority offer, and we are seeing that up and down the country. It is about 50%. That is impacting everywhere. That is impacting on attendance, educational welfare officers, counselling support. You will have seen that Barnardo’s was talking at the level of, I think, 47 local authorities—so about a third of local authorities—having their appropriate provision centres completely full. So you have nowhere to go for youngsters who may need alternative provision for a period of time or, in the worst-case scenario, they get excluded. That is certainly the case in West Sussex. It is literally that the doors are closed. That is not the fault of the APC. There is just no capacity.

Against all of that background, more and more is being asked of schools. Certainly that is what caused such a reaction from the Chancellor—that



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schools are increasingly not only doing their core jobs but are being asked all the time to backfill, as Stephen said.

We are considering ourselves, in the vernacular, as the fourth emergency service at the moment. That is what is happening. I have to be serious about this.

Ian Mearns: I have heard youth workers say the same thing. They do not exist anymore.

Jules White: The differences with youth workers, Ian, and they are doing a fantastic job, is that schools are the places that are open every single day. We are the interface. So when a child goes missing—we had a situation even—I will try not to say “yesterday” because I do not want to talk about too many anecdotal issues. Let us say we had a very recent issue where a child went missing. A very, very, vulnerable child. We ring up social care, we ring up the police, and their response is, “Could you please inform the parent?” So we have a situation where 7, 8, 10 year-olds will go by, and we have a youngster that we are really concerned about, and we are the ones doing the legwork. That is our pastoral leaders. They are doing all those things in our schools. We have had all our counselling services from the county, but they have been stripped to a minimum. When you ask those difficult questions about how we might fund things in the long term, it is about what you are asking us to do.

In my school, we are having to employ a counsellor because there was no other service. There is an 18-month waiting list for CAMHS. That is just routine. So we have employed—

Q223 **Chair:** The Budget talks about £2 billion extra for mental health and putting mental health practitioners in schools. What is your view about that?

Jules White: If it saves us spending, as we are, £25,000 a year of our core budget, then that is a help. We need to see what that looks like in reality.

Julia Harden: Just to go back to the pastoral support, in a survey that we did of our members, 95% of them said that they were having to make cuts in support staff, including pastoral staff. There is a serious problem there.

This point feeds quite nicely into the point that we need a very clear understanding of what the national ambition for education is, because if we in schools and colleges are being asked to broaden our remit—the breadth of expectation is broadening quite significantly—we need to be very clear on what that is. Then we can start thinking about what the appropriate costs are or what the appropriate level of investment is that will meet the costs of those services.

I echo Jules’s point that there is no doubt that cuts or the shrinking of other services around schools are impacting significantly. I could also



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give you a very similar anecdote—but I will not, because I have been out of school two or three years—in very serious circumstances.

Lucy Allan: Schools are being asked to do more with less and less being made available to them to do that.

Julia Harden: Absolutely right, yes.

Jules White: When headteachers came and spoke to this Committee a little while ago, I think, Robert, you asked us where the savings are. I am sure you will be well-versed in this, but every time you permanently exclude a child, that costs the taxpayer around £350,000 in what will then become housing benefit, criminal costs and so on. People estimate it—I think it is IPPR—at around £2 billion. If you begin to make the investment earlier you will not cut back on all of those costs, but you will begin to reduce some of those pressures, and certainly deal with the antisocial behaviour that is going to blight society.

Again, schools want to deal with many of the issues. We do not mind being the fourth emergency service. In some ways it is right and appropriate, and I am not in any way denigrating social care and the police, but their resources are stretched. But what you are beginning to find is in a week when there was such uproar about “little extras” the police are then coming out and saying, “We are only going to do our core job. We are going to catch the criminals.” That is good. What happens if schools say, “We are only going to teach the kids maths, English, science and their other five GCSEs. Why are we responsible for all of society’s other ills?”

You mentioned mental health. It is absolutely a burgeoning problem, and very often we are the right people to try to help with that. We have to talk to young people about being resilient.

Stephen Tierney: Yes, is the simple answer to that. The benefit of having a mental health worker is that they need to be appropriately trained. It is not about TLC. We can look after children that way, but we need somebody with clinical expertise and experience who would be able to stay long term, and that becomes a budgetary issue. Partly, it is about the relationships they build with children and young people who have specific needs going through the school. Partly, they need to get established in the school, but we would also like to see a social worker there, then you can start to build around the school. That is the place that children legally have to be. When they are not, and they go missing you will—

Chair: You are saying the devil is in the detail of the announcement.

Stephen Tierney: Yes.

Q224 **Lucy Allan:** I just want to move on to the national funding formula and ask you your views on whether it is working in practice.



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Julia Harden: First, ASCL welcomed the national funding formula. We had been campaigning for over two decades, so we were very pleased to see it. As a distribution methodology, we think it has great potential.

It is probably too early to say whether it is working yet. That is for two reasons. First, the soft formula implementation means that a local authority still has the opportunity to deliver a slightly flexible formula. Secondly, because of the caps that are in place, schools that would have achieved better funding under the national funding formula have not been able to reach their end point.

There is a risk that at the moment the quantum is not reflecting the potential of the national funding formula, and we have to be careful to keep those two discussions separate.

Q225 **Lucy Allan:** Would you support a move to a hard funding formula? Is that your position?

Julia Harden: Yes, we would. In alignment with the quantum that allows it to achieve its potential.

Stephen Tierney: Could I go into the specifics of that? I am sure Jules will say something very similar. I can think of a local authority that last year required 0.5% from the school budget to shift to the high needs budget. It then needed another £500,000 for a children's centre, which came out of the budget. This year they are talking about needing 1%, and I am hearing rumours of 1.5%. The national funding formula, which again we would support, has not yet come into place. As I say, last year the 0.5% came back as a surprise. There are rumours about 1.5% being requested from the Secretary of State, which will make a huge change to my budget and those within the schools.

Going back to what you were asking before about the academy, we produced a three-year plan, but we have had to build it on so many assumptions that it is essentially beginning to be a meaningless document for schools, particularly those that are below national funding formula. St Mary's was 7% off. I am not catching up at all.

Kevin's point that was made in the previous panel about the lump of funding that would go into those schools to raise them to what is currently the average is critical. So it needs to go beyond the minimum to the average, because a number of us are not getting the minimum because of other pressures in the system. But in general, yes.

Jules White: You can give schools what you want through the national funding formula but if you then penalise them with huge costs then that undermines what any formula does. Like the rest of the profession, everyone wanted a funding formula that was transparent. There are a few issues, though.

A cynical view is that for the national funding formula, the clever people at the DfE worked all the figures and made sure that the national funding



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formula came out exactly as it was previously because, in real terms, it has made very little difference to most schools. There are winners and losers, but there are huge gaps.

Where WorthLess? started out was like the F40, and they were here probably 20 years earlier, talking about the very lowest funded authorities and these bizarre historical differences. I know that James has just left, but if you look at Bury and Barnsley, they get around £4,500 per pupil with the types of issues that those places face, yet when you compare that to the highest-funded schools in areas like Hackney, you see a £3,000 difference. That has largely been maintained because of the caps that Julia mentioned.

To give that some context—and nobody wants any money taken away from Hackney—if you put that into what it makes a difference to, if you have a class of 30, every pupil is worth £3,000 less. That is £90,000 per class. If you take a school in West Sussex, my school's current budget is just under £7 million. If I was funded with exactly the same number of pupils as the highest-funded areas, it would be £11.5 million. That is excluding the pupil premium. £4.5 million difference. I would not know what to do with that amount of money. It would be extraordinary in terms of staffing levels. There are some issues about where the funding is—and it has not changed much.

What I would like to go back to, though, is the point that other panel members were making that this idea of a de minimis position is crucial. Only about 72% of per-pupil funding under the AWP measure—the per-pupil funding—is part of that 100% funding. We need that minimum level to be good enough, then it does not matter quite so much if there are gaps and differences around deprivation, geographical factors and so on. But all schools have the right to have enough money to function properly.

Q226 Ian Mearns: There are historical reasons why there are such big differences in funding on a geographical basis. If you go back long enough, before poll tax, when we had the rates, some local authorities spent above what was called the standard spending assessment. In order to do that, they put the local rates up. That has then been built into the national funding formula. Some people have still got high council taxes because of that, because it was built into the rates. There are historical reasons, and some of that goes back 30 years, but it is because people paid higher taxation on a local basis in some respects. It is not the only reason, but it is the reason in some respects.

Jules White: But children are being disadvantaged on the basis of those things in a very severe way. That should have been addressed with the national funding formula, and it has not been.

Julia Harden: We have to be careful not to confuse the two issues of distribution methodology and quantum sufficiency. We have to be careful about that. One of the things that the national funding formula still needs work on is the minimum per-pupil levels. We think they are a good thing.



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We were pleased to see them introduced. However, we were slightly disappointed in the current method of calculation in that it takes into account almost all of the deprivation funding that a particular school will get, which means that schools with low levels of deprivation will benefit most from the minimum per-pupil level. We know that in some cases that leaves schools with high levels of deprivation having to use some of that deprivation funding to prop up their core provision.

Going forward, we need to see the minimum per-pupil level much more closely associated to the core, the block A, if you think about the national funding formula—the basic per-pupil level. We need to make sure that the minimum per-pupil level is the amount that is needed to deliver core provision so that all children who are attracting deprivation funding are accessing that funding in full, because there is a risk there at the moment that is not happening.

Q227 Chair: Can I go back to the first question I asked the previous panel? I quoted the IFS about the lag, in that if you spend money on schools today it is not felt for quite a few years. Given that, do you agree that education does need a 10-year plan, in the similar manner to the national health service?

Julia Harden: Yes.

Stephen Tierney: Yes, and I can give you a simple example because we are an opportunity area. I am glad that there are some opportunity areas named in the north-east as well.

Chair: Not real ones.

Stephen Tierney: Part of the problem is that there is too short a term, and you do need the longevity of thinking and funding that would come from a 10-year plan.

Jules White: Yes, as long as the 10-year plan is funded.

Q228 Chair: Is fully funded, yes. How much should it be? Darren from the NASUWT said education spending should be, overall, 6% of GDP. What is your position? How much extra would you spend on education as a whole? I am not just talking about schools here.

Stephen Tierney: The figure that you give is one of those. It depends what you want people to do.

Chair: But you must have an idea in your head—this is what we need from you.

Stephen Tierney: You need a £4 billion annual uplift—

Q229 Chair: £4 billion on top of what? Are you talking about the whole education budget or just the schools budget?

Stephen Tierney: It is the £43.5 million that we would look at—



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Q230 **Chair:** So you are talking about the schools budget onl.?

Stephen Tierney: Yes.

Q231 **Chair:** You are saying you need £4 billion extra.

Stephen Tierney: Yes.

Julia Harden: £43.5 million is the whole of the DSG, so that is high needs and early years as well as—

Chair: Basically the core schools budget.

Julia Harden: I do not think we are in a position to give a figure, because we still do not understand clearly enough what we are expecting of our education system, and we all need to agree on what that is before we can then cost it appropriately.

Q232 **Chair:** Surely you should be suggesting what we need from our education system and saying to the Government, "This is what we think an education system should be in the future, and this is how much we think it will cost."

Julia Harden: When we were doing our work for this inquiry, we did some research looking at good and efficient schools, looking at the DfE's efficiency metric. On the basis that they were good, we made the assumption that the pupil-teacher ratio was adequate. On the basis that they were efficient, we assumed that they had made all the savings that they could reasonably make. This is secondary schools. We looked at what they needed on a per-pupil basis moving forward. It indicated that the need was closer to £5,800 per pupil than £4,800 per pupil.

Q233 **Chair:** That is just secondary schools you are talking about?

Julia Harden: That is just secondary schools, but we could do more.

Q234 **Chair:** You do not have an overall figure?

Julia Harden: No, because—

Q235 **Chair:** What about further education? That is £5.8 billion, for 2016 to '18, how much should that be increased by?

Julia Harden: Again, if you are looking at a learner rate there is now a consensus forming that it needs to be at least £4,800.

Q236 **Chair:** In billions, how much should it be? What would you like the further education—

Julia Harden: I do not have the answer to that. There are always caveats. Whatever figure we came up with today we would need to be saying, "And it would need to be inflation-proofed, and we would need to make sure that it could increase in line with whatever pay awards were issued."

Q237 **Chair:** Absolutely. Again, I am not disagreeing, but you must have an



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idea of what kind of education system you want and, if you do, you then put a cost to it, because how are we to know? We are not the experts, you are. We are here to hear your evidence. The previous panel—apart from saying a few billion extra on top of the core schools budget—didn't set out the figures. You have said £4 billion extra just for the core schools budget. Do you have a view?

Jules White: Absolutely, I do. I would like to use my O-level—it is a C grade—to solve all of the Government's issues and say, "I will give you the exact pounds, shillings and pence, Mr Halfon." We need a 15%—

Chair: It was "Robert" previously.

Jules White: Sorry, I was getting a little bit nervous because I am talking billions of pounds now.

Chair: Basically, the previous chap said 6% of GDP.

Jules White: I can only talk about the schools budget, but I think if you held all costs then you need to see a 15% increase on that £43 billion. It is around £6 billion. I would put that in terms of £2.7 billion to reverse the real-terms cuts. You require—

Chair: Sorry, could you say that again? It was my fault.

Jules White: £2.7 billion to reverse the real-terms cuts. The F40 group are talking about £1.5 to £2 billion to support the high needs block, and they have done their sums. I would urge you to look at their figures. They have superb expertise in that area.

Then I believe that a figure around about £1.3 billion would then be able to prime the national funding formula properly so that we can begin to close the gaps between the very lowest and the better-funded areas, and address some of the real-terms costs.

The reason I chose £1.3 billion is because it is very easy to add £2.7 billion to £1.3 billion and come up with £4 billion.

Q238 **Chair:** The pupil premium, would you increase that?

Jules White: That falls as a separate element, but it would be funded from that 15% increase.

Q239 **Ian Mearns:** What about the growth in pupil numbers?

Jules White: We have said that we would hold everything in real terms. You were getting, as I think you heard earlier, two years ago 100,000 pupils in the system, this year it is about 66,000. So you have to take account for that.

I think you are asking us to make some bold assertions, and certainly as a lowly headteacher I am right at the lengths of my expertise.

Q240 **Chair:** You are not a lowly head teacher, you are a very senior headteacher and lead a campaign on school funding—quite an effective



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one, if I might add.

Jules White: Thank you. £6 billion then, we will settle for that.

Chair: That is why we want the figures out of you.

Stephen Tierney: One part of the submission we made is that you can set a funding level based on certain assumptions. If a party comes in and then changes the assumption—your assumption might be a 2% pay increase for teachers over the next 10 years, but it suddenly becomes a recruitment and retention nightmare and you suddenly increase it to 4%—you then say, “Right, okay, we have increased the budget to make sure we have sufficient teachers.” It is that point about—

Q241 **Chair:** I hope you can see where we are coming from. If we are doing an inquiry into long-term funding of education, if nobody, with exceptions, can give us figures, it does not help the inquiry.

Stephen Tierney: It is about saying, “These figures are based on these assumptions.” So if you make something different—

Q242 **Chair:** But you can make assumptions. The Headteachers’ Conference can make assumptions of what you think the education budget should be, what you think pay should be, how it works, all these things that you just mentioned, and say, “This is what we need.” I need the same—I am passionate about FE. I want more money for FE and I am not saying we should not get more money but I want to know, for our inquiry, how much in real terms what you think is needed. It does not matter if you cannot do it today, but if you could, write to us with what you think an FE system fit for the 21st century would need under a 10-year plan and how much that should be realistically funded.

Julia Harden: It will always be difficult to put a finite figure over a period of 10 years because there are too many unknowns, so there will be lots of assumptions in there.

For a core service it is probably not too difficult, but we have talked a lot already about the breadth of expectations that are being put on to us. I do not think necessarily it is for us to make the assumption that those should all fall on schools or not, because we know they are falling on schools because of reduction in capability of other services. That is not a choice.

Jules White: I would also like to point out that part of the reason why we only need £6 billion is if we get the DfE funding its money properly and efficiently—they waste hundreds of millions of pounds every year.

Q243 **Chair:** What would you take away? Give me examples of the hundreds of millions that are being wasted.

Jules White: There are estimates that schools are spending around £600 million on agency fees. That is a waste of money. There is £1.3 billion on



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supply figures, and so on, because we do not have the teacher recruitment and retention crisis properly funded.

There are strange figures. My school spent nearly £90,000 on exam entries. If you multiply that out by the 600,000 children that took exams just last year, it works out at close to £200 million. If you just had one exam board, and they were not a commercial company like Pearson trying to make money out of schools and schoolchildren, then you would, first, have a fair and uniform exam system where people do not go round chasing the easiest exams. You would also save millions and millions of pounds.

I do want to be careful, because these figures are so difficult to come by, but I believe that the Department for Education has 8,000 employees and a further 3,000 who work in related quangos. They spend £239 million on administration costs alone. Their salary costs are of a similar order and then if you factor in pensions, it comes to £500 million. There is so much waste within the system. They then follow initiative after initiative. Stephen has good information about things like the TLIF, and so on, whereby they follow initiatives but the problem is we do not have any teachers to deliver them. So they sound great on paper but they largely do not do—

Q244 Chair: You will have seen the article I put in *Schools Week* about initiative-itis, and with £80 million on opportunity areas, £200 million to go to grammar schools, or whatever it is, I would rather it was spent in a different way. On teacher recruitment, you were saying that money is being wasted. It is not so easy just to say we can save that money by not having supply teachers or agency teachers, we do not have the teachers because of the recruitment crisis. That is much longer term.

Stephen Tierney: I think we have to flip it. We are not going to recruit our way out of the problem that we have. It is a retention issue. When we start thinking about it as a retention issue we start thinking, okay, what are the things that are driving people out of the education system and not be teachers? Your key ones are a massive amount of change and levels of accountability that are frankly bonkers.

Q245 Ian Mearns: Workload?

Stephen Tierney: They are leading into the workload issue, because people sometimes are going for lower-paid jobs outside, just so they can have a life. You need to start rethinking some of the over-bloated accountability system. So you have schools that will be employing possibly more senior leaders than they require because they have to generate lots of data and lots of information—they are monitoring this, and they are monitoring that. You have an audit culture. You have a surveillance culture, which you are building up. If you fundamentally reframe what we think school improvement should look like, as part of the 10-year plan, it is different from accountability. Accountability has a part to play in it, but so does responsibility. Where people are responsible



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you do not need an over-bloated inspectorate or data collections from various people. That begins to change some of the dynamic within, and that is part of the immeasurable.

Q246 **Chair:** Where I agree with you is on the quangos. In my time at the DfE I was amazed by how much money goes to these organisations or quangos, and also is spent on surveys and so forth.

Last question: do you agree with the IFS that even if the money was found it would take several years to filter through and make a difference to the system? Or do you think you could make changes quickly that would make a difference?

Stephen Tierney: London is a good example of where quite high levels of funding, relative to the rest of the system, are given over an extended period so that you can strengthen the system itself. So it is stronger and higher-performing. That is just one of the elements in London. I accept and realise that there are others. If you do not look at your 10-year plan you are going to end up with more initiative-itis and quick fixes, and that is the danger, because that creates a lot of fuss and fury and poor spending.

Julia Harden: We have to remember that we are starting from quite a low base, because there has been a lot of money taken out of the system. So we need to put that right first. We have to give ourselves time—our members tell us 70% have cut GCSE courses, and 70% have had to cut GCE courses. To get those back on stream we need to reverse the £1.7 billion cuts that we have already experienced, and then start to move forward. Yes, we have to give ourselves time.

Q247 **Chair:** Will you also send us examples of where you think money is wasted? Could you send that to the Committee properly, so it stands up?

Jules White: I have it with me here today.

Chair: Great. Or give it to us afterwards or email it to us. Thank you very much. This has been really invaluable, and thank you for your service to education. I have no doubt we will be meeting again, informally or formally, but thank you.