

Education Committee

Oral evidence: [School and college funding](#), HC 969

Tuesday 27 November 2018

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Members present: Robert Halfon (Chair); Ben Bradley; Marion Fellows; James Frith; Emma Hardy; Trudy Harrison; Ian Mearns; Thelma Walker; Mr William Wragg.

Questions 248 - 328

Witnesses

[I:](#) Dave Hill, Executive Director of Children, Families and Learning, Surrey County Council, Gary Fielding, Corporate Director of Strategic Resources, North Yorkshire County Council, and Tim Moss, County Commissioner for School Quality Assurance and Intervention, Staffordshire County Council.

[II:](#) Councillor Anntoinette Bramble, Chair of the Children and Young People's Board, Local Government Association, Councillor Paul Carter, Chair, County Councils Network, and Yolande Burgess, Strategy Director, London Councils.

Written evidence from witnesses:

[County Councils Network](#)

[Local Government Association](#)

[London Councils](#)

[North Yorkshire County Council](#)

[Staffordshire County Council](#)

[Surrey County Council](#)

Examination of witnesses

Dave Hill, Gary Fielding and Tim Moss.

Q248 **Chair:** Good morning. Thank you very much for coming today. Just for the benefit of the tape and for those who are watching on the parliamentary internet service, from our left to right could you kindly introduce yourselves and your titles? Please remember that the acoustics are not great, so speak as loudly as possible.

Dave Hill: Good morning, everybody. My name is Dave Hill. I am the Director of Children's Services at Surrey County Council.

Gary Fielding: Good morning. I am Gary Fielding, the Director of Resources for North Yorkshire County Council.

Tim Moss: Good morning, everybody. My name is Tim Moss and I am the County Commissioner for School Quality Assurance and Intervention with Staffordshire County Council.

Q249 **Chair:** Thank you. As local authority officials, do you think that there needs to be a much more strategic long-term plan—a 10-year plan—for education funding?

Dave Hill: It feels to us that things have moved around rather a lot over the previous number of years, and I am not persuaded that there is a 10 or even longer year plan. It strikes me that quite apart from the funding issues, which I guess we will come on to talk about, the future of our children in terms of their education is not just about their education, but about all sorts of attendant things, including future prosperity and chances of our nation doing well. We know that education is the backdrop to just about everything that will happen in the future.

I think that there is a lack of a coherent strategy over the 10-year period and beyond and that has been felt very keenly by local authorities over the past number of years. But as I say, this is not just a funding discussion; this is a discussion about our children and young people, their place in the world, and how we can encourage them to be the best that they can be. It is a really important issue.

Gary Fielding: If I could just build upon that, I agree with all that Dave says. If you look at the current position and the deficits that are forecast for our schools, you will see that the trajectory is not good. If I just take North Yorkshire schools, two years ago, there were 11% of our schools with a deficit of £2.8 million. Where we are forecast to be by the end of this decade is one in two schools is forecasting a deficit budget. It is really important that, as we work through this period, we have clarity and a long-term plan because schools need that long-term horizon to be able to plan through that, as does the council when it is working with schools and the whole education system, particularly around SEND, which I know this Committee has talked about before.



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Another point I would make is that as councils we had a four-year funding settlement, which was very helpful. Obviously, we would always like more money in that, but at least it was a four-year position. It strikes me that if we can have that for councils, why can't we have that for schools? Even better if it is longer than that, but I accept that spending review time horizons are constrained. Four years would give us a much greater ability to plan through that.

Alongside that, there are lots of incoherencies in the whole system and they need addressing. Without that, other parts of the system will trip up. We find ourselves permanently at loggerheads with schools, trying to work together as good partners, doing that on the whole, but those incoherencies expose us sometimes. It needs a much more strategic plan.

Tim Moss: I concur with what both colleagues have said in terms of that longer strategic view of education and that linking in to the funding that is afforded to education, both within the local authority and with schools, particularly, we would say again, across Staffordshire.

Q250 **Chair:** Thank you. Our point is that the NHS now has a 10-year plan; therefore, it should happen for education as well. How do you use local discretion to distribute the schools block and can you give examples of local differences in your area?

Dave Hill: The national funding formula is expressly not an activity-based formula. It seems to us that it would benefit greatly from a really clear, costed activity model. I could say that in simpler language, which is that schools feel that core funding simply is not adequate to meet the needs of their pupils, but I think that there is nuance to that. There is nuance about what we expect of schools and what the activities should be and how the funding formula should follow that.

I have three points. The second point would be that there have been a number of central government-led initiatives that have caused additional cost to schools. While we welcome recent announcements about pensions and other things, over a long period, cost has followed initiative and simply not been funded for schools.

Q251 **Chair:** Can you give examples of those initiatives?

Dave Hill: The most obvious ones are the ones around pay and pensions, but there are also some curriculum ones that have been introduced. Don't get me wrong, some of those have been good ideas, but they cost money and schools have just constantly felt as if they are fighting back the tides in whether the funding formula can meet their needs.

The third one is that I think we are close to a national crisis on the funding of SEND. It is really the juxtaposition of the SEND funding. As you will know, schools are required to fund the first £6,000 of any child who is placed in their school with a SEND need. The rest of the funding then has to come from the local authority block. We think that that has



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caused a perverse disincentive for parents and schools to ask for education, health and care plans. They have risen exponentially in the last three years, but in my authority I have pressures on the high needs block of £30 million in this year. That is almost enough to trigger a 144 notice of the council not being able to run its core services. That is caused almost exclusively by the pressures on the high needs block.

It has set up a slightly conflictual adversarial position between schools, parents and local authorities. I think we all know that things work best when we have partnership and collaboration and we are simply finding ourselves locked into lots of disputes. It is really not very helpful at all.

Gary Fielding: Can I just build upon that in terms of high needs and then, if you do not mind, I will give you an example of how I think the formula does not work in localities.

In terms of high needs, this year we have a 0.75% increase in our high needs budget. Demand has gone up by 10% and it is going up by roughly 10% every year. It is 46% up on where we were since the introduction of EHCPs. At the moment, we have a situation where local taxpayers and the Ministry of Housing, Communities and Local Government are effectively crossed wires in the Department for Education because DSG was a construct created by the Department for Education. I echo everything that Dave has said there.

Just turning to the formula and how it does not necessarily work in localities, I can give one practical example. In North Yorkshire, we have a school, Wensleydale School. It is a secondary school—Wensleydale is famous for the cheese—in the market town of Leyburn, population 2,200. It has 390 pupils. Its catchment area covers 600 square kilometres. It takes an hour to drive from the west to the east. Three hundred and ninety pupils: in DfE parlance sometimes that is regarded as an unpopular school, yet the way the formula now works, with lump sum and sparsity funding, it has gone from £325,000 to £175,000. It loses £150,000 in core funding.

Small rural schools like that are a lynchpin of rural communities. North Yorkshire has 122 schools with under 100 pupils. It has 52 that are under 50 pupils. That is 14% of all of our schools. These are not exceptions, these are run of the mill in places like North Yorkshire and other parts of the country.

At the moment, it feels like there is a disconnect between policy and formula here in Westminster and how that is practically applied out there in local communities. Without these schools, you will see fragmentation of rural communities because they are not just schools in these places.

Tim Moss: Could I just add something to what Dave was saying on that question around some of the issues that affect schools? One of the things that does affect schools is the 0.5% apprenticeship levy. You have some inequity, certainly in Staffordshire, where we have some large voluntary-



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aided schools that do not contribute to the local authority's apprenticeship levy because they are not employed by the local authority. We have small rural primary schools that have one, two, three, four teachers, yet they are having to pay 0.5% of their salary bill—

Q252 **Chair:** But isn't that a decision by the local authority, not the school?

Tim Moss: It is not a decision by the local authority. It is because they are employed by the local authority.

Q253 **Chair:** Yes, but the local authority could take that levy payment. They do not have to make the school pay it, because they are the employer.

Tim Moss: Yes, but the local authority would then have to find that funding from elsewhere and it is highly stretched anyway. I suppose that is the other aspect of it.

In terms of other funding issues in Staffordshire, we have seen a 20% rise in the population in our special schools, whereas the population rise overall in Staffordshire is only 2%. Again, that gives that massive increase in the cost to the high needs block and the challenges that that presents. It is almost a vicious circle in terms of schools with their core block struggling to manage a graduated response, which leads them into moving towards education, health and care plans that then require additional support from the high needs block, or moving into special schools. Therefore, we are taking the resources from the schools to fund that high needs block, so it is actually taking the funding from the schools. It feels like it is currently a vicious circle.

Q254 **Chair:** Can I ask you about capital funding? We have been told by I think the IFS about the decline in capital funding. Can I ask you about the impact? First, do you recognise that and what has been the impact in your areas?

Gary Fielding: Yes, I certainly recognise that in our latest assessment—and I know we have done this through a county councils network. As a county council, North Yorkshire has identified a £30 million gap over the next five years, and that is after contributions from developers through section 106 or CIL. That is just to keep up with basic places because of the expansion in certain market towns.

Of course, what happens is we have expansion so we need to build new schools and extend certain schools, but at the same time, the fabric of our existing schools is an issue. Quite often, when some schools become academies, all of a sudden, it comes into the spotlight, but the amount of basic needs funding is woefully short of the needs that condition surveys show. Just to keep abreast of developments, we are looking at £30 million over the five years, and the county accounts for 1% of the population. If you just extrapolated, that is £300 million over counties and I suspect it will be higher than that. You are probably talking around £500 million nationally.



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Q255 **Chair:** Do you want to comment on that briefly?

Dave Hill: I would shine a light on SEND school places. I am about to embark on providing 350 more places in Surrey. They are not all special schools; some of them will be. Some of them will be support bases to support children in mainstream schools. We simply do not know. We will borrow to do that at a rate of about £100,000 for every £1 million borrowed, but of course that then has a revenue implication in terms of the council's budget. I agree with the comments that basic needs funding is not ample to cover the basic growth and that is all true, but it has been true for a very long time. It is in the SEND area that I think that we are going to face major challenges in my county.

Q256 **Chair:** Did you want to comment on that?

Tim Moss: No, I would just concur.

Q257 **Chair:** Okay. My final question, before I pass to my colleagues, is about the national funding formula. There is talk of it moving to a hard formula. There are different views about it. What is your view about that, if you could all just answer briefly?

Dave Hill: Our view is that the national funding formula should be much more activity driven and consistent. That will cause some dissonance between schools, some of which will be losers and some of which will be winners. It seems to us that to make it fair it should be much more explicit about what activity the NFF should fund.

Gary Fielding: I would say that if it is going to move to a hard basis, it needs to deal with certain issues beforehand, otherwise there will be collateral damage. It needs to be able to cope with the issue I raised earlier, small schools. It also needs to be able to cope with mobility in forces areas. We have Catterick Garrison, Europe's largest garrison. There are a lot of mobility issues there. There is half a million pounds that could really undermine a secondary school in that area. If it is going to move to hard, it has to deal with these issues first rather than it being a blanket policy decision.

Tim Moss: Again, I would agree with that. It has to make sure that it is equal and it is fair across the system in order for it to work properly.

Q258 **Ben Bradley:** While you are on capital funding, I recognise what you are saying about maintenance of existing schools in particular. How much do councils and local authorities support or bid themselves for things like the free school funding and how much do you feel you are able to access that extra pot of money?

Tim Moss: We would say that we work very closely with the regional schools commissioner around free schools, whether it is a free school presumption or whether it is a free school. We have examples of where we have worked closely with them. We have just opened a brand new



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secondary school down in east Staffordshire and their contribution to that has been really helpful in moving that forward.

Gary Fielding: We bid into the free schools programme as well. We currently have a bid in and it follows what Dave was saying earlier around special education because there is a huge gap there. Then if we look at mainstream schools, we are also putting in £10 million of council funding. Dave again is quite right, you are talking about 10% return on revenue spending for that. We do that because it is the responsible thing to do, but by itself it will not be enough. It is not sustainable because we have this disconnect between the council taking its leadership role, then DSG being funded towards schools, and high needs pressures coming back to councils. You are getting into a vicious circle here and it is just not coherent. The whole system needs to work together and at the moment councils are having to navigate their way through that. That comes at a cost to the local taxpayer as well.

Dave Hill: I think that it is uneven. Until just a few months ago, I had been at Essex for seven or eight years and we had done very well on that free school bidding for both mainstream and special schools. In Surrey, they have done very badly over time, so we have real issues. It feels to me as if it is very uneven depending on where you are.

Q259 **Mr William Wragg:** Good morning. Why do you think that head teachers who came to give evidence were generally in favour of a hard formula?

Dave Hill: I think because, broadly speaking, my conversations with head teachers tell me that they would prefer there to be a clear, unambiguous way of allocating the funding, notwithstanding the points that have been made about some things that would need to be dealt with before that moment. I think that they would prefer certainty over ambiguity—it is as simple as that.

Gary Fielding: I think that they would like certainty, but its being right, and if it is right, certainty is a great thing. If it is wrong, it is not so good.

Tim Moss: In Staffordshire, we took the decision to apply the national funding formula on the basis that if we were moving towards that hard formula, particular schools would not face cliff edges. There was that kind of certainty around what that means for schools. In terms of whether it is right yet, we would probably have to say it is not right yet.

Q260 **Mr William Wragg:** With the forthcoming spending review, one of the things that we have asked panellists is how much more money the Treasury needs to find to deal with the deficits in schools. Gary, you mentioned the 11% currently moving to 50% by 2020. Is there a figure for Surrey and Staffordshire comparable to that?

Dave Hill: I would say I recognise Gary's figures. I do not have a Surrey figure off the top of my head, but those percentage figures sound right to me both in terms of demographic growth and the complexities of the SEND system. I think that that is where the real pressure is going to



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come. We will have a spending review next year, won't we? I feel that unless we can address the issues about SEND funding, the whole system will implode at some point.

Tim Moss: Similarly, we do not have a current figure for Staffordshire. The issues again are very much for us around the high needs block and the challenges there.

Q261 **Mr William Wragg:** In your experience, if you do not have those figures in Staffordshire, is it the general practice of local authorities to collate those figures of schools going into deficit budgets?

Dave Hill: Yes.

Gary Fielding: If I can help on that in terms of national, we think that in mainstream education if you look at the transitional funding in the national funding formula, North Yorkshire County Council is about £15 million less than it should be when it is transitioned. If that £15 million was in the system in North Yorkshire, we think that we would have some equilibrium. If you extrapolated that nationally again, you are looking at up to £2 billion for mainstream. If you then look at SEND, you are probably talking around something like half that. You are talking about at least £10 million for us at the moment. That would be a billion pounds nationally. Those are the kind of quantum of figures we are talking about, not insignificant sums.

Q262 **Mr William Wragg:** The figure of £2.8 billion is often bandied around. Would you say that is roughly accurate?

Gary Fielding: I think that that is about right, yes.

Q263 **Thelma Walker:** Good morning. Thinking about high needs funding, we have more and more pupils with complex needs, more vulnerable pupils. I am reading 68 out of 85 local authorities overspent on the high needs funding in 2016-17. That is £139.5 million. If you think about how we meet the needs of those children, those young people, at the moment, how do you allocate funding currently? How do you decide on those priorities and what leads those decisions?

Dave Hill: At the moment, the formula defines, as I said earlier, that the first £6,000 for any child with a SEND need is met by their host school, so that is a given. As I also said earlier, there is what feels like a game, actually, about whether there is an education, health and care plan, but the truth of the matter is I talk to lots of parents. I have been talking to them pretty much non-stop since I arrived earlier this year in Surrey. What they tell me is they do not really want to have to go for an education, health and care plan. They really want some support for their child at the first sign of there being a problem. Of course, the system now rather forces you to go for an EHCP, and the EHCPs, I am afraid, are becoming seen as a ticket to money and resources. Increasingly, parents want the resource named in the education, health and care plan, which is



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what the legislation says. I just do not think we thought through the implication of doing that.

I am out for consultation with a strategy, which is to take lots of the money that I currently spend on high-level crisis needs and try to put that money into early intervention and prevention. I have not met a parent in Surrey who does not agree with me about that. The fact of the matter is that all the money is currently tied up at the top end and I am going to try to move it down the other end.

Q264 **Thelma Walker:** That is a real dilemma for you?

Dave Hill: It is a real dilemma.

Q265 **Thelma Walker:** You need to do the early intervention, but you have to meet the crisis.

Dave Hill: The problem is that once you are locked into a vicious circle, where the crisis becomes the theme, then, of course, EHCPs rise exponentially. If you can get some money to put into the early bit, then I am pretty sure from other experiences that you start to reduce the number of EHCPs. At a human level, for the child and their family, it is a much more helpful thing. Because the money is so tight, it is very hard to get out of the vicious circle and into the virtuous circle.

Q266 **Thelma Walker:** Thank you. Gary?

Gary Fielding: Dave is far more articulate in these areas in terms of the need of the child. In terms of the financial consequences of it, again we come into this vicious circle. We have schools that are under pressure and have a tendency at the moment to do more exclusions than they were doing before. I am pretty sure that is nearly always not in the best interests of the child, but what is happening is schools are making pleas for additional top-up funding. That varies in our schools between £750 right through to £36,000, and you are getting pressure to push and push and push, with your school and parent pushing for more and more support, which comes at a greater cost. If we cannot keep them in special and mainstream schools, bearing in mind the numbers are going up so much that special schools are bursting at the seams, you end up in external placements and external commissioning and you are talking about hundreds of thousands potentially.

Thelma Walker: Even more cost.

Gary Fielding: What it seems is required in a lot of this is a much more strategic approach, working with schools doing preventive work, but the irony is that the central schools block has been cut and that is where prevention work can be funded from. Councils are retracting some of that prevention work and, as a consequence, schools are suffering more. I am afraid we have a bit of a vicious circle. It is only part of the picture.

Q267 **Thelma Walker:** Do you think that part of the problem, though, is that schools do not know what their purpose is any more? We are here to



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educate, but we are now having to think about emotional and mental wellbeing. We are now having to think about how we fund transportation. Do you think that that is part of the problem?

Gary Fielding: I personally don't. I think that most of our schools are very clear what their role is: educational attainment, bringing out well-balanced individuals. The schools I know are very much on message, but I defer to my colleague here who is a DCS in—

Q268 **Thelma Walker:** You do not think that they are thinking that they are now covering services that used to be provided by local authorities?

Gary Fielding: I think that they have a lot more on their plate and life has become much more complex, so there is more to handle. I can understand it feeling like it is a more burdensome issue, but I do not get the sense that head teachers and schools do not understand their role in that.

Q269 **Thelma Walker:** I was not implying that. I was saying that their brief is so broad now that it makes it very difficult to define it.

Gary Fielding: It is certainly broader.

Dave Hill: There is clearly a tension, isn't there, between good educational results—GCSEs, key stage 2s and all that—and inclusive education? That is a balance that I think schools find very difficult. We have seen recent evidence of so-called off-rolling for children who are there in year 10 and have disappeared in year 11, again variations of being encouraged to withdraw their children from a school.

For what it is worth, in Surrey there is a great group of head teachers, and by and large some very good schools, who say to me, "If we are going to get our kids to learn and be the very best that they can and get on in life, we need to look after their emotional wellbeing, and if their emotional wellbeing is not sorted out, then frankly they do not learn". Most schools, I think, take that approach. To be honest, there are some that do not. There are some that see the league tables as being the absolute predominant issue and the emotional bit gets lost. That is a minority of schools. Most schools I think get it.

Q270 **Thelma Walker:** Okay, thank you. Tim?

Tim Moss: I would definitely agree with that view. Schools are very clear about what their core purpose is. However, they face those challenges around, as you have just said, the SEMH agenda, mental health, wellbeing, and working with those other services now to do some of the social aspects of education. However, they recognise very clearly that if they do not support that, their core purpose is very difficult to achieve. They have that real challenge of making sure that they are providing that core purpose but recognising that they have to provide all those other services as well.

Q271 **James Frith:** Good morning. I want to ask about the transfer, and



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flexibility of transfer, of funding between schools in high needs blocks, but I just want to start with tribunals. At our last session, there was some lamenting of the fact that the tribunal service no longer publishes trends and themes of the tribunals. As local authorities, have you seen an increase in the tribunals that you are experiencing? Could you give us a flavour of those numbers and the costs of that? How can we mitigate that creeping or extreme demand rising?

Dave Hill: I can tell you the Surrey position. We have had a 55% rise in tribunal cases in the last two years.

Q272 **James Frith:** How many cases is that?

Dave Hill: That will run into several hundred, 240-odd, I think, in a year. We invariably lose. We lose nine out of 10.

James Frith: Wow.

Dave Hill: It is massive amounts of wasted energy and it plays into an adversarial scenario where parents are almost encouraged through the tribunal to fight the local authority.

I met a group. Some of you will know that there is a judicial review against Surrey on SEND costs, the result of which has not been adjudicated yet. I met the parents who brought that judicial review a week or so ago and we got to the point where we agreed that we will introduce something like a truth and reconciliation process. Rather than anybody ending up in the tribunal, at the moment when that becomes a dynamic we will sit down and we will try to do something agreed and joint and collaborative rather than waste a load of money with officers and, frankly, the parents tell me, huge amounts of heartache, feeling that they have to go through the tribunal system. I am about to try something very different as a way of avoiding those costs.

James Frith: I commend you for that approach, Mr Hill. Can I just ask for a bit more detail on the cost of that, then? A 55% rise in tribunals, 240 cases and 90% of those cases you will lose, at a cost of what to the local authority?

Dave Hill: There are two costs. There is the cost of defending the tribunal. I have a group of 10 officers who do that as a fulltime job so I already have a cost of sort of £500,000 just to fund the process, as it were, before any of the outcomes. If we were to put a number on the outcomes, that probably costs the local authority £30,000 to £40,000 each time we lose. I have an accountant with me who can do those figures but many, many, many millions of pounds.

James Frith: Gary and Tim, your experience?

Gary Fielding: I could not give you numbers, but tribunals are going up. A 90% failure rate sounds quite good actually. The amount that is upheld is very, very high. I think that is just because the Children and Families Act 2014 raised the bar massively. We lose nearly all of them so we are



anxious to avoid them wherever we can. They do tend to be the more expensive plans. I cannot give a precise number I am afraid.

Tim Moss: I do not have precise numbers either.

Q273 **James Frith:** In terms of flexibility to transfer funding between the schools and high needs blocks, how do you use that flexibility? I get a sense, from the area I represent, terms like “flexibility” still leave you a long way short when dealing with the realities of the budget. Talk of “back office” and “flexibility” is often a distraction from some of the budgetary realities. Do you speak to that experience?

Dave Hill: I am relatively early days in Surrey but I have been a director in four different authorities in London, Essex and then in Surrey. My sense is that the Schools Forums, the body that has to agree the release of money into the high needs block, are hugely sympathetic. They see the dilemma and absolutely want to help. On the other hand, if I ask them to release to me, as I asked this year, about £19 million—Surrey is a big place—they turn me down flat. Why did they do that? They feel they are under tremendous pressure for funding the things in their schools. They felt that if they conceded that point and released the money, it was £19 million that could not be spent on teachers, books, buildings and so on. We do not just have an adversarial thing going on between parents and local authorities, we have an adversarial thing—or at least a tactical thing—going on between schools and local authorities.

We are applying this year for the statutory transfer of money from the high needs block through the Secretary of State. We will wait to see whether the Secretary of State approves it. I understand there may be as many as 60-odd local authorities having to go through that process this year. It is really tough and I feel very bad about it. However, I understand entirely that schools are trying to fund their day-to-day education.

Q274 **James Frith:** On that point—forgive me if it is crude maths—just over £9.5 million, according to the big numbers you have shared, would go some way to restoring faith in the mainstream system, wouldn't it? That is your plan, is it, to try to flip the model so you are spending it upstream and not having to deal with the fallout, the adversarial battles, the tribunal fees and so on?

Dave Hill: Exactly right. I am four weeks into a two-month consultation. We have had thousands of responses, all of which say, “Yes, please do so”. However, the art is going to be how to get the money moved from this end to this end, which is the difficult part.

Q275 **James Frith:** It is going to involve some fairly frank and candid conversations, isn't it?

Gary Fielding: In terms of flexibility, we have a great relationship with the Schools Forum. The Schools Forum is very supportive of the council and the schools, it is a good relationship. We have just asked for 0.5%



flexibility to be transferred from the main schools block to support high needs. They have reluctantly agreed. We asked for the full 1% dispensation, they declined that but were sympathetic. I am very sympathetic to their position as well. The reality is that when you have mainstream schools running into deficit, and you have overheating in SEN, all you are doing is recycling money between areas of overspend. If I was on the school side, I would probably have done the same.

I think flexibility around it can only be a short-term measure. It is not sustainable. We are overspending by £5.5 million on high needs. That is despite a £1.6 million top slice from the mainstream budget. It is just understating it. We have used reserves in the past, which could have been used to help mainstream schools as well. We are using short-term flexibility, but all we are doing is masking a longer-term sustainability issue in my view.

Tim Moss: In terms of the Staffordshire Schools Forum, we are very clear they were very sympathetic and understood all the pressures that are on the high needs block. However, again, their view is that if they take a 0.5% cut from the schools block to put it into the high needs block, there is a message that they can afford that, which they cannot. The issue we face around bringing the high needs block back into balance is that funding is linked to youngsters. By making savings or reducing spend in the high needs block, we are passing that cost back to the schools, which they are going to have to spend as well. It is, as I have said before, very much a vicious circle that we are just passing cost from one block to another via other routes.

Q276 Ian Mearns: Given some of your previous answers in terms of the pressures upon schools—we have talked about exclusions and the potential for off-rolling—have your authorities seen a significant increase in elective home education in conjunction with that? Have you quantified that? Is elective home education also hiding some significant unmet need with special educational needs students?

Tim Moss: Certainly in Staffordshire we have seen the EHE population grow significantly. I do not have the figures but I can obviously let the Committee have them. We have a very strong elective home education body in Staffordshire doing the right things for the right reasons, which is very clear and we work very well with that body of parents. However, we are also seeing some of those other reasons for electively home educating that, from our perspective, are not around the philosophy of providing home education. That is something that does concern us in the authority. We are working with both schools and parents to address those particular issues. Some parents think home education means the school is going to provide a tutor to educate at home rather than really understanding what elective home education means.

Dave Hill: The short answer to your question is yes. The clue is the word “elective”. In every part of the country there are parents who are committed to elective home education and would go a very long way to



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fight local authorities if they attempted to interfere. However, I am afraid there are other children who are getting home educated, not because they elected to, but because they have been forced to. I do think there are children with SEND needs who are not getting a very good deal on the back of that.

Gary Fielding: I have one thing to add to that. Anecdotally, yes, we have seen that—I could not specify the amount for us. With exclusions being up by 30%, I think one of the issues this reveals is that there is a need for alternative provision and breadth of curriculum in a way that currently cannot be met. Because there are constrained resources, schools are struggling to deliver the main curriculum. Alternative provision tends to be more expensive, and requires greater imagination and greater time so that puts some further pressure on. However, it is clear that has become increasingly needed.

Q277 Ian Mearns: I am pursuing this because we have been looking for a number; what is required for the high needs block. If we have unquantified and unmapped unmet need out there, do we need to reassess what the high needs block needs in order to cope with all that? We have talked about another £1 billion for the high needs block, but is it really just £1 billion if we are going to properly meet the needs of those children who have been off-rolled or had suggested to them their parents should in some way electively home educate them?

Dave Hill: It is a really good question to which I do not know the answer in numbers. Almost certainly there will be unmet need that would need to be considered in the formula going forward.

Q278 Ian Mearns: In another panel of this nature, in another galaxy, not so very long ago, we had representatives of other local authorities saying the number of home-educated children had grown by about 300% in the last two to three years. Are those figures that you recognise?

Dave Hill: I do not recognise those figures. I think there has been a rise. I would say 200% to 300% sounds like it may be overegging it but there has certainly been a rise.

Ian Mearns: It has gone up significantly though.

Gary Fielding: I do not know exactly, but I would go as far as to say it has gone up significantly. I still think we are talking about relatively small numbers. If you said, "What is that unmet need?" I think the unmet need is about looking at alternative curriculum provision. If you can get a fair settlement for mainstream schools and a fair settlement for councils on high needs, you provide the breathing space that allows heads and schools to plan better so they can then spend time looking at alternative curriculums, they are incentivised to keep kids in school rather than doing exclusions. It is all interlinked, but it is very difficult to put a precise figure on each component because there are so many moving pieces.



Q279 Ian Mearns: That is the difficulty. We have to make recommendations to Government from this inquiry and there does not seem to be anybody doing any real mapping on what is actually happening local authority by local authority. If we can get the local authorities to do it themselves and feed it into us, we would have a much better idea of exactly what the real need is out there.

Dave Hill: I can tell you that the Association of Directors of Children's Services—I used to be the president—has done a survey on elective home education that will be a year or so old. I will very gladly get hold of that and send it to the Committee. It would give you some of the figures about rises you are looking for.

Q280 Ian Mearns: I think that will be very, very useful. We talked before about the £2.8 billion. William strayed into my territory and the questions I was going to ask; I will get him a bit later—it is all right, it is not a problem. We talked about £2.8 billion. We had another panel here about three weeks ago talking about how much we need to inject into our system and had figures ranging from about £2 billion to £2.8 billion, to £4 billion to £6 million and to £8 billion. There is an old saying in the north-east of England, "shy bairns get nowt". How much do you need?

Gary Fielding: As I said beforehand, if we look at the national funding formula for North Yorkshire, there is £15 million more that should be going to North Yorkshire schools. If I compare it to the London Borough of Hackney, we are 51% less. I do not have a downer on the London Borough of Hackney, it is about making sure everybody is funded at the appropriate level. The formula says what that should be. If we stuck with that, an extra £15 million would help us. As I said, if you extrapolate it and you have to go over a period of time you are getting up to the £2 billion.

I think £2.8 billion in total is probably about right. We will always want more but I recognise the system has to operate efficiently and has to be incentivised to do that. However, that is how much it is overheating at the minute.

Chair: We need to finish this panel at 11 am at the very latest so I am going to move on now. Brilliant answers, really valuable but just be as concise as you can.

Q281 Emma Hardy: We have heard evidence that schools are having to take on responsibility for services that were previously provided by the local authority. Some of the examples we have been given are education psychologists, social workers, mental health support, family support workers, speech therapists, transport and so on. I wondered if you could explain how your spending on school-related services, like the ones I have just mentioned, has changed over the past decade.

Dave Hill: It is a really variable picture up and down the country. Reflecting back on my previous authority in Essex, the local authority spent a lot of money on those sorts of things. I think schools, by and



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large, felt pretty well supported by the local authority because we had managed to achieve this thing about the money being spent earlier rather than at the point of crisis.

If I were asking colleagues—head teachers and so on—in Surrey today, I think I would get a very different answer. That cannot be right, any more than if we had a National Health Service where, depending on where you lived, you got a different service. I am afraid to say I think there is huge variability. It is not just the north and the south, I think you could move within authorities in London, the south of England and so on and get a very variable picture.

There is self-evidently an issue about funding speech and language therapy and occupational therapy from the National Health Service. I certainly find many of my schools in Surrey are funding that themselves.

Gary Fielding: Health funding is not terribly high. There has therefore not been much of a reduction because it has not been terribly prevalent in the first place.

One area I would flag very briefly is transport, which is a major issue. There is disconnect, as I said before, between a dedicated schools grant and transport needs. As more and more EHCPs come forward, and we already have a saturated system, people are having to travel further, which means transport needs are going up.

Q282 **Emma Hardy:** Are your schools in North Yorkshire having to pay now for services that previously the local authority provided? Previously would you have provided speech therapists and transport, and the schools are now having to take on that cost?

Gary Fielding: There are not any examples of that. A possible example is some of the advisory services for school leadership, school improvement and help on school finances, where the council has had to retract and is now trading with schools. Unfortunately, if you are running into financial difficulties, one of the first things you sacrifice is some of that bought-in service. We are seeing schools struggling to pay for some of that and the ones that are struggling are probably the ones that need it the most.

Tim Moss: We are using some of that de-delegated funding that schools give back to the local authority in different ways. An example of that would be what we call Building Resilient Families, which is part of the Troubled Families Programme. We are working with schools and contributing pots now to work on that agenda together. That funding from schools probably has not been directed specifically at that particular agenda previously but, again, it is around that earliest help and being preventive in order to support schools moving forward.

Q283 **Emma Hardy:** Just to push you on this point, do you think schools in your area are now having to pay for things themselves that in previous



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days, when funding was different, you were able to give them?

Tim Moss: There would be some examples of that, again through the traded offer as well. There would be, yes.

Chair: Thank you very much.

Q284 **Ben Bradley:** There are obviously different packages surrounding schools depending on individual needs and you guys have a level of flexibility within that. If we are looking at how we plan ahead in this 10-year plan proposal, what is the balance there; how much of that should be directed at core schools budgets, how much should be directed at local authorities with flexibility around SEN and things like that? How do you think that process needs to work?

Gary Fielding: I would go back to my £2.8 billion to £3 billion so it is a straightforward pro rata. That is the pressure, there is weighting between the schools and high needs. I would say at the moment—the here and now—that high needs is with us now, whereas with mainstream schools, we are talking about bit of a ticking time bomb; we are on that gradual slope down because reserves have been eroded. I think the immediate priority, if you had to say which one of them is the most pressing, is the high needs area. However, you cannot do that in isolation because of the coherency of the system and some of the things that Dave was talking about where you need to try to avoid adversarial relationships. That is where I would say the immediate action is, but you have to look at it in the round.

Dave Hill: It is tempting to be simplistic about it, but that is broadly right; it is pro rata.

The other thing I wanted to throw in, if I could, is child and adolescent mental health services. I think schools are really feeling the lack of those services. We had announcements from central government about new money for CAMHS across the country. We are not seeing that money flow because it is getting eaten up by acute hospitals, for reasons we all understand I am sure. The idea of CAMHS beginning in schools would have a really big effect. That is an added dimension that does not really even fall within the £2.8 billion.

Q285 **Ben Bradley:** One of the things that was flagged in a previous SEND discussion was the struggle to tie health into the commitments around the care plans. That is something you recognise as well?

Dave Hill: Absolutely.

Tim Moss: Could I just pick up on that point? It comes back to the strategy bit as well: where does accountability lie? We all need to be very clear around whose accountabilities they are, and to some extent, the funding should follow that. Until we are very clear around that, it is very difficult to try to put that balance of figures on it.

Q286 **Ben Bradley:** When you are looking at things like EHC plans, for



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example—going back to what was just said about tying health services into that—if you are ultimately accountable as the education authority for delivering that support do you think that funding should come to you; is that something that would deal with that accountability? If you are talking about change in a long-term plan, rather than having that health element that you struggle to then tie in and the responsibility for that ultimately falling on you, should that funding come to you instead of through the health service? Is it easier to direct it that way?

Dave Hill: My view is that it is always easier to say, “Ring fence stuff and give it to the local authority” and there was a time when that was absolutely the way it worked. I think the health service, the schools and the local authority should be working collaboratively together on issues for their children. It is really important that health understands their commitments. We all understand there are lots of pressures on the health service, but I am not sure that ring fencing everything ultimately into one agency is the answer. I have lived in that world and I have lived in the current world; they both have pros and cons.

Q287 **Ben Bradley:** I am Nottinghamshire based and we have something in the region of a £7 million overspend on SEND. In terms of the funding formula for SEND, it is about £15 million lower than the average each year. If we had an average level of funding we could afford the provision. I am wondering where you sit in terms of that fair funding for SEND provision?

Gary Fielding: We are the 12th lowest out of 150 local authorities on SEND funding. That is because there is an anachronism in the formula: it is based upon historical data, pre-2014, when the Children and Families Act came in. The Government are reviewing the formula that funds all councils and are looking at activity-based costing and so on. However, here we have a major source of funding and a major spending pressure and it is based purely upon historical data, with some adaptations. That is why we had a 0.75% increase, because we are regarded as already getting too much based upon history. In fact we are massively overspending and we will be in a similar position to Nottinghamshire.

Q288 **Trudy Harrison:** Can you explain how your services related to children and young people have changed over recent years and whether that is related to budget restrictions?

Dave Hill: The truth of it is that if you look at the best-performing local authorities in terms of children’s services—I will not reel them off but you will know who they are—there is a direct correlation between relatively low spend and high performance. You have to ask the question: why is that?

Trudy Harrison: Sorry, can I ask you to be a little more specific and succinct because time is against us?

Dave Hill: I am saying spending lots of money does not necessarily equal better services. If you are focusing the money in the wrong area



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you spend lots of money but your services are very poor. Does that make sense?

Trudy Harrison: Gary, how have services changed?

Gary Fielding: Much more work on prevention. No Wrong Door is a very strong area for us and is, if you like, nationally accredited, it is much more focused on that. Also having an eye on the detail and performance at the level of activity.

Tim Moss: I would say a single front door, making youngsters come in through a single front door and we know how all the services are then provided after that.

Q289 **Trudy Harrison:** We have a fairly broad range of Ofsted gradings; Surrey "Inadequate" at the last inspection, North Yorkshire "Outstanding" and Staffordshire "Good", although your inspection was four years ago I think. Would you say those gradings, particularly "Inadequate", is a result of restrictions in the budget? Can you make a clear correlation?

Dave Hill: It is the result of exactly what I have described: virtually all the money being spent on firefighting and no money being spent on prevention. I have immediately come from Essex where services were inadequate and then had become very, very good. Part of that journey is about spending the money in the right place, which is exactly what Surrey needs to do.

Q290 **Trudy Harrison:** Gary, you have moved from "Good" in 2014 to "Outstanding" this year. With similar budget restrictions, how has that been possible?

Gary Fielding: That is mostly as a consequence of children's social care work, an absolute sharp eye on practice and the single front door. It has been an enhancement of the practice we had before, a relentless pursuit of service excellence. I would say it is nothing more than that.

Q291 **Trudy Harrison:** One final question: you are all three-tier authorities. Has there been any assessment, and is there any intention, to move towards a unitary authority to provide efficiency and savings?

Dave Hill: The county council in Surrey works incredibly closely with its 11 districts, boroughs and, indeed, parishes. That works really, really well. I do not think that is the case all over the country. It is a political question really, isn't it? There are no plans, as far as I can see.

Q292 **Trudy Harrison:** It is actually an important question because certainly in my own county council, the headline figure is a saving of £50 million—£50 million spent on vital services is not really political.

Dave Hill: Let me try to answer it in a non-political way because I am not a politician. If you were designing local government from scratch tomorrow, you would not design it as it is currently designed. That is the best thing I could say.



Trudy Harrison: Thank you.

Chair: Thank you very much indeed for your evidence, it is really, really valuable and will form a big part of our inquiry. Thank you. I wish you well, and thank you for what you do.

Examination of witnesses

Councillor Anntoinette Bramble, Councillor Paul Carter and Yolande Burgess.

Q293 **Chair:** Good morning and thank you very much for coming. We will finish just after 11.30. Thank you very much for your time today. For the benefit of the tape, could you please introduce yourselves?

Councillor Paul Carter: Paul Carter, leader of Kent County Council and Chairman of the County Councils Network. I had the education portfolio for eight years in Kent before I became leader.

Yolande Burgess: Yolande Burgess, I am the strategy director at London Councils.

Councillor Anntoinette Bramble: Councillor Anntoinette Bramble, Deputy Mayor of the London Borough of Hackney and the LGA Chair for the Children and Young People's Board. Good morning.

Chair: Thank you.

Q294 **Thelma Walker:** Good morning. How do you see the role of local authorities in core school funding evolving, bearing in mind plans for this hard national funding formula? What will be the role of the local authority after we roll out this funding formula?

Councillor Anntoinette Bramble: The local authority has a valuable role in this. At the moment there is the soft formula that allows you to work with Schools Forums and schools to ensure that you can move money fluidly between blocks and respond to local need. I think that is a very valuable role that the local authority can play. Going forward, I would advocate and recommend continuing that arrangement. I know that in the session before, head teachers wanted certainty. However, you need that flexibility until we have certainty around funding and can plan in succession over a period of time.

Q295 **Thelma Walker:** Would you agree that to lose that local authority knowledge about their community, and to be able to use their discretion in terms of funding allocation, might be a problem?

Councillor Anntoinette Bramble: Absolutely. I think local authorities are like a gem to central government in that we hold a wealth of knowledge. We have data analysis. We understand and respond to our local community. Sometimes that is overlooked centrally when policies are implemented. Use that local knowledge. Use local authorities to map



your area, to find out where your needs are and respond accordingly. Absolutely, there is a vital role there that is often overlooked.

Yolande Burgess: When you look at some of the pressures schools are under and think about the fact we have a school system that is arguably fragmented—academies and schools operating in various formats—when policies push schools and you have a very narrow metric for things like performance, for example, local authorities can step in through a schools forum and say, “Hang on a minute, this is what the local community looks like and this is what the local community needs so therefore we will be making adjustments when we have a soft formula”.

Councillor Paul Carter: The most important thing is to get the national funding formula right and allow that local discretion on the important things that localism can deliver and that cannot be delivered from Whitehall. The current national funding formula was bit of a fudge in the era of austerity, when no school would be a loser. It baked in all the historical anomalies, which are now out of date, as your previous panel supplied, and it needs fundamentally recalibrating to come back to a needs-led evidence base: what does a one-form entry school in Hackney need to deliver the core curriculum, and what does a one-form entry in North Yorkshire or Kent need to deliver the same basic core curriculum, with the appropriate London weightings where there is evidence to support additional cost?

The same thing would apply to high needs funding where the County Councils Network are trying to provide evidence for the new needs-led, evidence-based fair funding formula for local government. That needs to be evidence based. We have commissioned PwC to do a significant piece of work on that and it is already throwing out that, on adult learning disability, which is linked to high needs funding in young people, in the counties there are a third more adults with profound adult learning disabilities than there are in the London boroughs. Is that recognised in the funding formula? What is the incidence and need in the counties, compared with the metropolitan areas, for high needs funding? I suggest there is a big pull factor out of the metropolis into rural areas for families with young people with special educational needs and profound physical and learning disabilities to get out of the smoke and into open space. That is why I think we have a much greater incidence. Those big blocks—massive amounts of funding—need to be reflected in the national funding formula against real evidence-based need and demand.

Q296 **Ian Mearns:** Is that comparison, though, reflected in metropolitan areas and in unitary authorities outside London?

Councillor Paul Carter: That is a very good question. I suspect so, but it is work in progress. That figure came out about 10 days ago and they have the evidence to sustain those figures, but those that end up transitioning into adulthood will have needed additional support from when they young people onwards.



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Q297 **Thelma Walker:** Paul, you mentioned allowing local discretion, if I could just push you on that to how it could look in a few years' time if there is a central hard funding: how are we going to allow and facilitate local discretion?

Councillor Paul Carter: Through the schools funding forum, which I sat on for many years, and working alongside head teachers of schools of all shapes and sizes, and now early years providers in that Schools Forum, we had very mature debate and always ended up coming to a sensible conclusion as to how we could weight parts of the formula and what weighting and what the issue would be that reflected demand and need. Take the premises costs of some schools that are 100 years old, 150 years old, where the energy cost is probably four or five times that of a modern academy school built last year. They are big sums of money. Each of those individually add up to large sums of money, and that is where you need the discretion to vary that against the local evidence in a locality.

Thelma Walker: Thank you.

Councillor Anntoinette Bramble: It is not just about the national funding formula per se, it is about the various pots of money that you have in terms of capital funding around schools, which needs to be centralised and slimmed down, because it is not just about funding schools, but about the maintenance of schools, for example, and about the pay for teachers. We welcome the fact that the Government wants to pay the increase for teachers but that does not include the national insurance contribution or pension contribution. It is all the singularities that we are looking at. If we really believe that children and families are at the heart of all we do, Whitehall needs to speak with one resounding voice and not an echo chamber. Different parts of the system are talking about children and families, but when you work in siloes, you do not think about how that impacts children and families overall. How do we simplify that system? You need a funding framework that responds to a rural school and thinking about the transportation, or an inner city school where you are thinking about the cost of living.

Q298 **Chair:** Are you saying there are too many different pots and it should be consolidated?

Councillor Anntoinette Bramble: Absolutely, it needs to be centralised, it needs to be slim-lined.

Q299 **Chair:** Would the others agree with that?

Councillor Paul Carter: Certainly with school transport. Another statistic came out—

Q300 **Chair:** Generally, in terms of the difference in the funding pots that go to education or go to schools and colleges, should much more of it be consolidated rather than having a high needs block or pupil premium or whatever it may be?



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Councillor Paul Carter: You have to have an intelligent application of the big cost drivers and try to keep it as simple as possible but allow that local discretion. One thing that has not been mentioned is sixth form funding, particularly for academic A levels.

Q301 **Chair:** Yes, which is very much in our inquiry.

Councillor Paul Carter: That is a massive example. Particularly on school transport, because it is outside the dedicated schools block, the council taxpayers of Kent pay the transport costs for Kent, both SEN and mainstream, and that is another figure PwC have come up with: the cost of school transport in the counties is approaching 10 times that of London and the metropolitan authorities. They are massive sums of money and that is the issue for Rishi Sunak and James Brokenshire to sort that out, to have much more fairness and equity in how the national cake is sliced and diced.

Yolande Burgess: Let's remember that teachers' pay has gone up but college lecturers' pay has not.

Q302 **Chair:** When Lord Agnew bet a bottle of champagne that schools could make significant efficiencies, would you agree that he is right?

Councillor Paul Carter: They have delivered efficiencies. When I spoke to a head teachers' conference last week I said, "You have had a tough time but nothing like as extreme as upper tier authorities across county councils that really have taken a massive amount of stick and delivered extraordinary efficiencies". Schools have had to do the same thing and now the tank is running on empty.

Q303 **Chair:** Would you say for the most part those efficiencies have been made or could there be more?

Councillor Anntoinette Bramble: I think it is important that you do not conflate the two. There is a place for efficiency saving and being cost effective, but let's not conflate that with ensuring that we have the right investment in schools and understanding that resources cost money. If you have been a local authority or school that has taken that cost efficiency journey, you are back to we need to resource our schools and run our schools and we need the appropriate money in the system to do that. It is very important that argument does not overlap.

Yolande Burgess: Also what is a cost efficiency? London Councils runs a survey with head teachers. Last year, 47% of secondary schools said they reduced the breadth of their curriculum, 70% of primary schools cut the number of teaching assistants and 63% of all schools reduced spending on learning resources. Is that a cost efficiency?

Councillor Anntoinette Bramble: The education service grant has been cut by 75%, local authorities have lost 60p of every pound that used to come from central government. So over 60% of the funding has been cut from central government to local government to provide the services we



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need. The funding from central government is going this way but the demand from the local authorities is going that way and that really needs to change so we have an equilibrium.

Q304 Chair: Briefly, what you are saying is that the efficiency argument that the Minister has put, first, is not really apt but not really possible given the efficiency savings that have already been made. Is that what you are all arguing?

Councillor Paul Carter: Yes, back to a sensible distribution of the overall schools' budget from the Treasury, how it is utilised, and I would throw into the pot the pupil premium as well in that equation. It was massively important if the pupil premium came into being but many authorities—Kent, for example—had a big factor for social deprivation before the pupil premium was invented and now, of course, they have the pupil premium and that additionality that we put in for social deprivation baked into the national funding formula for Kent. That is another one of those anomalies that need looking at. Generally, schools have had a tough time, the cuts are being made in the support mechanism and are beginning to have an impact on educational outcomes and the wellbeing of young people.

Q305 Ian Mearns: With the previous panel, we talked about the pressure on the high needs block and I am just wondering if you can help us with trying to quantify to what extent the pressure on the high needs block is in your own local authorities or in the areas where you have expertise?

Yolande Burgess: For 2017-18 in London, we know that our boroughs have a shortfall of about £78 million. It was over £100 million the previous year. We can see that 32 of our 33 boroughs have an overspend. Talking to them this year, all 33 will have an overspend, so it is a difficulty. Colleagues on the previous panel were talking about a balance, and one of the situations we are definitely in is where schools are really struggling to meet needs for children with special educational needs. They are in a situation where they go, "Yes, please ask for an education, health and care plan" so the pressure then goes on the high needs block.

The high needs block is definitely a pressure that needs to be resolved now, and money needs to go in it now. However, at the same time, we have to deal with the issues around the fact that if your efficiencies mean that you are no longer paying for teaching assistants, you therefore have a school that no longer accommodates supporting children with special educational needs. We have a situation where—put the National Health service to one side—theoretically the biggest universal service in this country is schools, but it is no longer universal. It is no longer supporting every child, therefore more children are ending up in targeted services. Targeted services are under pressure, therefore more children are ending up in the specialist services, so the high needs block is running hot. Therefore, let's go back to schools, properly fund schools, so that they support every child in all our communities across the country, otherwise



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we will continue to pump money into the high needs block. We are in a chicken and an egg, but we have to both sort the egg and the chicken at the same time.

Councillor Paul Carter: High needs funding is a massive, massive issue, but when I had the education portfolio, I also always used to look at the SEN budget compared to the mainstream budget and it was getting a much greater percentage as more young people are surviving all sorts of birth illnesses through medical advancement and so on. This is far outdoing that. Now, my view is if we go on this way, there will be more money spent on special educational needs than there will be on mainstream education. Therefore, we need to make sure we keep our gatekeeping sensible and intelligent. Under the current system, there are all sorts of perverse incentives that are pushing and pulling parents and young people into the high needs funding block that could be reversed, accepting that the incidence and demand will increase for the reasons that I have just explained, but at the moment, there are pull factors that exacerbate that substantially.

Q306 **Ian Mearns:** What is the Kent position now? What is the funding requirement for Kent in terms of the high needs budget?

Councillor Paul Carter: The school reserves in Kent were about £25 million or £26 million two to three years ago, and there is now a deficit of over £10 million, so we have been burning about £12 million to £13 million overspend every year for the last three years and that cannot continue. It is an unofficial agreement that schools will help support that through DSG over a period of time, but whether we will ever see that money back in the county council's budget, I find very unlikely.

Q307 **Chair:** Gone from £25 million in reserves to £10 million deficit in, what, three years, did you say?

Councillor Paul Carter: Three and a bit years, yes.

Councillor Anntoinette Bramble: The LGA have commissioned a piece of research and the findings will be late December and January, and I am happy to share that with you. The initial findings show that there is a shortfall of about £500 million for SEN children. In Hackney we are looking at a shortfall, an overspend, of £6 million for this academic year and that is counting. There are real pressures. Something else has happened as well, it is the reforms of the 2014 Children and Families Act, and as a former SENCO in a primary school, I welcome those reforms. The fact that a child, as soon as they come into the world, up to the age of an adult can have that support in whatever they need in the journey of their life is really important. However, what Government failed to do is think about the additional support. So now you have more children accessing the same level of funding, which does not work. Previously, when children were older, they would finish a plan, but then be able to come back in—rightly so—receive a plan. Funding has not been taken into



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consideration around that. I think that is what is driving a lot of the overspend.

Q308 Marion Fellows: I want to talk more about high needs funding, but in regard to a 10-year plan, if there was a 10-year plan for schools and college funding, should high needs funding be taken into account? How do you think it should be taken into account in a 10-year plan?

Yolande Burgess: With high needs funding particularly, I think the challenge there is that we have the 0 to 25 system that was brought in in the Children and Families Act 2014, and we need to have some very sophisticated planning going on looking at the children from birth, but beyond 25. Paul commented on the fact there are many adults with learning disabilities. We have a funding system that says, "Have a plan until 25." It is aspirational—and I completely back up Anntoinette's point—every local authority in the land is very happy about the aspiration in the Children and Families Act, but it has to be funded. We still have fewer than 6% of adults, known to social services, with learning disabilities in employment. That is not just a local authority issue, we are talking about massive cultural change in the country here.

You are talking about a 10-year plan thinking about high needs funding, that needs very sophisticated planning, looking from birth beyond 25. Coming back to the previous panel, having a 10-year plan is great if we get the funding formula right. If we get it wrong, we are going to bake in all the wrong things and we are going to have 10 years' worth of pain. It is a challenge.

Q309 Chair: How do you make sure you get it right?

Councillor Paul Carter: We are now having the same debate over adult learning disabilities as part of the new, hopefully, fair funding model for local government. In adult learning disability, where many adults are costing £100,000 or £150,000 a year in placements, it is by doing a three-year annual return. If you get the categories of the very high needs funding for young people and whatever—what is the incidence in North Yorkshire compared to Hackney, compared to Kent, compared to Surrey—that figure is adjusted because these are big, big sums of money. The answer is we must keep it simple and we do not want to do that, but when you look at adult learning disability in Kent, in Surrey, it is now a greater cost than support for the elderly and vulnerable in adult social care, so adult learning disability is a bigger budget than the budget for the elderly and frail in our communities. Extraordinary that it has got there, which proves that the rising demand going into adulthood and there for life and the support local government has to deliver is massive. How are you going to cater for that if you do not have a return on the percentage of adult learning disabled per thousand of population in those areas? If you do not do it that way I don't think you will ever arrive at a fair system.



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Let's get it right. If we had a 10-year system that was unfair from day one, it would be a miserable position to be in. Let's spend the time in gathering the evidence and a sensible funding methodology for schools that reflects deprivation and everything that is needed to come up with as simple and as fair a system as possible. Then you need medium-term certainty and you work towards that.

The other issue, if I may—because it is something I feel passionate about—is the vocational programme for 13-year-olds, 14-year-olds plus, which perhaps cost more than traditional education in providing young people with alternatives. They are never going to be academic high fliers but want to explore through good careers advice and guidance vocational courses in schools. We have 10,000 young people, aged 14 to 16, on vocational programmes at least one day a week. The new national curriculum became more prescriptive, put back modern languages, and every vocational centre in probably 50 secondary schools in Kent shut down because they did not have the freedom in the national curriculum to deliver alternative vocational programmes.

Q310 **Chair:** What period did this happen?

Councillor Paul Carter: It coincided with when Michael Gove became the Education Secretary.

Q311 **Chair:** In this Committee we are all very passionate about skills and vocational education so I think that is very helpful, although sad, to know.

Councillor Anntoinette Bramble: Could I just come in on the 10-year plan? When I used to be an assistant head in a primary school, I always remember working with my staff about the immediate, mid-term and long-term plan and I think that is what you have to do around funding high need. What are those three year intervals going to look like when you are planning ahead but also the longevity of the 10-year plan. It is also looking at the different funding arrangements. For example, children's social care is seeing a gap of £3 billion in 2025. Why am I talking about children's social care when we are talking about schools? Because it has an impact. Why? The preventive and early help model that is offered through children's social care does not exist for some local authorities because they are moving funding away from that investment into acute and statutory care. That means that schools are seeing needs from children and families in the way they did not do before.

Going back to what you were hearing from the panel before, schools are having to manage wider pastoral care that they did not have to before, beyond general health and wellbeing. Being an early years practitioner—I am a qualified nursery nurse—I believe that children learn when they are happy, but there is a level of specialised care that children and families are needing, that they access in schools, that they did not before because the front door of the local authority is not able to meet those needs. It is how you look at other parts of funding in the system.



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The strategic education fund that the Government used to do has been cut. The early intervention fund has been cut from £5 million. By 2025, it will be cut by, I think, another £183¹. There is lots money coming away from schools, coming away from local authorities, coming away from communities and we are having all these acute needs, a £1 billion overspend is a false economy if we do not invest now. It is costly on the financial purse, but think about what it does for children and families when we do not support them in the way they need.

Q312 **James Frith:** Paul, you touched on this a little bit but perhaps if we can start with Anntoinette and move along, the Ofsted chief says that she has not seen the reduction of funding impact on educational outcomes of the schools that she inspects. Have you?

Councillor Anntoinette Bramble: That is an interesting comment and an interesting question. Fortunately Hackney is in the top 10% of the country in terms of academic levers across the board from early years to key stage 4, so we are not seeing our standards drop, but are our schools, as a local authority, under increased pressure? Absolutely we are. Over time, my concern is that if we do not fund the system properly you could see a different result. You could see more children having to access statutory help where early and preventive work was not happening. I think over time results could be in jeopardy.

Q313 **James Frith:** But you do not see any at the moment?

Councillor Anntoinette Bramble: Not in our local authority because, as I said, we have been able to remain in the top 10% but also financially we have been in a stronger position over time where we have done that fiscal saving and responsibility.

Yolande Burgess: The issue is that if we are seeing things like exclusion rates increase, the number of home educated children increase—I choose not to use the word “elective” home education—alternative provision numbers increasing, are we just shunting the costs somewhere else? I say this with great care because I think to be a head teacher in the current situation is to literally take on the job of football manager. We have such a narrow metric for schools. That is the thing that keeps a head teacher awake at night—where am I on the league table? I know that they care about the welfare of the children but, at the end of the day, if that is what you get measured against—in all things in life what gets measured against gets done, and that is absolutely what is happening in schools. Results are not going down, 94% of schools in London are good or outstanding. We have really good results. Key stage 2 and key stage 4 by standard metrics were the best in the country, however we are seeing exclusion rates go up, and our community is not being served. That is the worry. I think it is cost shunting.

¹ The witness’s office has contacted the Committee team to request a correction to these figures. The witness states that “the fund had been cut by £500million since 2013, and is projected to drop by a further £183 million by 2020.”



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James Frith: Yes, I agree.

Councillor Paul Carter: Yes, credit to the London boroughs and the London schools for improving education attainment dramatically over the last 12 or 14 years. It has been an extraordinary success. They have had the advantage of some fairly generous funding as well to help them deliver—

James Frith: The London Challenge.

Yolande Burgess: It is one of the factors. I am not going to disagree with Paul: yes, schools in London have been generously funded, but that is also down to a formula that recognises additional area costs, the fact that 46% of children in London schools have English as a second language, and that a third of students in London come from 20% of the most deprived boroughs. Those factors also need to be properly recognised in other areas outside London.

Councillor Paul Carter: I agree. It has been spectacular, which proves that investing more money in education in London has given the outcome that everybody wanted to see.

In answer directly to your question, you are just starting to see the education attainment levels peaking and coming down the wrong way. Our key stage 4 results are not quite as good as they were two or three years ago in Kent. One thing that is absolutely clear is that the A level curriculum choice has narrowed substantially: fewer young people are taking chemistry A levels because it is an enormously expensive course to put on, ditto physics. That is a retrograde step when we should be encouraging sixth forms in STEM subjects to do more rather than less.

Q314 **Chair:** Do you have the figures of the decline in STEM subjects in your area?

Councillor Paul Carter: I don't but I can get them for you.

Q315 **Chair:** If you could. That is because of cost?

Councillor Paul Carter: You just talk to heads of sixth form, who say that their curriculum choice has narrowed over the choice they had, and the number of A levels that could have been taken, from where they were to where they are now. They have had to do that because the funding post-16 for academic A levels has taken a hammering. They are now cross-subsidising the education up to 16 to fund and support A level—

Q316 **Chair:** Would both of you concur with that?

Yolande Burgess: Post-16 funding does need to be looked at. If you have somebody who is in education who needs a little bit longer in terms of if they start the academic year when they are 18, that school or college will get 17.5% less funding for that student, which is kind of crazy. We are talking about the development of technical levels, so T levels. They are talking about introducing like an intermediate period, so



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that means potentially more students could be in learning for three years or more. A school or college that says, "Yes, we are very happy to accommodate that" will get less funding for that student. The Institute for Education did a piece of research: apparently this country, in terms of guided learning hours, has the lowest funded guided learning hours in the whole of Europe for 16 to 18-year-olds. Yet we are raising the participation age, which is beautifully baked in, which is absolutely correct saying, "We want all 16 to 18 year-olds to be in some form of education or training, yet we are going to pay you less to keep them in education or training."

Councillor Anntoinette Bramble: The 16 to 18 cohort have seen a 21% reduction in funding per head. That is the reality of it. The funding now is only about 10% higher than it was 30 years ago. When you think of how far education has moved on, the funding has not been funded in that part of the sector so it is a real concern.

Yolande Burgess: Colleges deal with so many 16 to 18-year-olds and they are crippled on the funding front. They have had so much money taken out.

Q317 **Chair:** Just to confirm, the London Challenge predominantly applied to schools, not sixth form colleges, is that right?

Yolande Burgess: The London Challenge was about schools, yes.

Q318 **James Frith:** Let's run with the STEM point that you made, Paul, would you bake that into a 10-year plan in terms of objectives around numbers, learning a particular subject and ambitions for regional growth, and try to link those to economic models or economic regional pictures? At what point do you depart from it being a budget and funding plan to the ambitions of that plan equating to what money you need? You simply say, "Let's understand what we are getting for 10 years" and that will immediately mean there are more STEM subjects being taught and more ambition to do that. How far do you go from it simply being a budgetary 10-year plan to it being something slightly more regionally led, led by economic factors, ambitions, targets and so on?

Councillor Paul Carter: You could tailor post-16 funding to large geographies or sensible geographies. LEPs are being talked about and I believe that if we worked with the business community through LEPS or whatever, and with the help of RFE principals and sixth form providers, we could make much better use of the totality of that resource and in that I would throw the apprentice levy, to free up how you can apply the apprentice levy in very varied ways. It is so depressing that the apprentice levy was a great idea but has reduced the number of apprentices post-16 –to-19 across this country. We have to find solutions to that. I think there are a number of fairly simple solutions that could unblock that and see that trend massively reversed.

Q319 **Chair:** Could you give us one of those solutions?



Councillor Paul Carter: I would allow that money to be used to access apprenticeships, travel to and from work, to and from FE colleges, particularly in rural areas, which would encourage more social mobility and not having to go to the school nearest that are doing a pretty restrictive course and not in line with the ambitions of those young people. Also potentially giving an allowance for a small amount of the wages to be paid to those young people on apprenticeship programmes in the work place. Why not? The businesses are paying for it, why shouldn't they help to encourage and grow more young people into their business where the burden can be shared through recycling the apprenticeship levy to that course.

Q320 **Chair:** I would just like to go back to the 10,000 young people who you said were doing vocational education. Not those specifically but obviously you are talking about 10,000 students on average every year that you would have put in vocational education, so what is happening to those students now?

Councillor Paul Carter: The head teachers have all reverted to the traditional curriculum that now includes modern languages and they say they do not have the space in the week to deliver the alternative vocational curriculum in those schools.

Q321 **Chair:** Those 10,000 students, when they were doing those vocational days, did they have good outcomes? What was the outcome?

Councillor Paul Carter: It is very difficult to measure the long-term outcomes but—

Q322 **Chair:** I am trying to understand the difference between then and now.

Councillor Paul Carter: The exclusion rate was certainly very different and you did not have so many disaffected young people being forced down an academic route when they wanted to explore their other skillsets and their other—

Q323 **Chair:** The exclusion rate has gone up since that time?

Councillor Paul Carter: Yes, universally.

Q324 **Chair:** Significantly?

Councillor Paul Carter: There are a multiplicity of reasons as to why that may be the case. That would be one of them.

Q325 **Chair:** If I could just ask one final question, if it is possible to answer briefly that would be wonderful, if you did have the magic wand and we had our 10-year plan for education, what would you suggest is the figure we go to the Treasury with?

Yolande Burgess: For 2019-20, just to cover real-terms costs for the whole country would be £406 million, that is just across one year.

Q326 **Chair:** That is it for London?



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Yolande Burgess: That is for the whole country, £406 million for 2019-20 just to cover real terms cost increases.

Councillor Paul Carter: I would have thought in the order of £3 billion, but it is back to my point that it is how you utilise the totality of that education resource, early years, statutory school and post-16, and how it is distributed.

Councillor Anntoinette Bramble: I agree with those figures. If you compound that as well, if you look at all the money that has come out of the sector as well, you could add it all back if you wanted to. It is not just about putting money in the system, it is about having a vision for our young people and having that strategic thinking. For example, one of our manifesto commitments in Hackney is how we get more young girls into STEM subjects and we are actively seeking to do that. We do something called Hackney 100 where we get work experience for 16-year-olds. It is paid work experience with local businesses. We are thinking about how we can connect locally and get our young people ready.

Q327 **Chair:** Would your strategic vision be, which is what you said before, a wider curriculum with more work experience, vocational training?

Councillor Anntoinette Bramble: Yes.

Q328 **Chair:** That would be very much part of your—

Councillor Anntoinette Bramble: Absolutely it is responding to the economy. It is no good waiting until we have a shortage of teachers, nurses, anthropologists, artists, to say, "Well, we need to do something about it". Let's look at what is current and ensure that our curriculum is preparing our children for the world ahead. We all know about modern technology now: coding should be embedded in the curriculum because we are moving into a very digital economy. The curriculum needs to respond to that. There is work for the DfE in part of this in terms of what our children are taught.

Chair: You are speaking our language. I think I can speak for the Committee on that. Thank you, all of you, absolutely brilliant evidence and really appreciated.