

Education Committee

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

Wednesday 16 January 2019

Ordered by the House of Commons to be published on 16 January 2019.

[Watch the meeting](#)

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

Questions 1642 - 1756

Witnesses

Rt Hon Damian Hinds MP, Secretary of State for Education, and Jonathan Slater, Permanent Secretary for the Department for Education.

Examination of witnesses

Witnesses: Rt Hon Damian Hinds MP and Jonathan Slater.

Q1642 **Chair:** Thank you for coming. For the benefit of the tape, could you please introduce yourselves and your title?

Mr Damian Hinds: I am Damian Hinds and I am Secretary of State for Education.

Jonathan Slater: I am Jonathan Slater, the Permanent Secretary for Education.

Q1643 **Ben Bradley:** Good morning. I am sorry to start in this manner. We have to, of course, given yesterday's events. Can you explain, Secretary of State, what no-deal preparations have gone on within the Department and how yesterday's result perhaps bringing that scenario closer will impact on the way things go forward? If you can be concise, please do.

Mr Damian Hinds: Of course, we have no-deal preparations in our Department as across all Departments. It is true to say that we are not one of the very most impacted in a no-deal scenario compared to other Departments, but I think all Government Departments have some things to consider. In Brexit in general there are things that affect us, like people on university exchanges, UK students who are enrolled in universities elsewhere in the European Union. For matters like that, of course we have to make preparation and we have been doing.

There is also a broader cross-governmental question about making sure that if there were to be a no deal, for those functions that are truly mission-critical in the very sharpest sense that Government collectively are able to deliver. That does involve Departments like ours being asked to see who, if needed, we could release on a temporary basis to support those other Departments.

Q1644 **Ben Bradley:** Is there a risk of civil servants being taken out of the Department for Education to go and focus on some of the things? Is that what you are saying?

Mr Damian Hinds: Is there a risk of civil servants being taken out of the DfE to go to other Departments?

Ben Bradley: Yes.

Mr Damian Hinds: On a temporary basis, absolutely. That is the reality of no deal. Across Government we would have to find resource to be able to make sure that mission-critical things for people's way of life—supply of food, medicines and so on—are protected. That would be on a temporary basis but of course it is a cross-governmental effort.

Q1645 **Ben Bradley:** In a word, are you confident everything that needs to be done within DfE is being done?



HOUSE OF COMMONS

Mr Damian Hinds: I am confident that everything that we could reasonably be planning for we are planning for. If you talk about a no-deal scenario, it is simply not knowable exactly what all the different permutations and second order impacts might be, so there is a certain amount of needing to be flexible and to understand that the scenarios may change, but for everything that it is possible for us to reasonably plan for, yes, I am confident that the—

Q1646 **Chair:** The effect on university and science funding?

Mr Damian Hinds: Yes, there is a distinction to be drawn between the different programmes. Horizon 2020, which is a key programme, does not come under DfE in our relationship with the European Union. That is a BEIS programme but it is obviously very important and our universities very much value participation in that.

There is the Erasmus programme, which does come under my Department, through which a lot of our student mobility, student exchanges are organised, and of course we are planning around all of these things.

Q1647 **Chair:** The Committee has significant concerns about the Careers and Enterprise Company, the execution of its activities and a number of other things, particularly the way it spends some of its money. The Youth Select Committee recommended that the DfE introduces more rigorous oversight of the Careers and Enterprise Company. If you take the National Careers Service, it is heavily scrutinised by Ofsted inspections, mystery shoppers, quality standards, payment by results. Do you think that Ofsted should inspect the quality of the CEC and that it should begin a full, independent review of the CEC's impact?

Mr Damian Hinds: All bodies in receipt of public money have to have scrutiny. There has to be confidence on behalf of the taxpayer of value for money and efficacy. I do have that confidence in the Careers and Enterprise Company.

It is a unique setup of an organisation designed to be a bridge between schools and business, so it has that crucial brokering role in working out with schools what are the appropriate programmes for the children in those schools and colleges, but also bringing in the local enterprise partnerships, the volunteer advisers, and so it is a multi-faceted operation. It is quite early days, of course, for the Careers and Enterprise Company but we have seen quite some success.

Q1648 **Chair:** A proper oversight might have flushed out poor investment decisions. For example, its latest accounts suggest it has spent £4 million on mentoring, and in one of its own research reports it says, "Few effects can be seen for mentoring relationships that last for less than six months". It goes on and on and on but despite that, it gives grants to a range of organisations that offer mentoring programmes for 13 to 19 weeks, another one in the north-west for 22 weeks and another one for



HOUSE OF COMMONS

13 weeks.

They also spent £900,000 on research and are going to spend another £900,000 on research. They spent £50,000-plus on a conference in KidZania, another £150,000 on another conference, just a one-day conference, which could have easily been done by a private business. What are you doing to make sure that the CEC is accountable for its investment decisions, particularly when it is spending millions on research and yet it is not even doing the things that are supported by its own research? Does this not support the case for much better oversight of what the CEC is doing?

Mr Damian Hinds: I will let Jonathan come in, in a moment, to talk about relationships and oversights with all the bodies we work with that are in receipt of Government money. For some of the things you mention, I cannot speak specifically about the mentoring programmes and whether the 13-week mentoring programme is meant to be an initial 13 weeks.

Q1649 **Chair:** I am just giving you examples. I gave you the conference. Okay, the conference is £200,000 out of a massive budget but, nevertheless, at a time of austerity and big constraints, money should go on the frontline not on—

Mr Damian Hinds: I do meet with the Careers and Enterprise Company and, of course, officials do have oversight of what happens, and I will let Jonathan speak in a moment. That includes measuring impacts. By the way, some of that comes through research. You do need to do research to know not only what is effective but also how, in reality, these things are moving.

Q1650 **Chair:** That could be done by the DfE or a university.

Mr Damian Hinds: Some of it is.

Q1651 **Chair:** It does not need to spend nearly £2 million on research papers.

Mr Damian Hinds: There are different sorts of research, of course. There is efficacy in impact research and, you are quite right, some of that is done by DfE. In fact, we have done our own inquiries and then various outside bodies have as well more generally on careers and so on; a variety of organisations do that.

You also need to do some research on effective programmes. Overall, we are seeing an improvement in the proportions of schools that are interacting with CEC on what are called the Gatsby benchmarks, not the F Scott Fitzgerald novel but the Gatsby Foundation. These are rational measure mechanisms for how children are getting a range of experiences and advice and information, which is necessary for them to be able to work out their future careers. One of them is what is called meaningful encounters. Again, it is not the most obvious term but it is meaningful encounters with employers and we have seen improvements in the number of young people getting that. I think that is getting positive, but I should let Jonathan speak.



Q1652 **Chair:** Sorry, just very briefly to sum up, as we mentioned, while the NCS has an enormous amount of oversight you are saying you are quite happy with the existing structure. You do not think Ofsted should have oversight of the CEC?

Mr Damian Hinds: I have no plans to do that or something like it at the moment, no.

Q1653 **Lucy Powell:** Can I briefly follow up on that? I don't know if you saw some of the evidence sessions—they were quite controversial—with the CEC, but what I think really came out from that was it was not sure and we were not sure whether it was trying to be a “what works” centre or a delivery vehicle. Maybe when it initially began it was a bit more about trying out what works, hence the research, and then it has been bolted on to do a lot more delivery. Are you clear which one of those it is?

Mr Damian Hinds: I think you do need to be somewhat both in that role. Historically, we have not always had brilliant careers advice in this country. I remember when I was on this Committee we had some discussions about was there ever a golden age and Committee members thinking back to their own experience at school and what careers advice amounted to. In those days it quite often was that you were advised to do something and it was very rarely what you ended up doing. Therefore, we have known we needed to evolve and improve careers information advice and guidance, and so, yes, a body like the Careers and Enterprise Company absolutely is a delivery mechanism.

It is partly a delivery brokering mechanism, because it is bringing in local enterprise partnerships, the enterprises advisers. It is bringing in business in its widest sense. It has brokering for funded programmes, such as through Young Enterprise.

Q1654 **Chair:** It does no analysis of its outcomes. It is only about inputs. It does not have any evidence about whether what it is doing is successful after. It can tell you how many inputs it has, how many encounters. It said to us that an encounter can be just once a year in a school assembly, which to me is not a meaningful encounter. Therefore, there are no outcomes and very little oversight and it seems to have unlimited funds to do whatever it wants and to spend money, some of it quite wasteful in the Committee's view.

Mr Damian Hinds: I can reassure you nobody has unlimited funds. I would also say this is relatively early days for the Careers and Enterprise Company. When we talk about outcomes, ultimately on careers advice, careers guidance, you want to be measuring what happens in people's careers. It is a bit early in the life of the Careers and Enterprise Company to be able to do that but we do track, through surveys and so on, things like the Gatsby benchmarks and if kids are getting those things.

You are right that attending an assembly in which there is someone from business giving a talk is not as rich an experience as going to a factory. We would like to have a mix of these things, but it is better than not



HOUSE OF COMMONS

hearing from a business person at all. These things are evolutionary and, of course, that is only one of the eight Gatsby benchmarks altogether.

Q1655 **Chair:** My final careers question is that the Chancellor, when he announced the money for retraining of adults in the Budget, said there was going to be a new careers organisation as part of that. Can you explain what that is?

Mr Damian Hinds: We are working on the national retraining scheme at the moment, and it is in a design/alpha/pilot phase at the moment. We are not the only country grappling with this and I talk to counterparts elsewhere in Europe—

Q1656 **Chair:** But specifically on the careers side, he said there was going to be a new careers—

Mr Damian Hinds: That is what I am trying to explain. All throughout the rich world people are thinking about the impact of automation and artificial intelligence and the sort of structural change that is coming—and in some cases is already coming—in industry, how that will affect different people differentially and what is the different role of sector-specific training, generic training, careers advice, careers brokering, the role of public employment services and so on. I do not want to mislead you. We are still at a design phase in that model.

Q1657 **Chair:** He implied there is going to be a separate careers organisation to deal with this.

Mr Damian Hinds: I do not know that I can say there is going to be a separate careers organisation, but I also cannot say there will not be. We have the National Careers Service, the Careers and Enterprise Company, the infrastructure of hundreds of Jobcentres around the country. We think about how we use our existing assets but also whether we need to do some things new. With the national retraining scheme we will be doing some things new but, as I say, we are still in the design phase.

Q1658 **Chair:** On apprenticeships, can you confirm if you are expecting an overspend in the apprenticeship levy budget for starts in 2018-19, 2019-20 and 2020-21?

Mr Damian Hinds: I think you are referring to some discussion presentation that was given by the IFA, which I think was illustrating a scenario. We are seeing quite some success with the apprenticeships programme. You will know—and no doubt our conversation will turn to—the point that the number of starts is lower than it was some time ago, but what we have seen is a move to longer, higher level apprenticeships with more off-the-job training. They are more expensive apprenticeships, and so, partly prompted through the levy, we are seeing a sort of upgrading of apprenticeships happening. That is something very much to be welcomed.

Q1659 **Chair:** In response to the question, can you confirm whether you are



HOUSE OF COMMONS

expecting an overspend in the apprenticeship levy for starts in 2018-19, 2019-20 and 2020-21?

Mr Damian Hinds: I was going to come on to that, if you will forgive me. You cannot project absolutely accurately what is going to happen a number of years out. This is a demand-led system, as you know, with both levy payers and non-levy payers. When apprenticeships are multi-year apprenticeships there is also the question of completion rates, which you cannot know absolutely precisely in advance.

Of course, companies have up to two years to spend their apprenticeship money, so all of that becomes difficult to project absolutely accurately because it is a demand-led system. The thing that you are referring to was a particular illustrative scenario. These were not my slides or our slides. Somebody else was illustrating what they thought could happen.

Chair: Yes, so they predicted by the end of 2019-20—

Mr Damian Hinds: That was not my projection. To be absolutely clear, that is not my projection.

Q1660 **Chair:** You do not think there will be an overspend?

Mr Damian Hinds: Well, for a start we are talking about moving into the next spending review period in which, as we sit here today, there is not a spend to be overspent, if you see what I mean. Anything that is in the next SR period is—

Q1661 **Chair:** Therefore, the £2 billion they projected is wrong? The IFA said there will have been an approximate accumulative £2 billion overspend by the end of the 2019-20 academic year. Are you saying they are wrong?

Mr Damian Hinds: I do not have in front of me the set of figures that you have or what precise years we are talking about.

Q1662 **Chair:** This is its presentation that the DfE was very reluctant to publish for quite a while, but it is all in here.

Mr Damian Hinds: As you say, it is its presentation. As you know, we have a levy system and a ring-fenced budget for apprenticeships and we have to manage that budget. It is also a demand-led system. We have to work with the budgets that we have, but when we talk about the next SR period that is a different matter because all Government spending is in a new phase at that point.

Q1663 **Chair:** The experts are saying that the reason why there might be this overspend is because employers may be rebranding expensive courses as apprenticeships. For example, take the Cranfield University School of Management. It redesigned its executive MBA at a cost of £32,000 as an apprenticeship, and the course is pitched at middle managers who want to move into a senior management role. It does raise important questions about the purpose of the levy. Was it supposed to be a vehicle for



HOUSE OF COMMONS

upskilling senior employees at the more expensive end of the spectrum, or should it focus more than it does on those coming through school? Would you not say that by driving up precious levy funds—because they are always at the top end—with more expensive courses for already more comfortable members of society, you risk depleting a crucial source of funding for those most in need?

Mr Damian Hinds: That is a legitimate question for this Committee to consider. The levy as designed covers all levels of apprenticeships. I know you yourself are a passionate advocate for degree-level apprenticeships. Whether you talk about apprenticeships or anything else, there is more generally an important role for management education. We know that if you take a productivity view of the United Kingdom and where we have challenges compared to other countries, management is usually one that is alighted on, so there is a role for management education. As I say, the levy as designed covers all levels. It is a pretty small minority that sit those above level 6, but those do exist.

Q1664 **Chair:** Are you looking at it to see how much potential gaming of the system there is and possible reforms to deal with that?

Mr Damian Hinds: We have said very clearly that we are having a review of how the levy works after 2020. That takes in multiple aspects, the whole operation of the levy, in consultation with business. We should not underestimate the job it has already done. The levy rights an historic issue we have had around what is called the free-rider problem. Some companies are really strong investors in their people and others are less so.

Q1665 **Chair:** I am supportive. We know that and I supported the levy. What I am trying to understand is where there are flaws, like the ones I have demonstrated, that are possibly the reasons for the potential overspend.

Mr Damian Hinds: Those are relatively small numbers that you are talking about.

Q1666 **Chair:** But that sort of thing is going on across the board. All I am saying to you is: are you looking at reforms to deal with this potential gaming of the system?

Mr Damian Hinds: We are going to be consulting with business. Select Committees can be really good because you can get into the real essence of the thing.

Chair: Yes, in a nutshell.

Mr Damian Hinds: But sometimes it is not possible. My point was about the free-rider issue. This is fundamentally about resolving a business issue, which is that some companies are strong investors in training and people development and others less so. Then the danger is that those that invest the money lose the people to the others. The levy rights that historic issue.



HOUSE OF COMMONS

It is something that has to work for business and that is why we will be consulting—as we consult with business the whole time on apprenticeships—particularly on the future operation of the levy to make sure that it is something that works for business. That includes all the sorts of questions that you have raised.

Q1667 Chair: Finally, before I pass to Ben who is going to ask about the Baker clause, where are we on getting rid of transport costs for apprenticeships? Let's hope you have a great answer today.

Mr Damian Hinds: When we last corresponded before Christmas we were going to come back to you on the DfT research project on buses, and we are not quite ready to do that yet but we will.

As you know, there has been the announcement on the railcard, the 16 to 17 railcard from which of course young apprentices can also benefit. There is also the £1,000 that goes to employers taking on apprentices of that age, which is not only for transport but can also be used for employment. Further, we have the £1,000 a month bursary for care leavers, which again can also be used for transport among other things.

Q1668 Chair: There is not a specific programme as set out in the manifesto of getting rid of transport costs for apprentices?

Mr Damian Hinds: There is not. We are going to be getting back to you on the buses issue but, of course, the trains, and railcards—

Q1669 Chair: That is for 16 and 17—

Mr Damian Hinds: It is just for young apprentices.

Q1670 Chair: What about 18, 19 and so on?

Mr Damian Hinds: No, that does not apply for them.

Q1671 Chair: Again, we have never had any firm answer on this because every time you say, "We are going to get back to you" or "We are talking about it with the Department for Transport". This was a firm commitment in 2017, so what is the timeline?

Mr Damian Hinds: I hope we are going to be getting back to you on the buses question soon. You say the railcard is not specifically for apprentices, which is true, but it is also for apprentices. The grant money that goes to employers taking on those young apprentices is relevant too, as is the care leaver bursary.

Q1672 Ian Mearns: Going back to careers advice and guidance, Secretary of State, and as you say there never was a golden age although—

Mr Damian Hinds: What were you advised to be, Ian?

Ian Mearns: It is not really a question of what I was advised to do. I was told to get a form and go to the Ministry of Work and Pensions next door to the school that I was at because it was a massive employer,



HOUSE OF COMMONS

literally next door, but I didn't. We did not actually have an independent careers advice and guidance service then. We just had a careers teacher who was also a maths teacher called Mr Magill, and I remember the interchange to this day but it is quite a long time ago.

There was never a golden age but going back 20-plus years when I was chair of Tyneside Careers, the careers company then, which covered four local authority areas, created surpluses from public contracts and those services were diverted back into providing additional services for young people. It was not a golden age but it was somewhat better than it is now I believe.

One estimate by Unison has suggested that the number of dedicated careers advisers in England has fallen by more than 5,000 since 2010. There has been a fair amount of commentary recently that compares unfavourably the highly fragmented career service we have here in England with the comprehensive, strategic service up north across the border in Scotland, which rightfully has been praised by the OECD. What lessons can we learn from our counterparts north of the border about having a strategic and all-encompassing careers advice and guidance service?

Mr Damian Hinds: I am always open to learning from Scotland and Wales and Northern Ireland, and indeed other countries outside the UK as well. When I was in my previous job at the Department for Work and Pensions, I was also keen then to look at how the—because the Public Employment Service is a bit different in some ways. The core Jobcentre network is the same but then there are aspects of Careers Scotland—I think I have the term right. I am always open to looking at that.

It is right that we think about how we continue to evolve careers work. That applies in schools but increasingly we need to think about how that applies through people's lives with ever more likely changing careers as we go on and when we have very low unemployment, as we have, helping people to access opportunities for higher productivity and higher paid jobs with better career prospects. This has to be long after they have left school. These are all very relevant factors. I think what we are doing with the Careers and Enterprise Company and the Gatsby benchmarks is a good evolution. It is a good improvement.

By the way, at school level the best advice quite often is to keep your options open. To come back to our golden age discussion, back in those days that was not really what they thought. They tended to be more of a, "Move in such and such a direction". When it comes to things like GCSE subject choices and A Level subject choices or whether you are going to do BTEC, A Levels and so on, quite often the best advice at that age is, "You don't need to make an irrevocable decision about which direction you are going to go in. You can keep your options open".

Q1673 Ian Mearns: One of the problems that we have come across in a number of different inquiries that we have been engaged in—and this is not



HOUSE OF COMMONS

scientific evidence, it is just what we have picked up from talking to people out there in the field, particularly youngsters doing apprenticeships—is that so many of them cannot remember getting any independent advice and guidance and certainly did not get any advice and guidance from the school about going down the apprenticeship route.

Mr Damian Hinds: Yes, I am coming to that.

Ian Mearns: That is not universally the case but it does happen an awful lot and it still does happen an awful lot.

Mr Damian Hinds: I am conscious of that.

Q1674 **Ian Mearns:** Since we are trying, as a country, to grow the number of apprenticeships, that is not going to occur, and the right youngsters are not going to get into those apprenticeships, unless we have independent, impartial advice and guidance in our schools.

Mr Damian Hinds: Yes. Look, Ian, you raise a really important point and I agree with you. We need to make sure that the full range of options is made known to children and young people. Part of that is what happens through school. Actually a really important channel of careers advice turns out to be mum and dad, and so what parents know about all the different options is relevant to this as well.

We have the Baker clause now—it is in its very early days—to make sure that children are able to see what the other options are college-wise and so on when they are at school. I am not pretending for a moment that we have this absolutely cracked. We need to keep working at it.

Q1675 **Ben Bradley:** That leads on quite nicely. For the record, I was told by a computer to be a fighter pilot, which I thought was overly specific.

Mr Damian Hinds: I was going to be catering in the RAF.

Ben Bradley: I am actually too tall to be a fighter pilot, so it did not take that into account.

On the Baker clause, there are some worrying statistics. The IPPR report suggests that two in five schools are complying with it, which is concerning because, as has been touched upon, it is absolutely the right thing to do to make sure all those options are available to young people. The Department says it will take—the term I think is—appropriate action to deal with that and ensure compliance. What does that mean?

Mr Damian Hinds: First of all, I think it is worth saying that in that same IPPR report a lot of people are saying it is improving. That is something to be welcomed but of course we want to see things go further. Ultimately, I am not going to be heavy-handed with schools where we don't need to be. The Department for Education must make sure we are—

Q1676 **Chair:** There is an important stat. The DfE commissioned a survey from FE providers and 5% of responders think all schools in their area allow



HOUSE OF COMMONS

providers proper access to their pupils in terms of the Baker clause.

Mr Damian Hinds: Yes. As I was just saying to Ben, in the same IPPR survey a lot of people are saying things are improving and that is something to be welcomed. Ultimately, if there is total intransigence—and, as I say, this is not something we would do lightly—first of all, there is the option for a Minister to write to the school to remind them of their duties to ensure compliance. The intention of this is not that we are going to be getting into sending direction letters to schools. That is not the idea at all. Ultimately, it is in everybody's interests that kids have a range of options available to them.

We are also going to be changing the way that schools' results tables are presented to make sure that we don't overemphasise kids going to university, for example, and that anybody going on to a further learning opportunity is properly recognised and highlighted in those tables.

Q1677 **Ben Bradley:** The route into ensuring compliance is a strongly worded letter?

Mr Damian Hinds: In this line of work that is quite a rare thing to do, which I think Jonathan will probably confirm. You don't get ministerial direction letters to schools very often. I don't anticipate this being a common thing. What we want is for everybody to be pitching in and to be seeing the benefit of it.

Q1678 **Chair:** Why don't you get Ofsted to include this?

Mr Damian Hinds: We have the new Ofsted framework coming out for consultation this morning. You will forgive me if I do not recall every word in it. I do know that Ofsted would share my desire for kids to have information about the breadth of opportunities.

You said about a DfE circular. Jonathan may or may not be able to confirm, but obviously we do communicate with schools. We try to do it in a sensible volume kind of way because historically a complaint has been the volume of stuff that comes down from on high. I am in the business of trying to reduce teacher workload, reduce bureaucracy and so we need to make sure we get that balance right.

Q1679 **James Frith:** I refer members to my register of interests, which I was meant to do at the beginning.

On the Baker clause, you talk about it being in everyone's interests but actually that is not the case. The Baker clause recognises that it has not been in everyone's interest to let all suppliers on, and where there are instances of sixth form colleges associated to schools there is evidence of pathways being highlighted better or emphasised better. The Baker clause exists because it has not been in everyone's interest, so I don't think you are across this, Secretary of State.

Mr Damian Hinds: I am not sure that is a total sequitur from what you said to the final point. You are right that if you take a straight revenue



HOUSE OF COMMONS

perspective, yes, of course, there is an incentive. Schools and colleges want to attract pupils and students to them, and that is indeed what the Baker clause is seeking to address. It is not a new thing, by the way, I mean if you are suggesting that.

James Frith: No, quite.

Mr Damian Hinds: That is something that has been around for a long time since we have had—

Q1680 **James Frith:** Thus, picking you up on the proclamation that it is in everyone's interest to do it, it has not been in everyone's interest, which is why the clause was included and that was the point just to pick you up on.

Mr Damian Hinds: It depends on how you define "interest". I am talking about a broad societal interest. In my experience, people working in schools, teachers and others working in schools, want the best for those kids and for some of them that will mean going to college. When I say it is in everybody's interest, I think it can be.

Q1681 **Ben Bradley:** I understand the reluctance to not come down hard on schools, absolutely, so there have to be other routes to make sure everybody has access to information. You touched on parents before, which I think is a hugely important thing to recognise, particularly in communities like mine in Mansfield where parents may not have been to college or university and do not have that experience to pass down to their kids. Therefore, it is even more important that they have access to that externally. What else is the Department going to do to make sure that that information is out there?

Mr Damian Hinds: That is a really good challenge. I do not necessarily have a perfect answer to give you, apart from just to say, yes, we need to keep working on that.

It is also about teachers knowing about the full range of opportunities. You mentioned university, and some universities do very good outreach programmes to get more teachers to come and visit top universities, to see what is there and to know that there are other kids from the same areas going to those universities. That can be an important message to families as well. A lot of schools do fantastic work bringing parents into school, particularly the primary school of course. I am not claiming I have the most perfect answer for everything we need to do, but I do agree with you that we need to do it.

Q1682 **Lucy Powell:** I have a couple of quick topics that you probably expect me to ask about, and I have some other stuff later on on multi-academy trusts.

The first is a topic close to my heart. You and Nadhim have both been very good about engaging with me and many MPs across the House on worries about maintained nursery schools and whether they can carry on



HOUSE OF COMMONS

functioning. As you know, the transitional funding is soon to run out. We are still greatly concerned that the comprehensive spending review is going to come too late for many of the decisions about those nurseries. There are many Conservative colleagues and others who share those very serious concerns. Is there any more reassurance you could offer us today on that, please?

Mr Damian Hinds: The reassurance I would give is that the role of maintained nurseries is valued. They are different from other early years settings. They do different things. I had the pleasure of visiting a maintained nursery with you in your constituency, as I have to others as well. I understand that they are not all exactly the same.

Lucy Powell: No, they are not.

Mr Damian Hinds: These things never are, but it is the breadth of what they do and the quality. We have been doing some research work to try to really understand the value of maintained nurseries. That is part of making the case. Like all Government spending, as you know, it is part of the spending review and maintained nurseries will be part of that as well.

Q1683 **Lucy Powell:** Would you be hopeful of that? Is that something that is top of your list or quite near the top of your list of what your ask is?

Mr Damian Hinds: Am I hopeful for the future of maintained nurseries?

Lucy Powell: Yes.

Mr Damian Hinds: Yes, I am, of course.

Q1684 **Lucy Powell:** The other random topic I want to quickly move on to before the slightly more themed questions is that you may have seen over the Christmas period there was media coverage of some parliamentary questions I was asking about private schools still doing the IGCSE while state schools have been asked to do the new, much tougher GCSEs. The Department put out a statement that you did not recognise that. I am not in the business of criticising private schools, but my question to you is: what can you do to level that playing field? As an employer, university or whatever, they would not know whether a child had sat the IGCSE or the tougher, more robust new GCSE. Do you think it is really fair to have a two-tiered system like that where all the private schools are choosing a different option?

Mr Damian Hinds: I think it is right that we have reformed GCSEs and A Levels to make sure that they allow every pupil to show what they can do. They are exacting qualifications and they are as they are. The IGCSEs are pegged against leading qualifications elsewhere in the world and I think it is right that we have high expectations for kids in this country. We talk about state schools and private schools. We are talking about 93% here when we talk about state schools. That is overwhelmingly the number of children we are responsible for.

Q1685 **Lucy Powell:** If you go to a private school and you are doing what you



HOUSE OF COMMONS

could describe as an easier option, when you are applying to university or you are applying for jobs they are just looking and seeing that you have As and A stars or whatever. They do not understand that they would be comparatively easier—as your own Department has suggested—compared to those at state schools. Is that not just deeply and profoundly unfair?

Mr Damian Hinds: I would say a couple of things. First of all, when you move on from GCSEs to go to college, university and to many employers, of course people do understand that things have changed but, critically, we also have this principle of comparable outcomes to make sure that children are not disadvantaged by being in the first year of the new GCSEs, that the results will be broadly in line. The question of hardness or non-hardness is not quite the same as what shows up in the results because of the principle that kids doing the GCSEs after the change will get results in broadly the same proportion as those before, so they are not disadvantaged.

Q1686 **Lucy Powell:** I know there are comparable outcomes of course, but that does not apply. You have a two-tiered system. You do not have comparable outcomes across the piece. Do you not think it is deeply unfair that children who already have a great advantage in life—by attending a top private school by definition they have all of life's advantages—are able to apply to university on the same basis as kids in state schools, having done completely different GCSEs, one of which you regard as being tougher and more robust and the other, therefore, you don't?

Mr Damian Hinds: The other qualifications regulator, which is Ofqual, has approved our GCSEs and A Levels and we think those are the right exams. This is a very important point. In introducing more exacting GCSEs children are not being disadvantaged as a result of being in the cohort after that change compared to before. Therefore, they are not running at a relative disadvantage in that sense to children from private schools who have not been through the same change.

Q1687 **Lucy Powell:** Except the jury is slightly still out, isn't it, as to who can respond better? We have already seen girls doing less well and children from disadvantaged backgrounds struggling more with those tougher aspects. We will see the evidence over time. They are much tougher and they do rely a lot more on the end of year assessment in the form of exams. Some children do better at that than others, but if they were so robust why wouldn't the top private schools be choosing them? That is what I don't understand. I also think your job—if you don't mind me saying—is to say to universities and others they should not be accepting those GCSEs. Let's drive the system so that there is a level playing field. That is all we are asking for.

Mr Damian Hinds: That is what we have Ofqual for: to be able to assess different qualifications. But on your other point, Lucy, yes, I expect more independent sector schools to be taking on reformed GCSEs over time.



Q1688 **Chair:** Do you think independent schools should be doing more to get people from genuinely lower income backgrounds on to free school meals?

Mr Damian Hinds: Yes. It is worth saying that many private schools do very strong work in that area, and in other ways as well, in making facilities available, in doing collaborative projects and so on, and I am keen for more of that to happen. Myself and Lord Agnew, our Lords Minister, had a session relatively recently with some of the—

Q1689 **Chair:** Michael Gove once suggested taking away the charitable status, which is apparently very complicated to do. But would you consider something like a private school levy whereby they would have a certain number of children on free school meals and from the most disadvantaged backgrounds—and in some ways it might work like the apprenticeship levy—in order to boost the numbers and provide those children with the opportunities by going to those schools?

Mr Damian Hinds: There is no levy plan at the moment. There is charitable status for independent schools and, as I say, many do very good pro bono charitable work. I encourage that and I would like to see more of it, particularly, for example, for children in care. It would be very welcome to see more children in care being able to attend some of these schools.

Q1690 **Thelma Walker:** If I could talk to you about something close to my heart. The Fabian Society's recent report, "Primary Colours", says there has been a shocking decline in arts education in primary schools, and 49% of teachers surveyed said the quality of arts provision has worsened since 2010. Yet at the same time your colleague Nick Gibb has said recently that every child should be taught to read music.

Mr Damian Hinds: To coin a phrase, I agree with Nick, for those who are old enough to remember that.

Q1691 **Thelma Walker:** Taking that music should be taught in schools, let's think about the arts curriculum across the board here. The rationale behind the reduction in the curriculum is the narrowing of the curriculum, high stakes accountability, the pressure on schools, cuts to funding where some teachers are saying that to teach art in the classroom they cannot even fund the actual paints or the materials to deliver the curriculum. Yet at the same time we are being told by Nick Gibb that there needs to be provision for learning to read music.

You have also said about the whole child, preparing for the workforce and the education of the future workforce, that the soft skills are really important—creative thinking, resilience, interpersonal, emotional intelligence, all of those things—which we know music, the arts and culture can deliver. What are your views on how we address that in schools?

Mr Damian Hinds: Thelma, I agree with you entirely about the role of music and the arts more broadly as part of a rounded education. I want



HOUSE OF COMMONS

to see for my kids—and I think all of us want to see for our children and want to see for the children of our country—leaving school having had the benefit of all that education offers. Part of that, and a really important part, is the qualifications that you leave with. That is only part of it. It is also about discovering the joy of learning and things that you will bring with you into adult life. As I say, music and the arts are a unique part of that and through—

Q1692 Thelma Walker: An important part of our economy in terms of the music industry.

Mr Damian Hinds: Absolutely, also an important part of our economy and, at one level, if you are studying some of these subjects or developing them to that level, you might be part of that creative economy. But even for the huge group of people who are not going to be doing this as a job or something like that, it is part of self-actualisation. It is just part of growing up to be able to discover some of those things and so, yes, I want children to be able to try musical instruments. I want art in schools and—

Q1693 Thelma Walker: But that needs to be funded. You cannot try a musical instrument without the provision there.

Mr Damian Hinds: For example, that is why we have the music hubs and, overall, over five years it is £500million going into music and arts programmes from these large-scale participation programmes up to funding at the elite level and some of the things that are really important for the economic contribution that you mentioned.

Q1694 Thelma Walker: Getting back to the stats, 49% of teachers are saying that arts provision has worsened. For all you mention hubs, my fear is that the next generation of actors, musicians, writers and designers are going to be coming from private schools.

Mr Damian Hinds: I don't think it is breaking news to say that quite a lot of actors, musicians and so on for quite a long time have come from private schools. I want more opportunity to be able to do those things for kids in state schools. Some of the programmes I have mentioned are part of that. For some of them it will mean all the way, going to a top conservatoire or music school, whatever it is, but also for the great mass of our population having access to try out a musical instrument, to sing, to do art, to do drama, public speaking, all of these things are part of—

Q1695 Thelma Walker: Don't you think there should be a firm commitment to funding creative arts in schools, in maintained schools, across the board?

Mr Damian Hinds: Yes, and we do. There are the specific things that I have talked about but also, overall, funding for schools is there to cover those subjects and those activities and disciplines, as well as to cover English, maths and history and so on.

Thelma Walker: But head teachers and teachers are suggesting that it



HOUSE OF COMMONS

is being squeezed out.

Q1696 **Lucy Powell:** Just quickly on that, could you look again at this desire that 90% of children will do all the EBacc subjects? It is not just funding, it is that the constant drive for schools to do more and more English and maths and then at secondary the EBacc subjects that is obliterating out of the timetable the ability to do music and the creative industries.

Mr Damian Hinds: The EBacc need obliterate nothing.

Lucy Powell: Well, it is.

Mr Damian Hinds: First of all, Thelma was asking about primary school and so the EBacc not only is in—

Q1697 **Lucy Powell:** In primary then, the stats. Everyone is sitting there doing SPAG English and maths. It is the same thing.

Mr Damian Hinds: Fire one challenge at me at a time. We are talking about primary school, but even in secondary school the options that you take for GCSEs—that is a key stage 4 question—that still leaves three years in key stage 3 and even in key stage 4, even if you are doing the full suite of EBacc, GCSEs, that still leaves space to do a couple of other GCSEs as well. It should not be the case that things are being squeezed out.

If you will allow me, I am going to make the point that the EBacc is a very important thing. I talked earlier about young people being able to keep their options open. Actually, that breadth of core subjects is a very good way of keeping your options open when you are aged 16.

Lucy Powell: It is not very broad, though, is it?

Q1698 **Thelma Walker:** They are not going to make that choice in secondary if they have not had the opportunity in primary.

Mr Damian Hinds: I agree. That is why I was saying to you in a previous exchange that I do think it is very important that we have these things in primary school.

Q1699 **Thelma Walker:** Moving on to something else—and, Jonathan, you might want to respond to this—the transparency of funding for academies and trusts and accounts. Obviously the best way for the public and local community to understand the workings of an academy or trust is to be able to look at minutes and associated documentation, but we have many examples, sadly, where trusts have refused or are reluctant to publish documents or to share documents with the wider public. What is your position on them avoiding publication of such documents?

Jonathan Slater: It is worth starting with the fact that the very nature of becoming an academy trust requires you to publish a set of accounts, for those to be subject to external audit and for me to consolidate all of the information that comes from those audited accounts into an annual document that we now publish, which would include the pay of senior



HOUSE OF COMMONS

people. In fact, at the individual trust level, it would include the pay of all of the trustees, any related party transactions and lots more information besides. That is in the nature of being an academy trust. It does not apply to maintained schools. They do not have to produce sets of accounts because they are not charities.

Q1700 Thelma Walker: It is still public money.

Jonathan Slater: Yes. Sorry, the point I am making is that trusts are required by law to publish a lot more financial information than local authority maintained schools, and it is my job—supported by my colleagues in the ESFA—to make sure they do and they do it well, and if they don't for my people to come down and make sure that they do that. If we are dissatisfied, which we occasionally are—rarely, occasionally—we take action to compel them to do so and we make public that that is what we are doing.

Chair: I would just ask you gently—only because of the acoustics not because of you—to speak a bit louder.

Jonathan Slater: I will.

Chair: Thank you.

Mr Damian Hinds: No politician is ever asked to do that.

Q1701 Thelma Walker: When a trust closes it no longer has to publish its accounts, meaning that nobody knows how much has been written off by the ESFA.

Jonathan Slater: Trusts only publish accounts while they exist. Once they have closed they have closed, but it is the job of my team to ensure that any surpluses that were managed by the trust at the point at which the trust closed are redistributed to the schools in the successor trust. It is completely impossible for any trust that is closing to take any money with them. Any money that was in surplus goes to the successor trust for those schools, and it is my job to make that happen.

Q1702 Thelma Walker: Nobody really knows how much was written off, though.

Jonathan Slater: In respect of surpluses, we transfer them across, so when Durand school switched across to Dunraven, Dunraven got the money to spend on the school. If there is a—

Q1703 Thelma Walker: Do we know exactly how much the surplus was?

Jonathan Slater: From the top of my head, it was somewhere between £900,000 and £1 million.

If there is a deficit at the trust at the point at which it closes—sometimes we will close a trust because it gets into financial difficulties—it is our job to make sure that the education of the children in the successor trust does not suffer. That is one of the reasons why we provide funding, which



HOUSE OF COMMONS

of course we are transparent about—I have nothing to hide—to make sure that the successor trust received the funding to enable the children to continue to benefit. If there had been any misuse of funding at a previous trust we would follow that up, which is of course what we are doing in the case of Bright Tribe at the moment.

Q1704 Thelma Walker: What happens if a trust avoids publishing documentation?

Jonathan Slater: It depends what the documentation is. I have summarised the information that—

Q1705 Thelma Walker: Financial accounts, minutes of meetings.

Jonathan Slater: All accounts have to be published and have to be subject to external audit.

Q1706 Thelma Walker: Some trusts have claimed that they are confidential.

Jonathan Slater: I am very happy to follow up after the meeting if you have particular examples that you would like me to pursue, because they are all required to publish them.

Q1707 Thelma Walker: It is just at the moment it seems that parents are relying on whistle-blowers and freedom of information battles to actually access information. Do you think that is right?

Jonathan Slater: It is important to be clear about what information should be published for what purpose. The Secretary of State made a speech last summer in which he identified the critical importance of transparency for parents in respect of what is happening at the trust level. He set us a challenge to see what more needs to be done. Since the speech, we have put in place the new regime whereby Ofsted carries out evaluations. It started carrying out evaluations at the MAT level, looking at the contributions of each school within the MAT and looking at what the added value is of the MAT. We are working out how we can publish more information at MAT level to respond to the Secretary of State's challenge.

I am not suggesting that there are no improvements that could be made, nor am I suggesting that there are no examples of poor practice, which I am happy to follow up. But, in general, what I am telling you is that over 98% of academy trusts not only publish their accounts but those accounts are completely unqualified as proven by external auditors, which is a pretty rigorous system. I am not saying nobody does anything wrong. We follow it up and chase it down. If you have particular examples you would like me to do I am absolutely happy to do so.

Q1708 Ian Mearns: To briefly follow up on that, I was quite impressed with the opening statement that the Secretary of State made in answer to the first question about the Careers and Enterprise Company. He said all bodies in receipt of public money should be open to scrutiny, and I just want to see that level of openness and scrutiny being transferred across to the whole



HOUSE OF COMMONS

idea of academy chains and academy trusts, because there have been some well documented cases.

I know that the Department is following them up, but there is also some concern that trusts or individual schools that have got into deficit situations have either had loans with very generous terms from the Education and Skills Funding Agency or that they have had deficits written off by the funding agency. If that is true, would you let us know after this hearing, Secretary of State, and Permanent Secretary, please?

Jonathan Slater: Clearly, if a school gets into financial difficulties it is the responsibility of the Department if it is an academy to work out what to do. If it is a local authority maintained school, it is the job of the council to work out what to do. It may well be that in a particular set of circumstances the best thing for the children at that school is for the Department or the local authority to lend them some money to get themselves sorted out. We have nothing to hide on that. We make that public.

Conversely, if there has been a problem at a trust spending money inappropriately, we will chase it down and get it back, just as that will be the responsibility for local authority for maintained schools, no different.

Q1709 **Ian Mearns:** Moving on, on related party transactions, what is to stop a trust from making a series of related party transactions in the amount of £19,999? In other words, it is under the £20,000 threshold, but what is to stop them doing a number of those? Should there be some sort of cumulative effect within that?

Jonathan Slater: The first point is that any trust that does any related party transactions has to make that public in their accounts and they have to be audited by a set of external auditors, who have to identify them as either compliant with our rules—and nobody is making any profit out of them, for example—or not.

Last year we investigated 108 occasions where there seemed to be questions to be asked, either because an auditor said that they had not followed the rules or because a significant sum of money was being spent, £100,000 was being spent, or that the trust in question had other financial challenges. We followed up 108 such cases and we found 59. I am talking about the last year for which we have audited accounts, 2016-17. This is all in the SARA that we published. Fifty-nine of them we found wanting. It was about £7 million, 0.03% of the overall academies budget, so we said, "No, that has to stop".

Q1710 **Ian Mearns:** That £7 million is more than the great train robbery though. It is a significant amount of money.

Jonathan Slater: We thought we should go further than that. I am sort of summarising what we were doing before. What we are working on to bring into place from April is a regime where if a school has a related party transaction, they do not just have to publish and have it audited by



HOUSE OF COMMONS

the auditors, they have to tell me in advance every single time. We need in writing from the trust confirmation at the time that the rules have definitely been followed. If that related party transaction is for more than £20,000, they have to get our agreement in advance.

That is far and away the most rigorous regime anywhere in the world for such things. We will see how it goes. If we were to find that an individual trust was seeking to get around those rules in the way you describe, we would find out straight away, because they would have to be telling us, even if it is less than £20,000, how it is going to be. We can adjust those rules as we go along if we need to.

Q1711 Ian Mearns: I will just put that into context. I have been a school governor, continuously, of several different schools—and I am still a school governor now—for the last 36 years. In 36 years, I have never had to declare one single related party transaction. Is there not an ethical dilemma about the way in which some of this business is being conducted?

Jonathan Slater: I am referring to the regime that we have put in place for academy trusts. I have already made the point that the regime for academy trusts is a lot tougher on this than it is for local authority maintained schools, for the straightforward reason that academy trusts are charitable bodies and a set of financial arrangements apply. It is my job, as the Permanent Secretary of the Department for Education, to make sure that those rules apply to those academy trusts. You would not have been subject to that regime before 2010 and it would only apply if you are a governor of a trust at a trust level.

Q1712 Ian Mearns: I have always had to since LMS, after the 1988 Act. I have always had to make a declaration about related party transaction on an annual basis.

Jonathan Slater: Sorry, I thought you were saying there was something that I have said that you have not seen.

Q1713 Ian Mearns: No, what I am saying is the very fact that related party transactions are occurring opens up, from my perspective, an ethical dilemma. People should not be conducting business using public money with people who they have a close connection with.

Jonathan Slater: Yes, absolutely. Equally, as you and I both know, there are plenty of circumstances where such a thing is absolutely valid, for example, if the school is getting the benefit of a service from the diocese or from another school, if a parent governor is providing a service for free. You know as well as I do that these are all related party transactions that one would encourage. One would not be happy at all if people are making money out of them, which is where we are going to come down on it.

Q1714 Ian Mearns: Lastly, can you tell us what steps you are taking to increase the number of quality sponsors for schools and how many orphan schools



there are still in the system?

Jonathan Slater: It is a big part of the job of my regional schools commissioners to grow the capacity of sponsorship, absolutely. We spend considerable sums of money on this, supporting trusts growing in size. We have to do so thoughtfully, responsibly, learning from the past on this, growing trusts at a scale at which they can credibly grow. That does sometimes mean that a school is waiting for a sponsor longer than anybody would want, undeniably. I cannot give you the number off the top of my head, but I am very happy to write to you.

What we do in the circumstances where a school does not yet have a sponsor is accept that it is our responsibility to ensure that the children get a better quality education, obviously if the reason it is becoming an academy is its failure to Ofsted. We will fund the school for school improvement services or do whatever other changes are required to management or teaching pending the appointment a new sponsor.

Q1715 **Lucy Powell:** Back to the Secretary of State, just following on from that on multi-academy trusts, I think since we last saw you the Sutton Trust has published their "Chain Effects" report, which is a very thorough and comprehensive study looking at the impact of academy chains. They very clearly found—and I think this builds on previous evidence—that the performance of academies, in whatever form they come, is no better or no worse than maintained schools, but in fact they performed much less well when it came to disadvantaged children. Do you still have a view that all schools should become academies or that academising is a school improvement mechanism?

Mr Damian Hinds: Yes, I do. First of all, when you are talking about comparing performance of academies with the performance of maintained schools, I celebrate the fact that you have both academies and maintained schools improving their performance, but I also think a part of the reason for that can be the existence of diversity, variety and choice in the system. Ideally, when you have academies coming into an area, conversations about an academy happening in an area, you want that to benefit the kids in those schools but you also want it to benefit the kids in all the other schools. That is a good thing.

Specifically on multi-academy trusts, there are multiple advantages of multi-academy trusts. I think the ability to share resource, to share expertise, to facilitate career paths for teachers are all very positive things.

Q1716 **Lucy Powell:** Yes, I think that there are potential positives, but as we see from the evidence, some do that really well, some do that less well, particularly if they are spread right across the country, versus place-based academies, where I think you get more of those economies of scale in the school improvement.

The Sutton Trust—and I know you value the input of the Sutton Trust—also recommended that we had Ofsted inspection of multi-academy



HOUSE OF COMMONS

trusts. We have asked you about this before. I know Amanda Spielman wants these powers. Are we any nearer to that happening? It is something this Committee has asked for for years.

Mr Damian Hinds: We are continuing to work on—Jonathan said a bit about this earlier—looking at how, at the trust level, we help to give parents the information they need, but also from the public administration point of view and public funding point of view for us to know how value is being added. I do not think it is right to make a jump from that, saying that therefore Ofsted inspection is the way to go. Of course all the schools in the trust do have Ofsted inspections and historically we have had batched inspections. That system has itself evolved, including quite recently. We continue to look at how best to present that information and that everything that is helpful to know about trusts is there.

Q1717 **Lucy Powell:** I think I will take a “no” from that. As we discussed before, there is a difference between the individual school performance and the value-added of the MAT.

Mr Damian Hinds: No, I agree. Lucy, I agree with you about that. That is the reason why—and Jonathan alluded to something I had said earlier—I think it is important that we think about the individual schools but also the multi-academy trusts as an entity.

Q1718 **Lucy Powell:** Related to that, I want to touch on the new Ofsted framework that is out today. I think many people across the sector, and I myself, would wholly welcome the direction of travel of that. I think hats off to Amanda. This Committee was sceptical about her appointment at the time, but I think she is really doing a good job.

Chair: We should say the predecessor Committee.

Lucy Powell: The predecessor Committee. We have had her in and she has been really good.

Chair: We are very impressed with the work she is doing.

Lucy Powell: Today’s announcement is very strongly welcomed, I would have thought.

How might the Department also reflect this more holistic look at education? I think the over-reliance on data, which I can see Ofsted moving on, has led to unintended behaviours and unintended consequences for possibly everything from exclusions to cramming and that kind of thing. Will the DfE be reflecting this in its data dashboards, its analysis and how you hold schools to account as well?

Mr Damian Hinds: First, let me echo what you say about Her Majesty’s Chief Inspector, Amanda Spielman, and the new framework that is out for consultation from today. This is a very important step and I think the emphasis on intent in educational breadth, on the wider self and indeed on behaviour are all very welcome. A particular welcome, if I may, for the emphasis on teacher workload. Quite often you hear it from schools and



HOUSE OF COMMONS

you have alluded to it. It is nobody's intent, but the way the system works itself can be a part of the workload issue, usually because of things that people think are required by Ofsted rather than things that are required by Ofsted. But I think the Ofsted framework can also play a part directly in seeking to reduce teacher workload. We know that is a huge issue for many of our teachers, so I really welcome that as well.

I do absolutely believe in a broad education. I also do not believe in an over-reliance on data. Data is important, performance tables are important, results transparency is important. For years it did not exist. The result of that was you could have whole big groups of schools in a certain area that were letting down children year after year after year and nobody knew. If nobody knew, nobody could do anything about it.

Q1719 **Lucy Powell:** I was educated in that, so I agree with you.

Mr Damian Hinds: Yes, I do think that is important. But there is also the question of your results: how do you get your results? I think that is the distinction between a set of sort of metrics and judgments that can only be made by going and seeing, which can only be made by something like an Ofsted inspection. As I say, this is a really important step forward that we welcome, not just in data. There are three big drivers of teacher workload. Data is one of them and I want to see judicious use of data, but not over-reliance on it.

Q1720 **Mr William Wragg:** Good morning, Secretary of State. Money is often a question you get asked about, isn't it?

Mr Damian Hinds: Yes.

Q1721 **Mr William Wragg:** How much more money does a school budget need?

Mr Damian Hinds: We need to make sure that across education, including in schools, we have the right level of funding that we need to make sure all children can get a world-class education. There are also questions though about how you spend your money and about the best use of your assets. We are coming up to a spending review and we will be taking full account of all these things.

We benchmark ourselves against other countries in the world. We also look historically at how much we are spending compared to the past, but we have to consider what the pressures are. For example, high needs has been an increasing—

Chair: But in particular regard to Will's question—

Mr Damian Hinds: No, there is not a single figure, in answer to William's question.

Q1722 **Mr William Wragg:** Is the figure of roughly £2 billion not something you would recognise as the figure?

Mr Damian Hinds: No, I think we need a lot more than £2 billion to educate all our children.



HOUSE OF COMMONS

Q1723 **Mr William Wragg:** No, indeed, in addition to. As we approach the spending review, what assumptions underpin your bid?

Mr Damian Hinds: There are multiple considerations, including how you spend your money. High needs, as I was just coming on to say, has been an increasing pressure that we have seen in our system. There is more money going into high needs than in the past year—£1 billion over the last few years—but still those pressures are there and increasing. We need to do things to tackle those pressures. That is partly to do with how you spend your capital, making sure there is the right number of special school places available, that there is capital for inclusion units and so on in schools, but also about how you equip teachers, what you do in initial teacher training. There is a whole range of things.

If you look objectively across the world and say, “Does the United Kingdom spend a significant amount of money on education?” the answer is yes.

Q1724 **Mr William Wragg:** It does indeed. Particularly if you take into account university spending and the private sector as well, it certainly does.

Mr Damian Hinds: No, even if you do not, William. If you look at state spending on primary and secondary schools and you look at G7 nations, the United States spends the highest cash per pupil, but below that we are in line with or above all the other nations of the G7. This is the OECD figures from 2015.

Q1725 **Mr William Wragg:** Why is it that schools in my constituency, which have been some of the most poorly-funded over decades, say to me that next year they do not have enough revenue to fund what they need?

Mr Damian Hinds: Look, William, I think you and I have—

Mr William Wragg: This is not really aimed at you, Secretary of State, in many ways—

Mr Damian Hinds: Let me answer.

Mr William Wragg: —but it is really as a means to get through to the Treasury. When the Chancellor—a typical tin ear phraseology of his—says that there is £400 million for little extras and capital funding, that is not well received by schools. I want to know, as a great advocate for education in this country, particularly schools, what you are going to be doing, akin to what the previous Health Secretary did in his Department, of putting forward a 10-year plan, being an outspoken advocate of funding within your Department to the Treasury. At the moment, the Treasury simply do not get it.

Chair: Just to come in on that, you said you cannot give a figure of how much extra you—

Mr Damian Hinds: We will have a figure, clearly. That is what the spending review does.



HOUSE OF COMMONS

Q1726 **Chair:** You said you could not even give us a rough figure. Simon Stevens in the NHS job, the predecessor to Jeremy Hunt, had a clear view that the NHS needed £20 billion extra and made the case for it.

Mr Damian Hinds: It was not nearly as simple as that, Rob, because that was part of the wider NHS plan about how money would be spent differently and about the mix of community services versus key hospitals and so on.

Q1727 **Chair:** Yes, of course, but they still set out what needs to be done and how much it would cost.

Mr Damian Hinds: Yes.

Q1728 **Chair:** Why don't we have that for education?

Mr Damian Hinds: We will be doing that. That is what the spending review and our preparation for the spending review will do.

To come back to your question, I totally understand—and you and I have spoken about this specific to your constituency and more generally before—the extent of pressures that are on schools. Although it is the case that more money is spent in schools than used to be, schools also do a lot more than they used to and we, as a society, as a country—we as a Government, by the way—have much higher ambitions for children than used to be the case. There are those pressures and as we come to the—

Q1729 **Thelma Walker:** Excuse me. Would you say it is higher ambitions or would you say that it is because schools are covering the frontline services that have been cut from local government funding?

Mr Damian Hinds: I would say it is higher ambitions. It is also true that since the crash of 2007-08 public finances have been very tight. There is no denying that when this Government came into office—since you asked the wider question about finances—the annually recurring deficit was running at £5,500 per household. To get that under control, which of course for the kids that we are talking about, the kids in school, it is their future.

Thelma Walker: I am thinking more about the increase in—

Mr Damian Hinds: We need to get that under control. That has involved doing some difficult things across the Government, across the public finances. We need to make sure that in the spending review settlement we have a multi-year plan that sets out how we best use what we have and make sure we spend effectively. Things like purchasing, which I think we can do better, things like sharing equity, but also making sure that the core resource that is available to schools—and colleges, by the way, and nurseries and so on, but as we are talking specifically about schools—is at the right level.

Q1730 **Mr William Wragg:** I would be very reassured if you can give us the



HOUSE OF COMMONS

assurance that you will be, really being the strong advocate that I know you are for your Department, with the Treasury and—

Mr Damian Hinds: I have said before, William, I think education is a unique case.

Q1731 **Chair:** Just as Matt Hancock got up last week and did a 10-year plan, and the NHS has received much of the funding that it has asked for, we would like to see you get up with a 10-year plan and make sure that education gets the funding that it needs for the future. Is that likely to happen?

Mr Damian Hinds: It is very likely. It will happen. I will be putting a very strong case, and I think a very compelling case, for education. I have said a number of times before I think education is unique, because we are talking about the shaping of our society and our economy into the future. Education can do things that no other type of Government spending can.

Q1732 **Chair:** We are trying to help you in our inquiry.

Mr Damian Hinds: I know. No, I appreciate that.

Chair: James has been waiting very patiently.

Q1733 **James Frith:** Very patiently. Secretary of State, do you agree with Ofsted when they say it is a national scandal that thousands of children in England are not getting the SEND support—Special Educational Needs and Disabilities support—in their schools?

Mr Damian Hinds: Yes, obviously it is imperative that children who do have additional needs are having those needs supported. As I have said before, I think it is a measure of us as a society how we support and help kids who do have special needs. I was saying earlier that the spend on high needs has gone up from £5 billion to £6 billion. You do hear from schools that they are seeing children with more complex sets of needs. It is not always clear exactly why that trend towards more complexity would be happening in every case, but it is a reality.

Contrary to what a lot of people believe, there are more children going to a special school now rather than a mainstream school. We need to make sure we have the right education setting for every child that is going to work best for them. For some that will be special school, for many that will be a mainstream school. Of course we need to make sure that there is the right support in a mainstream school, there are the right facilities and whatever is needed to support the individual child.

Q1734 **James Frith:** You talk about additional funding and I think there is a £350 million announcement for SEND—

Mr Damian Hinds: No, I meant before that.

Q1735 **James Frith:** Before that, okay. We are still at a deficit when you consider the shortfall. I think local authorities say there is a shortfall of £536 million, which is a shortfall between £1.2 billion and £1.6 million by



HOUSE OF COMMONS

2021. What do you put the failure of local authorities and schools in addressing the needs for students or for children that need an EHC plan down to? The rise in tribunals is extraordinary. What do you put that down to?

Mr Damian Hinds: I do not want to repeat everything I just said about the importance of making sure that the setting is right and the support is right for every child, but obviously that is at its core. I do not want to say that local authorities in general and schools have in general let children down, because I do not think they have. I think they do amazing work.

Q1736 **James Frith:** Let me just come back on that, if I may. When you consider that for one local authority area that we spoke to, a 55% increase in SEND tribunal cases has happened and that 90% of those cases are lost at a cost of £30,000 to £40,000 per case, that is a huge amount of money being wasted on legal fees when it would be better spent within the school. Why isn't the Department for Education doing more to alleviate those problems and improve the support for SEND? You did not say whether you agreed or not with Ofsted's assessment that it is a national scandal.

Mr Damian Hinds: We are doing things to help to improve support. You mentioned a moment ago about the additional funding over the next couple of years, which was announced just at the end of last year. There is £250 million over two years. There is also capital money. We have also said we would uncap from existing free school applications for free school special schools. There are also wider questions around what happens in initial teaching training to help support teachers, the role of educational psychologists, and we need to see more of those. There is work to be done and it is going to be done to improve support.

I do want to pick you up on one thing though. The 2014 reforms bringing in education, health and care plans were an important positive step. As it happens, I was on this Committee when we did pre-legislative scrutiny of that Bill, but also as a constituency MP, we were what is called a trailblazer area, so we saw some of the reforms sooner. From a constituency casework point of view, as a constituency MP, with the introduction of EHCPs I saw a positive trend in my casework. But of course it also introduced, quite rightly, new rights and that also is something that has to be managed in the system. We will always be having to try harder and we should always be trying harder to do our best for these kids.

Q1737 **James Frith:** With respect, Secretary of State, you have not answered any of my questions on that. I agree with the principal shift that the 2014 Act offered us with child-centred, with co-production. The evidence that we have taken from local authorities is that 90% of the cases that go to tribunal fail and the tribunal holds up the appeal made by parents. I am asking you what the DfE is doing, not what could be done, what must be done, what might be done, what will be done.



HOUSE OF COMMONS

What are you doing—because this has been with us for a number of years—when you consider 70% of those pupils excluded have SEND and there is an explosion in tribunals? If the tribunals that were brought in do come off the back of new entitlement, for sure, but you have raised the new entitlement—

Mr Damian Hinds: Yes, I know.

James Frith: —but then ignored the consequence of parents not getting this support. This is their evidence to us and I am sure evidence—if they get through—at a constituency level to all of our Members of Parliament. Our colleagues will be used to parents whose experience is framed through struggle, not through some sense of entitlement being given but through struggle. What is the DfE doing about that and what has it done in the recent 18 months?

Mr Damian Hinds: First of all, I did answer. I was answering your question, because the things I was saying were not things that might be done, they are things we either are doing or are going to do. It is also true that there has been an increase in provision. That is just true, but it is also true that there are more demands on the system. Again, all of us, as constituency MPs, meet parents who have gone through some of those battles in order to get the right education, get the right care for their child. Our hearts go out to them. I think also all of us constantly think about those kids who do not have parents who have necessarily the same capability or engagement to be battling in the way that some of the parents that we see do.

As a Minister, it is my responsibility to make sure we are standing up for those kids as well. I want to make sure that more often it is the right decision first time and there does not have to be a tribunal at all. I do not have the numbers in front of me, but I recall that the most recent set of numbers did show a drop in that percentage number. As I say, I do not have the—

Q1738 **James Frith:** Which percentage number?

Mr Damian Hinds: The number of tribunals being found in favour, but I do not have that in front of me.

Q1739 **James Frith:** Found in favour of the parents saying, “We are not getting our entitlement”?

Mr Damian Hinds: Yes. In other words, more often finding that the arrangements that have been set were right. But as I say, I do not have the number in front of me, so I would not say that is absolutely categoric.

Q1740 **James Frith:** Perhaps you could provide us with that. That is quite an important change, although I would argue that all that does is say that parents who have had their expectations set at something by Government introducing new entitlements are not getting those entitlements.



HOUSE OF COMMONS

My problem with the system that you are presiding over is that too often our children—which Ofsted has called a national scandal—are not getting the SEND support and also not getting the EHC plans. What needs to be done and what are you doing to address that problem?

Mr Damian Hinds: Ofsted and the CQC now combine in their inspections of local areas. They have inspected all 152 local areas on SEND with 42 inspections completed. In 34 of those cases, the local authority area has been required to produce a written statement of actions, in other words come forward with what they are going to do, what they are going to do differently.

Q1741 **James Frith:** What do you recommend they do differently?

Mr Damian Hinds: Clearly it will be different in different local areas. There will be different strengths and weaknesses in the system, so I do not think it would be right for me to generalise.

Q1742 **James Frith:** Finally, Chair, just on exclusions, the Department for Education has no data on 20% of all exclusions that happen in this country, marked the term “other”. You may have heard me reference this in a question to the Prime Minister. Why don’t we make schools give us reasons and collect data for exclusions, particularly when 70% of all children excluded from schools that you are responsible for have special educational needs or disabilities?

Mr Damian Hinds: Exclusions is a matter of concern for me. It is why we have asked Edward Timpson to conduct a review, as you know. He is going to be—he has been already—doing a lot of the work and he will be reporting back on his findings. I do not think it is right for me to preempt what he is going to recommend.

Q1743 **Chair:** Can I just come in on that? It is quite important, because I was at an event with you at the Centre for Social Justice where you said that you would be committed to improve school accountability regarding excluded pupils. Where are we on that and how far—

Mr Damian Hinds: My answer to that, Chairman, would be the same as mine to James, which is that it is a matter of concern for me. I do think there is a role for exclusions. I do not think you can say there should never be a child suspended or expelled from school.

Q1744 **Chair:** But just to confirm, you are committed to that? You did say it in that meeting.

Mr Damian Hinds: They have been rising in the last few years, but they are still not as high as they were 10 years ago and that is worth keeping in mind. But some of the issues that you mention around particular groups, children with particular types of special needs, some of these particular ethnic groups and the preponderance there, are all matters of concern.



HOUSE OF COMMONS

To the Chairman's point, similarly, I am going to wait to hear what Edward Timpson comes back with. On looking at this question of how you make that accountability, when you start to think about how it would work in practice, of course it turns out to be more complex than it first appears. We have to be very careful, as with a lot of things in education, about avoiding unintended consequences. But I agree with the principle of it.

Q1745 **Chair:** When will the review be published?

Mr Damian Hinds: I do not have an exact date but early in 2019, which of course we are now in.

Q1746 **James Frith:** I met with Mr Timpson and asked him to consider the removal of the term "other" and an expectation on schools, vis-à-vis accountability, that they would be expected to describe the reasons for this exclusion. Do you support the removal of the term "other" as a description, as a reason for exclusion?

Mr Damian Hinds: That is not a specific question that I know enough about, sitting here today. It would be irresponsible of me to give you an answer either way, but I am very happy to look at it. I am also very happy to look at anything that you send to me in support of it.

Q1747 **Ben Bradley:** Very briefly, I wanted to ask on that, yesterday we had a meeting with SENCos, SEN leadership in schools. They suggested that the right approach would be to put more money into school budgets as opposed to SEN to allow a more inclusive environment, which might mean that then some of those kids did not need EHC plans and that more intense support later on. Is that something that you support broadly?

Mr Damian Hinds: Yes. Part of what we announced last month is about making sure that there is the support in mainstream schools. It goes right back to initial teacher training, but then also to in-service training, CPD, the role of educational psychologists and their ability as a resource to be consulted and drawn on. Behaviour management is an important consideration as well and we are committed to having ways of disseminating good practice/best practice on behaviour management as well. Yes, I recognise those points.

Q1748 **Ben Bradley:** I am conscious that was not my question—and of time. Finally, we have talked a lot in this Committee about isolation rooms and we have heard from young people from schools in London of their own experiences of them. We have also heard that in their experience it was not a constructive environment for the children who were in isolation; it was just to get them out of the classroom. The BBC report last year found one school in particular had five separate rooms at a cost of £170,000 a year. Is that appropriate for children and is that a good use of public funds?

Mr Damian Hinds: We need to make sure that schools have—and they do have to have—a behaviour policy. The use of isolation is not unlawful,



HOUSE OF COMMONS

but of course I would expect it to be done in a proportionate and constructive way. But this speaks to the wider question of what happens with children who are on the edge, if you like, and also what happens in alternative provision. As I say, I think there is a role for exclusion, but that should be the start of something not just the end of something, so making sure that alternative provision is there. Bluntly, most Members of Parliament are less likely to be familiar with alternative provision than with mainstream schooling and so on. We need to make sure that that is of high quality. I would expect schools that are using isolation to be doing it in a constructive and proportionate way.

Q1749 Ben Bradley: Is it the expectation of the DfE that if a child is taken out of their lesson, where they are supposed to be learning the curriculum, and put into a separate space that they should be doing something constructive, not just left in a room to stare at the walls?

Mr Damian Hinds: One thing I am very firm on is it is not for me, as an individual Minister sitting in a Government office or this Committee room in London SW1, to start saying, "This is what should happen in the case of an individual child". I think it is wrong for us always to be second-guessing what a teacher does. Teachers know best, but they should have a behaviour policy and it should be about using constructive and proportionate means.

Q1750 James Frith: Permanent Secretary, do you still have concerns about the timetable for T Levels? There is quite a lot of letter-writing going on in Westminster, but I think you were the first Permanent Secretary to advise the Education Secretary that his timetable for the release of T Levels was too ambitious. He ignored you. Do you still have these concerns?

Jonathan Slater: I did not say it was too ambitious and he did not ignore me. I said that there would be significant risks with trying to hit a particular timetable because there were a number of things that might go wrong. The nature of a system working well is that the civil servant draws to the attention of the Minister the things that might go wrong and then the Minister makes a decision on the basis of his or her risk appetite.

Q1751 James Frith: What are the risks?

Jonathan Slater: That is the way the system works. When the Secretary of State has made his decision, it is my job then to work as hard as I possibly can to make sure that in the end he was right and I was wrong.

The sort of risk that arises in a situation like this is that if you are running a procurement exercise, you do not know before you start that it is going to work. You do not if you have enough bidders, you do not know that there is enough competitive tension, you do not know whether there is going to be challenge. So far it is going well.

Q1752 Chair: I think the premise of the question is: is the timetable on track?



HOUSE OF COMMONS

Jonathan Slater: The timetable is on track.

Q1753 **Chair:** One very final question, you will be pleased to know. Is the Department doing a review into BTechs on whether it regards them as quality or not or are you going to do a review into BTechs?

Mr Damian Hinds: That is for me, presumably.

Chair: Whoever.

Mr Damian Hinds: We have a diversity of exams, diversity of qualifications that young people—and indeed other people, not just young people—can take. Clearly it is important that you have confidence in those. BTechs have been around a long time and they are part of our system, in fact, in some subjects, growing numbers. As part of our overall stewardship of the education system, we keep a watchful eye on all the qualifications, a number of them we have been talking about earlier.

Q1754 **Chair:** Are you going to undergo a review into the quality of BTechs?

Mr Damian Hinds: I do not have any new announcement to make on something like that today.

Q1755 **Chair:** That is a masterful non-answer. I did forget to add one thing. If you could just say briefly what you are doing to increase the number of part-time learners in our higher education, which as you know has declined dramatically over the past few years.

Mr Damian Hinds: It has declined. You may say that this is not an answer to your question, but it is an important piece of context to your question. One of the reasons is that more and more young people have been going to university at age 18. No, it is true, Ian, so that does leave fewer people at age 30 or 40 who have not done a degree. That is part of it, but I want choice in different ways of being able to access different levels of education, including degree-level education but also high-level technical education, intermediate education, even basic entry level education at different stages in life.

We have the 18-plus review with Philip Augar ongoing at the moment, and part of what they are looking at is making sure that education is accessible to those who are going to benefit from it. I do not want to always be giving the answer, "I can't pre-empt this report" but when we have these big looks at things, big studies, I think it is important to let them have their look.

Q1756 **Chair:** Are part-time students seriously on your agenda, not just with the review? It is a serious problem. Are you looking at ways to try to help more part-time students?

Mr Damian Hinds: It is seriously on my agenda, yes.

Chair: That is great, thank you.



HOUSE OF COMMONS

Mr Damian Hinds: Thank you, Chairman. Thank you all.

Chair: We have covered a huge area. Thank you to both of you—to you, Permanent Secretary, as well—and we wish you well, as always.