

Education Committee

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

Wednesday 3 April 2019

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Members present: Robert Halfon (Chair); Ben Bradley; Emma Hardy; Ian Mearns; Lucy Powell; Thelma Walker.

Questions 329 - 510

Witnesses

Rt hon. Anne Milton MP, Minister of State for Apprenticeships and Skills, and Rt hon. Nick Gibb MP, Minister of State for School Standards.

Examination of Witnesses

Witnesses: Anne Milton MP and Nick Gibb MP.

Q329 **Chair:** Good morning. Hello. Thank you very much for coming this morning. We have a long session with quite a few questions, so if we could ask you to be as concise as possible, both of you, in your answers. Just for the benefit of the tape and for those listening outside and on the internet, could you kindly just introduce yourselves and your titles?

Anne Milton: Anne Milton. I am the Minister of State for Apprenticeships and Skills.

Nick Gibb: I am Nick Gibb. I am the Minister of State for School Standards.

Q330 **Chair:** Thank you. Do you agree with the IFS figure that suggested that overall between 2009-10 and 2017-18, total spending per pupil in England fell by about 8% in real terms?

Nick Gibb: That figure includes a range of things. It includes local authority elements. It includes post-16. We are aware, of course, that schools are facing challenges with school funding, but we have to put this into perspective that we are spending record amounts on our schools—£43.5 billion in this current financial year—although there are also hundreds of thousands more pupils in our system.

What you have to do is take into account the context. When you write this report, I hope you will take into account the context of public finances. This goes back to 2008. We had a very severe financial crash in which—

Q331 **Chair:** Can I interject on that?

Nick Gibb: Yes, you can.

Q332 **Chair:** I accept all that argument—

Nick Gibb: I do want to make it at some point during this session.

Q333 **Chair:** I understand the argument that the country needs to make savings. All I am asking you is, just briefly, whatever the reasons for it, is the IFS figure correct?

Nick Gibb: The figures that the IFS uses are correct. The IFS also says that to compare per-pupil spending in real terms in this current financial year, it is 50% higher in real terms than it was in the year 2000.

You have to also remember, Robert and the rest of the Committee, that we as a Department make very, very carefully constructed representations to the Treasury in all the spending rounds: in the 2010



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spending round, in the 2015 spending round, and as we are preparing for this spending round.

Chair: I am going to come on to that.

Nick Gibb: We want the best deal for education. We understand the challenges that schools are facing. We do our best in the context of balancing the public finances and dealing with the issue that I will raise at some point during this Committee about dealing with the financial crash of 2008 and the consequent budget deficit that we had to deal with as a country.

One other final point before you do come in is that we did protect three areas of public spending. We protected health, we protected international development, and we protected schools, by which I mean five to 16. We were not able to protect post-16 funding. That is something that Anne and I will talk about during this session.

Q334 **Chair:** That is what I am going to come on to now, because we have a lot to get through. The additional £420 million in funding we welcome for the introductions of T-levels by 2021-22. It will increase 16 to 18 funding per pupil by around £400 per student. These are 2017-18 prices in FE, but this will still leave funding 14% below its peak in 2010 and 2011. Can I just ask you to comment on that? Do you agree with that figure as well?

Anne Milton: I will not be precise because I will be honest, keeping precise figures—

Q335 **Chair:** Is that figure correct?

Anne Milton: What I know is the funding for T-levels is based on the existing base rate for other level 3 programmes. Bearing in mind that colleges and further education providers feel that that base rate is too low, it is based on the same base rate. There is a lot more money going in.

Q336 **Chair:** Is it correct? We can debate the reasons that it is happening—

Anne Milton: The precise figure I will have to tell you, because I do not—

Q337 **Chair:** FE funding is 14% below its peak in 2010 and 2011.

Anne Milton: I thought it was 8% lower. I have done more than one Westminster oral debate in which I think I gave the precise figure. It is lower.

Q338 **Chair:** We know that the NHS has a 10-year strategic plan and five-year funding plan. Given that education is fundamental to society, why does education not have a five-year funding plan and a 10-year strategic plan? How do we justify that?

Anne Milton: I think your point is well made, and this is relatively new for the NHS. Therefore, it obviously raises questions about whether we



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should do the same for education. That is something the Secretary of State is looking at at the moment. If you look at the correlation between education and health, which is very strong, there is a very good case to be made.

Nick Gibb: Yes, and I agree with Anne on this. You make a strong point. We have had a couple of White Papers since 2010 that set out the strategic direction of education policy. We had spending review periods of four or five years, and then a three-year spending review that we are just coming to the end of, and we are about to start the negotiations for the next spending review period. There is a case for having a longer-term strategic plan for education, as they have in health.

Q339 **Chair:** There is some suggestion that there is a lot of “initiative-itis” from the DfE. You have an announcement of a couple of hundred million here, £200 million there, £400 million there, “little extras”, whatever it may be. Surely, rather than doing that, it is much better to do what Jeremy Hunt and Matt Hancock have done, the Health Secretary and previous Health Secretary, which is to say, “This is the overall amount, and this is our strategic 10-year plan. This is our five-year plan”. Why are you not saying this publicly, that there should be a 10-year plan, and making the case in the same way that Jeremy Hunt did and NHS England did?

Anne Milton: I imagine they were talking about it and discussing it within the Department for a year or so before they actually made it public. Those sorts of discussions are going on.

Your central point, particularly in my area, I think is quite important. If I look at the overlap between some of my work with DWP, for instance, it is quite important. As you rightly say, you end up with—I do not think it is initiative-itis. It is just that they are historically small pots of money that have been put in place to solve problems, and often you get a lack of economies of scale. Probably Nick and I would both agree with you that something like a five or 10-year plan is exactly the sort of thing I am sure the Secretary of State will be thinking about.

Q340 **Chair:** If I could ask both of you, which elements of the education system should be prioritised for more funding?

Nick Gibb: I think all elements need to be prioritised, but there is a particular issue regarding post-16 because that was not an area that we were able to protect in 2010 in either of the spending review periods. If you look at school funding from 2010, we have protected core school funding in real terms over that period. If you take the period 2010 to 2015, we have protected core school funding in real terms per pupil, and we are committed to protecting real-term per-pupil funding for 2018-19 and 2019-20, but we do understand the challenges that schools are facing.

School funding is a priority, but we are also concerned about high needs funding, because there are a whole range of issues that have put



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pressure on local authorities, one of which is the fact that we are extending education for children with special educational needs not just to 19 but to 25. We did provide £200 million or £300 million back in 2013-14 to fund that extension, and that went into the baseline, but nevertheless there are pressures. We are looking into why there are those pressures. That is also a priority, high needs funding.

Q341 **Chair:** By the way, I hope it is okay to call you by your first names.

Anne Milton: Yes, please do.

Q342 **Chair:** Which areas of education should be prioritised in your view, in a nutshell?

Anne Milton: Obviously, I look after post-16 education, so one always wants one's own area prioritised. The important thing is that some of the work that Nick has done in schools, which hopefully will improve educational attainment, will make it easier post-16.

It depends which lens you look at it through. If you look at it, say, through the lens of productivity, we have 49% of adults who have the numeracy abilities of an 11 year-old or less. We have a huge number of people who are adults, who have not attained high educational qualifications. Those people could be productive. A lot of people went into entry-level jobs. They do not get out of them. I do not think it is a—

Q343 **Chair:** Let me ask you a different way. If you believe that there should be a five-year funding plan and a 10-year plan for education, how much more money should the school system have in a five-year plan? How much extra money?

Nick Gibb: You would not expect me to divulge today all of our preparation for the next spending review, but—

Q344 **Chair:** Would you not want to say at least how much you think would be necessary?

Nick Gibb: No, we will not be doing that.

Q345 **Chair:** Why not?

Nick Gibb: First of all, we are still working a lot of these things through. We are preparing for the spending review period. Also, we do not want to say in public how we are approaching those spending review discussions with the Treasury. The Treasury has to balance competing demands. There are demands from the police, from the social care system, from the health service and so on. We have to present our case in the most effective way possible to the Treasury as we compete against those other competing demands.

Q346 **Chair:** NHS England made it very public with Jeremy Hunt.

Nick Gibb: We will do.



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Q347 **Chair:** They said that the NHS needed X amount, and the country had a debate on it, and Jeremy Hunt managed to get an extra £20 billion from the Treasury. Surely it is good to have a public debate from the Government about how much extra school funding needs, or FE funding particularly, given that you have acknowledged, both of you, that FE has suffered financially because of the difficult economic situation.

Anne Milton: You are absolutely right. Our appearance at this Select Committee does not necessarily coincide with the moment at which the Department for Education wants to make that sort of information public. I could not tell you. I do not think either Nick or I are qualified to tell you. One has to be careful when you set out spending plans that you also have the right incentives in place. It is not just about the money. It is how you make sure it is spent to the benefit of people who need education. It has to go on education. I wish that we could both sit here and give you a figure, but neither—

Q348 **Chair:** We are trying to help you. This is not to try to cause trouble. It is quite the opposite. The whole purpose of an inquiry is to help make the case, in the same way that NHS England did, about how much more we should put in over the next five years.

Anne Milton: The case is well made. You can make a very strong case on social mobility.

Q349 **Lucy Powell:** Just on this point, with all due respect, I think what the Chair is trying to get to is rather than be the people that are constantly defending the Treasury position, which I feel, Nick, you wanted to come in and make right from the beginning, the optics are of denial often—that there is no problem with school funding, that it is the highest it has ever been.

Today is the first time you have recognised that there are also increasing pupil numbers that are increasing demands. How can we build this public case when the main people who are here to advocate for school funding have spent the last two years completely in denial, and denying there is a problem? Can I put that to Nick, because it is often Nick who makes that point?

Nick Gibb: We have always acknowledged that schools are facing cost pressures, but when you are making the case to the Treasury, you have to base your case on fact. The facts are that between 2010 and 2015 there was a real-terms protection per pupil, and that from 2017 onwards we are increasing the amount of funding for every pupil in every school.

There was this period between 2015 and 2017 when it was not the case, and in that period as well there were higher National Insurance contributions for employers, which were faced right across the economy. There were also higher employer contributions to the pension funds of teachers, which applied across the state sector.



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When you are making the case to the Treasury, you have to acknowledge the issues that it is facing. Unless you do that, you do not make the best case. The truth is that we had this banking crash in 2008. Let me make—I will not take long—

Q350 **Lucy Powell:** We all know that. You have already said it. You have already said it.

Nick Gibb: I have not said it.

Q351 **Lucy Powell:** Where is the public advocacy for school funding? Where is that public advocacy?

Nick Gibb: This is not meant to be a deliberative committee. I cannot make these points in—

Q352 **Lucy Powell:** We know what our job is, thanks.

Nick Gibb: I know what my job is. I cannot make these points in the media because you get two minutes or one minute to make a soundbite.

I want to just say this one point. Let me make this one point. When we came into office in 2010, because of the banking crash, we are an economy that depends very much on the financial sector. We had an annual budget deficit of £153 billion, 9.9% of GDP. We had to bring that figure down over the period for a number of reasons, because we had to maintain confidence in the economy and we had to keep the cost of our debt down, and we have done that. We have done that, and now it is—

Q353 **Lucy Powell:** I know, but you have not met any of those targets. We do not need to get into that conversation. We are talking about public advocacy for school funding, which Michael Wilshaw was in here last week telling us is in crisis.

Nick Gibb: Yes, but let me just finish. We are now down to 1.1%. We are spending £51 billion a year on interest, compared to £43.5 billion on our school funding. That was imperative. We had the lowest level of unemployment since the 1970s, which means young people have the opportunity to go into jobs when they leave school.

Lucy Powell: Defending the status quo.

Q354 **Chair:** We want to let the female on the panel get a word in. Anne.

Anne Milton: Nick feels very passionately about this. My case on funding in my area would also apply to Nick's area, because essentially a lot of further education is for people who have not succeeded in the school system for whatever reason. Not entirely, but a lot of them. We need to get that right and make sure people come out with qualifications and the knowledge they need to get good jobs.

My case would be two directions. One is of social justice, that everybody deserves a chance to get on in their lives. The more educational attainment you have acquired during your early years, the better you will



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do. That starts very young. This is social justice and, for me personally, there is a moral imperative about this. Everybody should have that chance.

My next strand—I know; I will be quick, but it is important because you want to make the case—is one of simple productivity. The more people achieve, the more productive they will be. At the moment, and I meet them, there are a lot of people who without a doubt have skills and talents and could be productive members of society, added to which they do well in their own lives, get a job and a career, who currently do not have that opportunity. For the Treasury, that may be a strong point.

Q355 **Chair:** There will be different views around this table about why we got to the situation that we did. I do not disagree; as a Conservative, I understand what happened in 2010 and what the Government had to do. That is not my argument.

My argument is very simple. It is that the NHS has been incredibly brilliant at getting money out of the Treasury: £20 billion extra, 10-year plan, five-year funding settlement. Given all the constraints that I personally accept—some of my colleagues will not, but I do, some of the things you have raised—why has the DfE not done the same? Why has it not been as successful with the Treasury?

Nick Gibb: Robert, we have been successful. We are one of only three areas of Government that have been protected. Health Service since 2010, DfID, and schools five to 16. We have been protected overall in real terms.

Q356 **Chair:** You acknowledged earlier that the IFS figures overall were true.

Nick Gibb: Yes, but an element of those IFS figures, the 8%, includes local government funding, because an element of what is called the central services moneys spent by local government also impacts on schools. Yes, but local government was an area while we were unable to protect while we deal with that very serious budget deficit issue. Because we dealt with it, we have a strong economy and low unemployment now.

We are very serious about how we present our case to the Treasury. We are working extremely hard in all these areas: early years, schools, post-16, and high needs. We are presenting the best case possible in this spending review, as we did in the last two spending reviews, to make sure that first we are protected, but secondly that they address some of these very serious challenges.

I meet head teachers week-in, week-out, and have been since I became a Minister in 2010, and when I was as a shadow Minister, up and down the country. We listen very carefully to what head teachers are telling us about the pressures that they face. All that feeds into the case that we are making to the Treasury. Do not be under any misapprehension that we are not preparing the best case possible in our negotiations with the Treasury.



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Q357 **Thelma Walker:** Good morning. Would you agree with me that perhaps the difficulty or challenge of setting funding for education is that, for schools in education, the role has become so multifaceted—often covering the support that used to come from local government—looking at inclusion, looking at mental health, SEND, all the rest of it? Perhaps there should be cross-departmental conversations to the Treasury about that funding and that allocation.

Anne Milton: Although your question related to schools, which was a point I was making, if I think of English for speakers of other languages, if I think of the work that a lot of colleges do with young people who have not done well in school, absolutely, because those young people may well become unemployed. They may well become an issue for DWP or it will be DWP helping them. Those cross-departmental discussions I think are quite important.

Your idea of a five or 10-year plan, which is an entirely valid one, would have to suck in that. Government works, sadly for me, too much in silos. It always has done and it always tends to. You are absolutely right that discussions with other Departments are crucial to that.

Q358 **Thelma Walker:** Are you going to do that?

Anne Milton: I am doing it. I am doing it, not at a senior level, but at my level, most definitely.

Q359 **Chair:** We will go to you, Anne, if that is okay. The DfE's Permanent Secretary confirmed to the Public Accounts Committee recently what many had been concerned about for quite a while. Instead of an underspend, you are heading for a sizeable overspend. The Institute for Apprenticeships said the overspend could be as much as £0.5 billion, £1.5 billion during 2021-22. Could you just confirm very simply whether there is a predicted overspend in the apprenticeship levy budget for the starts in 2018-19, 2019-20 and 2020-21?

Anne Milton: I do not believe there is an overspend in 2019-20, but this is a demand-led service. We have a demand-led service with a fixed budget, so this gets into DEL budgets. I will sound as if I know more about this than I do. To have a demand-led programme that has a fixed budget, you are going to run into problems if it is successful, which I want it to be.

Q360 **Chair:** You could maybe write to us with the details if there is going to be a predicted overspend.

Anne Milton: In a demand-led system, it is difficult to predict precisely because you do not know what the demand is, but we are seeing apprenticeships numbers go up, so yes.

Q361 **Chair:** Although the Institute for Apprenticeships has predicted it. If we want the levy to fund more degree apprenticeships on the one hand but also for level 2 starts to pick up, do you think that we need to think about



both? Is the DfE prioritising degree apprenticeships over level 2 starts?

Anne Milton: No. There has been no prioritisation of one above the other. If you wanted to constrain the programme, there are all sorts of ways you could do that, and all of them for me have quite unacceptable outcomes, to be honest.

Q362 **Chair:** Just before I come to my colleagues, just a couple of questions that possibly apply to both of you, but particularly to Nick. If we could just put the general debate on the merits of a knowledge versus skills-based education system in a box for a moment, what I want to ask you is how future-proof is the current approach in terms of the march of the robots, the rise of automation and artificial intelligence? How confident are you that people will develop the cognitive functions they need for the fourth industrial revolution by adopting just a knowledge-based curriculum? If you could provide the evidence to your answer in terms of what you are relying on to back it up.

Nick Gibb: This is a debate that is happening throughout the education system in the world. It is important and I believe very strongly that a knowledge-based curriculum is the right approach for future-proofing young people for an economy with AI, because you need the cognitive skills to be able to think clearly.

The evidence that we have from people like Daniel Willingham and E.D. Hirsch and many others is that you develop those cognitive skills of problem-solving, creativity and critical thinking by having a large amount of domain knowledge in those particular subjects. That is how you develop children cognitively. You cannot teach some of these skills in isolation. You cannot expect people to become critical thinkers unless they have considerable knowledge upon which to base that critical thinking.

I could quote from people like Bransford, Brown and Cocking in "Brain, Mind, Experience and School" that says, and I quote, "Experts have acquired extensive knowledge that affects what they notice and how they organise, represent and interpret information in their environment. This in turn affects their abilities to remember, reason and solve problems."

Q363 **Chair:** You are a man who loves evidence and does everything based on evidence and data. What I am trying to find out is what data and evidence you are using, apart from quotes. Quotations in books are different from hard evidence from the Department, analysis on future-proofing the education system for the 21st century.

Nick Gibb: These are cognitive scientists, and they have set out in these books the evidence of why a knowledge-based curriculum is the best way—

Q364 **Chair:** You could find a load of other cognitive—there could be a different view.



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Nick Gibb: Yes, there is a debate. There is a debate, and there will be a debate in this Committee.

Q365 **Chair:** That is subjective. Whether we agree or disagree, you are choosing people who agree.

Nick Gibb: I am choosing cognitive scientists.

Q366 **Chair:** What are you doing in terms of DfE data and analysis, apart from—

Nick Gibb: You are talking about the future, so there is no past data to look at. The people who are cognitive scientists, like the people that I have quoted, say that the best way to prepare young people for a knowledge-based economy, an economy with increasing amounts of IT and artificial intelligence, is to have the cognitive domains developed as well as possible. Those skills—critical thinking, problem-solving, creativity—are best developed by having a knowledge-rich economy.

I could quote E.D. Hirsch, who said that there is a consensus in cognitive psychology that it takes knowledge to gain knowledge. “Those who repudiate a fact-filled curriculum on the grounds that children can always look things up miss the paradox that de-emphasising factual knowledge actually disables children from looking things up effectively.” For example—

Chair: You have told me to read this book, and I am going to read it, hopefully over Easter.

Ian Mearns: What Easter?

Q367 **Chair:** Yes, what Easter? Leaving that aside, subject to Brexit and all that going on. Those are just particular people on your side of the debate.

Sir Anthony Seldon came to our Committee with a list of 50 state-funded schools that already, he said, blend knowledge and skills together. He said he has passed this information to No. 10. What is the Department doing to learn from these examples?

Nick Gibb: A lot. We are not saying they should not have the skills. All those skills Sir Anthony Seldon talks about and that you are talking about are hugely important, absolutely critical. We do not disagree on that. The question is, how do you ensure that young people develop those skills?

The question is, do you just have a lesson in critical thinking? Do you have a lesson today in problem-solving? Or do you ensure that children’s mathematical knowledge and ability is at such a level that they are able to solve mathematical problems? Do you just teach creativity, or do you introduce young people to all the wonderful music of our country and the world, to the great artists, to the great canon of literature that children should be reading? If they have been exposed to all those things, they are more likely to be creative than if you have a simple lesson in creativity.



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Anne Milton: Just to come in, I am not as well-read on this subject as Nick, but—

Chair: You are very well-read.

Anne Milton: Maybe I just read different books. Interestingly, when I was at the World Skills Competition, there was also a conference of Ministers. I talked to a couple of Ministers from countries that have technical education systems that we would applaud. I said, "If you had to think of the one thing that has made this work", both of them said to me, "Excellence in English and maths". It is from that basis that you can—

Q368 **Chair:** No one is disputing that.

Anne Milton: No. I just thought I would put that in.

Q369 **Lucy Powell:** Honestly, it is so frustrating listening to these conversations, when you talk to teachers and parents, when you watch children and how they actually learn and engage with things. We will come on to this more. It is a false argument. It is a false argument between knowledge or skills. Obviously, both go hand in hand.

This is a recent example. I have a five year-old boy who knows every single thing you could possibly know about birds. He will know more than everyone in this room. He can look up in indexes that no one else can use and find out about birds. Obviously, that is really developing his cognitive ability. Of course it is. That is because he has a love of birds. He has acquired this love through a topic he did in school on birds, which, if he was just doing phonics and maths the whole bloody time, he would not be doing. We have to allow people to develop interests in areas they are interested in, as well as just drilling down on the basics of English and maths. You have to understand—

Nick Gibb: I do not disagree with any of that, but there is a precondition. Phonics and reading do not mean you are a fully educated person, but it is a necessary condition to becoming educated, to enable a child to be able to read an index in a book of birds. They need to be able read. The phonics programme that we have rolled out in schools has been hugely successful—

Q370 **Lucy Powell:** Of course, but if in primary schools there is no time—of course. I completely agree with you. Phonics is a foundation—no one in this room with argue with that at all—but if we are squeezing everything else out of the curriculum because we are only testing English and maths on the time, the topics on birds, the topics on Egypt or messing around looking for insects outside would all disappear.

Nick Gibb: You are speaking to the choir on this issue. We do not want the curriculum narrowed either in primary school or in secondary school. That is why we fully support what Amanda Spielman is doing at Ofsted to have a greater focus on the broader curriculum. We only test maths and English at primary school. If you are making the argument for broader



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key stage 2 tests in the sciences, as there used to be, or in history and geography, make the case, but—

Q371 **Chair:** Could I just ask Anne? Do you think there should be reform of the EBacc to reflect technical and creative subjects?

Anne Milton: I do not feel qualified to say because it is not my area. I see children or young people who have not done well in school, and I will use my own personal example. I have four children, and they all get to that point in maths where they have to learn fractions. Why some can just do it and some really struggle, I do not know. We probably all agree, actually—

Q372 **Chair:** Do you think so, Nick? Do you think that there should be some reform of the EBacc, given the advance of the robots and everything that is going to happen in the future, just to reflect the importance of technical and creative subjects?

Nick Gibb: The EBacc has been kept small. Do not forget that the EBacc is English, maths, two sciences, a humanity and a foreign language. Science, English and maths are all compulsory anyway to age 16. I do not think anybody in this Committee is arguing that those subjects should not be compulsory. Languages were compulsory to 16 until 2004, and they are compulsory anyway until the age of 14. History and geography are both compulsory to 14. We are just talking about two years of foreign language or two years of a humanity, and there is plenty of space beyond the EBacc to study those creative subjects or vocational subjects.

Q373 **Chair:** Edge says, since the introduction of the EBacc, that there has been a 10.5% drop in design and technology entries. That is not good.

Nick Gibb: Let us take design and technology. That was falling. The numbers taking design and technology GCSEs were falling before we introduced the EBacc. They were falling because people were not happy with the curriculum. We have revised the curriculum for design and technology. We have worked with the Dyson Foundation. We have produced now a very modern and design iterative GCSE in design and technology, and I am hopeful that that will lead to the resurgence of that subject in schools.

Q374 **Chair:** It is still a 10.5% drop since the EBacc. Surely it should be part of the EBacc, something as important as design and technology.

Nick Gibb: That argument is made by some, but, as I say, we have tried to keep the EBacc as small as possible so that people are then free to choose what they study beyond the EBacc.

Q375 **Chair:** I am just not clear why, given the world we are about to enter and we are almost entering, it is less important than geography, for example, or history.

Nick Gibb: Because we want young people to be studying a humanity from the age—



Q376 **Chair:** Yes, so you could have one. Even if that is right, you could take out geography and give people the option of design and technology as part of the EBacc.

Nick Gibb: We have looked into this thing. People make all these arguments for their own particular subjects. They make it for RE. They make it for some of the—

Q377 **Chair:** I am not talking about RE. I am just talking about the humanities.

Nick Gibb: I know you are now making the argument for design and technology, but all I am saying is lots of people make arguments for why their particular subjects should be included in the EBacc, and we have resisted those changes.

Q378 **Thelma Walker:** I just want to roll it back in terms of how children learn best, having obviously done the job for 34 years. Curiosity and interest, and the using and applying in the curriculum: would you agree that that is the way forward? If they are writing, writing for a purpose. In my experience of many years with young people, you take them out to visit a particular place. Experiential learning stays with them, and they can then apply that more formally.

With the narrowing of the curriculum, I see that disappearing in those opportunities for children and young people to have that experiential learning. Your point, Anne, about why some get fractions and some do not is because maybe they have not had the opportunity to have equipment in front of them, or even, dare I say, a bar of chocolate, to split up, to make it relevant to them, "Do I get a quarter?" I will remember that. That is how children and people learn.

Nick Gibb: I do not disagree with any of that, and those are issues of—

Q379 **Thelma Walker:** They are getting less and less opportunity to do that, Nick.

Nick Gibb: I believe very strongly that children should be visiting museums, they should be visiting historic sites, they should be visiting theatres and so on.

Q380 **Thelma Walker:** Less money, can't do.

Nick Gibb: Then we are pivoting back towards the funding issue, but I absolutely do agree with that. It is right that children should have those experiences. How children are taught is very much a matter for the teaching profession, where they want to use bars of chocolate and so on. That is a pedagogy issue, and absolutely we trust teachers to deliver the curriculum.

I do not accept that there has been a narrowing of the curriculum because of things like the EBacc. Of the full range of subjects, a lot of them are compulsory to 14. At 14, children can then opt for options. What we are saying with the EBacc is that these are the subjects—maths, English, at least two sciences, history, geography and a foreign



language—and then whatever they want to study beyond that. Those subjects we know at A-level are regarded as the subjects that keep the widest possible options open for young people, and it is common in other countries around the world that those are the subjects that are compulsory not just to 14, but right up to 16 and beyond sometimes.

Q381 Ben Bradley: On the same point, what do you say then to those teachers? I fully accept that the system does not force people to narrow the curriculum, but every school that I have been to tells me that that is the inadvertent consequent of pressure in terms of testing.

Whether it is primary schools in terms of things like year 1 phonics testing, where at my own son's primary school they are not doing as much sport and art and creativity anymore because they are focused on year 1 phonics testing, whether it is EBacc later on, whether the pressures, Ofsted and all the rest of it, are focused around those academic results. Where is the incentive for those schools, and what do you say to those teachers who tell me that the system forces them to drop those other subjects?

Nick Gibb: Phonics is meant to be about something like 20 minutes a day, so we do not want schools to be neglecting those other areas, particularly things like sport. They are hugely important. Do not underestimate the importance of getting children reading effectively in those early years.

In Newham, for example, the second-most disadvantaged area in England, 88% of young people are reaching the expected standard in phonics, and the free school meal figure is 83%. That is significantly higher than the national average for both free school meals and non-free school meal children. That means that in Newham social mobility consequences are phenomenal for those children leaving primary schools fluent in reading.

I think that is what we are trying to achieve across the country. All these figures that Anne cited earlier about the problems with adult literacy, we want to eliminate that problem in the generations going forward—

Q382 Ben Bradley: You get to the point where my son is five and he says he is bored of reading, which is really frustrating. At the same time, I think the argument is at cross purposes. Yes, I accept the reading and maths in particular are incredibly important for social mobility and all of that, but then what you are kind of saying is that you do see that as the priority over creativity and sports and all the rest of it, and, therefore, if the other stuff is driven out, that is fine.

Nick Gibb: It is not fine. We are not determining the time that schools spend on these issues, but some of the schools I have seen spend 20 minutes every morning on phonics. There is plenty of time for those other issues, and those other issues are important. Amanda Spielman herself will say that she is looking at the wider curriculum in both primary and secondary.



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Key stage 3 has been an issue that Michael Wilshaw identified. What is the curriculum that is being studied at key stage 3? There is a worry about that, and we are addressing that issue, but nothing I say about the EBacc or about the importance of phonics or the importance of maths in primary school should drive out those other subjects. In fact, the opposite.

The way to do well in the key stage 2 reading test is to have read widely, to develop a love of reading, and that is in the national curriculum. We want young people to develop that love of reading. You can see it in the statistics. When we first introduced the more demanding SATs in 2016, 66% of young people reached the standard. Last year that was 75%. Schools are responding extremely well to what is a more demanding curriculum.

Q383 Lucy Powell: They now understand the test better, I think is probably what—

Nick Gibb: You cannot teach to the test with reading. The only way to do well in that reading test is for young people to have read widely and to have a bigger vocabulary.

Q384 Ian Mearns: I was very, very interested in observing from the sidelines the exchanges between yourself and the Chair earlier on in particular. I think what the Chair is looking for is for Ministers within the Department to be absolutely top-notch advocates for education per se and, therefore, a champion for the role and value of education in our society.

In answer to something that Nick said about the way in which the education budget has been protected, with DfID, as you mentioned specifically, we protect the budget at 0.7% of GDP, but the education budget has climbed in the last seven years from 5.69% of GDP to 4.27% of GDP. Why are we comparing with the DfID budget, which is absolutely protected at 0.7%, when in real terms, as a percentage of GDP, the education budget has declined by 25%?

Nick Gibb: It is a much bigger budget. We are talking about £43.5 billion compared to £12 billion or £13 billion in the DfID budget.

Q385 Ian Mearns: Advocates and champions for the service would have throttled that back to the Treasury and said, "Look, we need to keep growing this in order to meet the challenges of the fourth industrial revolution, which will have major impacts on our productivity as a nation".

Nick Gibb: We make these points, and the points that you are making we make too, in our presentation to the Treasury. Do not think that we are not making the best case possible when we deal with the Treasury.

Anne Milton: I think if this Committee talked about a much longer budgetary view on education and a more holistic—

Lucy Powell: That is what we are doing.



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Chair: That is what the whole inquiry is about, Anne.

Anne Milton: No, just let me finish.

Chair: This is not about the day to day now.

Anne Milton: If the Committee made that case, we would be very happy. That is all I would say. We are all on the same side in this: education.

Chair: We want you to make the case.

Anne Milton: If you looked at the correlation between—I keep saying this—education and health, I think it backs up the argument even more.

Q386 **Ian Mearns:** Moving on, looking forward, we are now into the rise of the fourth industrial revolution. Does the Department for Education have a good grasp of what it needs to do to lead the education sector to adapt to meet the challenges of the fourth industrial revolution?

Nick Gibb: I think we do. We were the world leader in terms of changing the computing curriculum. We had an ICT curriculum that was simply teaching children how to use spreadsheets and Word and things. Now we have a computer science curriculum that is about programming, understanding the fundamentals of computing, and other countries have been looking to ours to see what our experience has been in introducing that curriculum.

Now we are rolling out a programme—I think it is about £84 million—to try to make sure we have enough teachers who are trained in teaching what is for our generation a very new science for many of us. We have just appointed groups, Raspberry Pi and Computing at School, to roll out training for teachers in what is a very challenging subject.

Anne Milton: I would agree with Nick. We are incredibly mindful. Obviously I spend a lot of time with business because of apprenticeships. We need to again address the issue with adults. The figures on the number of people without basic digital skills are significant. We are introducing a basic skills entitlement from 2020. We are looking at the curriculum at the moment. The national retraining scheme, which is a partnership between the Government, CBI and the TUC. We are doing a great deal of work.

With adults, this is a very different issue. Understanding first the motivation, secondly how they learn, and thirdly the role that EdTech can play in that—which is not a universal solution, sadly—is really important. The national retraining scheme, which we have not talked a lot about although I continue to meet with the CBI and the TUC, is going to be very critical for the workforce probably on quite low-skilled jobs, but what is really important is this is not just another initiative that withers on the vine. I can give you more detail if you want it. The research on that has been done. We will be starting to roll that out. We will not be doing a pilot. We will roll it out and involve it as it is rolled out.



Q387 Ian Mearns: Do you dismiss concerns that have been expressed that the UK education system is falling behind other countries in terms of preparation? We have heard that criticism.

Nick Gibb: I would not accept that. I think we are ahead in terms of certainly preparing young people to understand computing and computer science, and equipping young people, therefore, to be able to participate in artificial intelligence type companies and businesses in the future. We are preparing young people better for that than many other countries.

Q388 Ian Mearns: The curriculum, though, has been provided for young people and you have talked about the knowledge-based curriculum being a good preparation for problem-solving and critical thinking. Is it not getting to the situation, though, that youngsters themselves, before they reach the age of 16, are not actually doing an awful lot of problem-solving and critical thinking in terms of their schoolwork?

Nick Gibb: Again, I do not accept that. The maths curriculum has an element within it of problem-solving, but it is not problem-solving as an isolated science. It is problem-solving of maths problems. A lot of the questions now in the GCSE are solving problems, to ensure that young people understand the maths that they are being taught and they are not simply regurgitating formulas. We have changed the curriculum significantly in that direction. That has been a challenge for schools, but it is a challenge that they have responded to very well.

Q389 Ian Mearns: Anne, you mentioned the national retraining scheme. Could you give us an update on the national retraining scheme and its objectives for the next 12 months?

Anne Milton: Yes. As I say, I meet with the CBI and the TUC regularly to make sure that we are all aligned in what we do. We have a number of pilots going on. There are 31 projects across England that are testing flexible and accessible ways of delivering learning, because it is all very well to have a scheme but you have to make sure people pick it up. We are doing some custom outreach pilots.

Again, it is right across the country, making sure that we incorporate not just cities but rural areas and areas where transport is difficult. Today—I was given a copy—we launched the EdTech Strategy, which is an important part of this but not the only solution. All that—

Q390 Ian Mearns: In your negotiations with the Treasury, though, have you secured the funding to roll this out properly across the country?

Anne Milton: There is £10 million on the EdTech Strategy. For the national retraining scheme we were given £100 million to get us through this bit. That will be part of a budget bid for the next steps.

Q391 Ian Mearns: There have been estimates that it could cost billions, though, in order to effectively do this.



Anne Milton: Yes. A little bit depends on how quickly employers upgrade what they do and change the working practices within their sectors. We have to push employers, but also work with employers. We are working with employers who know they are going to automate. Some of the pilots we have done are in areas of the country where the employer knows they are going to automate, working with their workforce. This is not based on theory. This is based on real, live examples.

Q392 **Ian Mearns:** By comparison to many international competitors, the companies of the UK do not invest enough in workforce training by comparison. There are some good examples I know of that, but across the board they do not.

Anne Milton: That is right. The national retraining scheme is part of filling that gap. Particularly when the timescales are short, sit that alongside apprenticeships, which are rapidly changing the opportunities for employers. If you like, for levy-paying employers, it essentially gives them a ring-fenced training budget.

Q393 **Ian Mearns:** We are going to have to change the culture to ensure that employers do invest in their own workforce training.

Anne Milton: Absolutely, which is why the work with the TUC is quite important because they understand better. Often we are looking at people in less-skilled work, many of whom have languished in less-skilled work—you know this very well—when they have incredible potential. It is just that nobody ever gave them the opportunity or the motivation.

I need to interject on this because actually those people have complex lives. They are not going to give up their job necessarily to retrain. They do not maybe have the time in the evenings. They might have childcare responsibilities. It is very complex, and they are not all the same. It has to be quite a bespoke service. There will be a bunch of people who will do it online—that is easy—but I would be surprised if that will be the majority.

Chair: We are going to swap, Emma, because you have to go.

Q394 **Emma Hardy:** Good morning. Julie Cordiner, the educational funding specialist, talked about the issues around schools having to pay the first £6,000, the notional £6,000 for children with special educational needs. This has come out in the evidence that we have heard in our inquiry repeatedly, concerns about this. Do you think that this is putting a cost on inclusion?

Nick Gibb: I think there is an issue, and we are addressing it. The way the £6,000 works, of course, is that the national funding formula, the way schools are funded, the special educational needs element of that is a proxy, essentially. Low prior attainment, for example, is a proxy for special educational needs. Therefore, if you as a school have the average number of children with special educational needs, then, in theory, the



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national funding formula will ensure you have sufficient funding to pay the first £6,000.

The problem arises if you are good at what you are doing for children with special educational needs, and you attract to your school more than the national average would expect for that school, there is then a problem that that funding is not sufficient to meet the £6,000. We are looking very seriously at that element of how we fund mainstream schools to help them to fund special educational needs. It is an issue that we absolutely acknowledge, and we are looking very carefully at it.

Q395 Emma Hardy: Marvellous! It is good to start with a period of agreement between us, then, so great stuff.

One of the other problems with this specialist educational needs funding is of course it is based on historical spending patterns. The other thing that has come out in the evidence is that you could have children with exactly the same needs, but because they live in different parts of the country they will have different funding allocated to them.

Another crucial point was this. We debated around the words “tensions” or “conflict of interest”, but conflict of interest between local authorities being the people who write the plans for the children and also provide the funding. Do you accept that the way the funding is set up for children with special needs is not working?

Nick Gibb: The reason why half the element of the funding for special needs funding is historic is that we wanted there to be stability. When a child is allocated a place at an expensive provision, what you cannot do then is change that. There is an element in which it is right for the funding of local authorities to be based on the historic spend because they do have those long-term commitments because we do not want children to have their education disrupted.

We have increased spending on special needs from about £5 billion in 2013 to £6.1 billion—

Q396 Emma Hardy: The point is that it is different in different areas. The point is that a parent of a child with special needs is not really interested in that. What they are interested in their child’s needs are being met, and that is different across the country. My question to you is what are the Government going to do about it? It is, and we can talk about why it is, but it is. What are you going to do to put it right?

Nick Gibb: It is because we have to make sure we continue to fund those children in that provision, and that is why half of it is historic. The other half is based on current data, but it is based on proxy data. Absolutely, it is based on pupil numbers, it is based on health—

Q397 Emma Hardy: What is going to be changed? What is going to be changed to make sure—



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Nick Gibb: We particularly keep the special needs funding formula under review each year to make sure that we are making it as accurate as possible for local authorities, but it is right that an element of it is historic in order to ensure we continue to fund those pupils.

Q398 **Emma Hardy:** You will be looking at changing that to ensure that children around the country are getting funding based on their need and not based on the ability of the local authority to pay for it?

Nick Gibb: Yes. Every year we keep that particular formula under review because of the issues that you are raising. Also, as I said at the very beginning of the session on what areas we are prioritising, this has to be an area of priority because we know that there are enormous pressures on local authorities in terms of their high needs budgets.

Some of the factors I talked about, the nought to 25, for example, the entitlement, we did fund that, but is it enough? We are looking into why it is not. There are issues about the fact that parents are wanting more children to attend specialist provision than they did 10 years ago, so local authorities are sending more children to expensive independent provision.

Q399 **Emma Hardy:** Do you accept that part of the reason they want them to attend specialist provision is that they do not feel their needs are being met in mainstream? Do you not accept, therefore, that we should be looking at mainstream schools and how they have been narrowed to the point that more children and more parents do not feel their children are able to attend there?

Nick Gibb: The high needs funding does fund mainstream schools to have specialist units, if that is what they have, or indeed for children to be incorporated into mainstream itself, extra funding for the top-up beyond the £6,000. Yes, we do want to ensure special needs funding is adequate or more than adequate, and we do know that there are particular pressures in this budget.

As I said at the beginning, this is an area that we are very concerned about. It is why the Secretary of State at the end of last year announced an extra £250 million, bringing the £6 billion up to £6.3 billion. He knows that is not sufficient to deal with the problem, but he acknowledges there is a problem, and the Department knows there is an issue. There have been various factors that have increased the cost pressures on local authorities, and it is absolutely a priority for our discussions with the Treasury.

We do know it is a huge issue. It is why a large number of authorities have wanted to use their discretion to top-slice the schools funding up to 0.5% or beyond that sometimes to help tackle the high needs budget.

Q400 **Emma Hardy:** Going back to the notional spend, do you actually look at how schools are using this notional spend? As you say, it is allocated to every school, regardless of the number of children with special needs



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they have, and I believe—and the Committee has heard evidence to show—that this is driving the perverse incentives for schools to discourage or off-roll children with special needs. What are you doing to track how that money is being used and if it is being used effectively?

Nick Gibb: It is a good question. We do have high expectations for children with special educational needs in our school system. We want those young people to have exactly the same opportunities as other children.

Q401 **Chair:** Just as an adjunct to Emma's point, is it not problematic that you know we have no way of properly tracking how schools spend special educational needs support?

Nick Gibb: The problem with that line of thinking is you can end up telling schools that they have to identify every element. They are already required, for example, to identify on their website how they spend the pupil premium. They are already required to set out how they spend the sport and PE premium. Our philosophy of running an education department is to trust the profession, because I know that they are highly professional people, they are highly educated people, and I know that they want to do the best for all their children.

Q402 **Chair:** How do you know whether there are ways to make efficiency savings, which you want, if you do not do this?

Nick Gibb: What we do have are very high expectations in terms of the outcomes that we expect schools to deliver for all pupils, including children with special educational needs.

For example, in our performance tables, we have the results broken down by things like SEN, like free school meals and so on, so they are all in the performance tables. We are very demanding of outcomes for every child in our school system, including children with special educational needs and severe special educational needs.

Q403 **Emma Hardy:** Do you accept, though, that the way the system is currently set up is driving parents to use—they describe it as a desperate fight to try to get EHC plans because they do not feel the school is able to meet the needs of the child? I do not hold the schools responsible for this. I actually hold the fact that they do not have the resources available to them responsible.

As you did say at the beginning where we agreed, some schools that are shown to be good end up then attracting lots of children with special needs, without any additional money for this whatsoever. It means they are struggling to meet the needs of those children. The answer, I am sure, from so many parents is they would not have to desperately fight for EHC plans if their child's needs were already being met. What are the Government going to do about this?



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Nick Gibb: I absolutely acknowledge all the things that you are saying, and that is why I have said before that this is a priority for us in terms of our discussions with the Treasury.

The issue you are talking about, the fight parents have, is an issue that goes back a long time. For example, Maria Hutchings, if you remember her campaign prior to 2010, when we had statements of special educational need. That is why in 2014 we did change the system. These EHC plans are there in order to try to take away this conflict that there has been. Of course it is never going to remove it completely, and I acknowledge everything that you are saying, but we do want to make sure that we are providing very high quality provision.

There is also a very large capital budget I did not mention, £360 million, for local authorities to enable them to improve their own provision for special educational needs, whether it is building special schools or building units within mainstream schools. What is happening in a lot of authorities, one of the cost pressures is that they are often allocating places in independent special schools, which are much more expensive than state-funded schools.

Q404 **Emma Hardy:** They are incredibly expensive. What can you do, then, if you say you recognise and you accept and you celebrate schools that are inclusive and have children with special needs in them? What are you going to change about the accountability system, then, so that this does recognise schools that make this extra effort? At the moment, the perverse incentive is to get rid of special needs children because they are expensive and because they make the school's grades look bad. What are you going to change to change that?

Nick Gibb: We have been having discussions with the teaching profession on this to see what we can do to address that very issue. There is more to say on this issue.

The challenge for us is that we have high expectations for those young people, and we do not want a system that says we do not expect high standards for those children, but at the same time we need—

Q405 **Emma Hardy:** You have to accept high standards for an individual child might be different to high standards for an average child.

Nick Gibb: Yes, absolutely. For example, we asked Diane Rochford, who is a very accomplished head teacher of a special school, to do two reviews for us about those children who are not reaching the national curriculum standards. Those are the pre-key stage standards. It is a very effective review, a very effective set of conclusions, and it does mean that for children who are working below the national curriculum standards, those schools can still obtain credit in the performance tables for the progress made by those young people. That is a way of dealing with that issue in terms of progress.



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I do accept that we need to do more, and we are working to try to do more to address those issues.

Q406 Emma Hardy: Just finally on pupil premium, I have raised this point with you before, Minister, and you have not really responded to it. Are you looking at how schools are using their pupil premium money? I have raised the case with you that I was contacted by a governor who told me that in that multi-academy trust, the school that had a high number of pupil premium children were told by the multi-academy trust they would need less core funding because they were having additional funding for children with pupil premium. What are you going to do to ensure this does not happen, to ensure pupil premium money actually goes to the children who need it?

Nick Gibb: Lord Agnew is probably the most rigorous Minister I have ever come across in terms of how schools spend their money. He really is. When we come across examples like that, he takes very effective action. He is very concerned generally about governance. He wants to improve the quality of governance in our system. We have improved the accountability. The ESFA, the Education and Skills Funding Agency, has improved the rigour and accountability on academies particularly.

Q407 Emma Hardy: Particularly on pupil premium, particularly looking at pupil premium, we are told it is not being spent as intended.

Nick Gibb: When there are examples like that we want to know about them, and we will look into the specific example, but schools are required to set out on the website how they spend their pupil premium money. We are talking about very significant sums, £2.5 billion a year.

Q408 Chair: We have been told time and time again that the websites where they put on what they are spending are not always as accurate as they might be, by the schools.

Nick Gibb: Again, bring those examples to us and we will take them up. Ofsted of course also looks at these issues. It will look at the websites to see how accurate they are, and again to see how well the school is providing a broad education for all the pupils in the school.

Q409 Emma Hardy: My final question is for Anne. Do you think pupil premium should be funded until 18, since education is compulsory until 18?

Anne Milton: Colleges do get some pupil premium money.

Q410 Emma Hardy: They do not get the same amount that the schools get.

Anne Milton: For 14 to 16. Do I think pupil premium—

Q411 Emma Hardy: Do you agree that pupil premium should stop at 16?

Anne Milton: There is a disadvantage funding pot of—

Q412 Emma Hardy: Yes, but it is not the same, and we know it is not the same level as you get for pupil premium. The children who have been



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supported until 16, now education is compulsory, do you think it should continue to 18?

Anne Milton: I am not going to give you an answer. I have considered this, and I am not sure that that would be the best way, for exactly some of the reasons that you have just had a discussion about.

Q413 **Ian Mearns:** Again to Nick, in terms of your answer to Emma. When we are talking about schools routinely off-rolling pupils who have special educational needs because they are expensive to teach and they are not good for exams, it does happen. I do not think it is good enough just to be talking to the profession about that. I think we need to be talking to the people who run the academy trusts about that because they now control the majority of our secondary schools. Obviously, local authorities have a hand in that, but we need to be talking to the whole sector, not just the profession.

Nick Gibb: There are two issues. One is about the accountability system. How do we have an accountability system that is rigorous but is also fair and does not have within it perverse incentives? That is an issue that I think it is right to talk to the profession about.

We are dealing with the issue of the funding to make sure that there are not perverse incentives in the way schools are funded that disincentivises highly effective schools from wanting more children with special needs to come to their school. Of course, we have the Ed Timpson review, who is looking into issues of exclusion and to see why particular groups of pupils in our system are more likely to be excluded from schools, when you talk about off-rolling, than other particular groups.

Q414 **Chair:** When is that going to be published?

Nick Gibb: We hope soon. They are working on the drafting, making sure the data is right and so on. We will be publishing it soon.

Q415 **Chair:** We have been told "soon" for the last six months by everybody.

Nick Gibb: Yes. In my view about these things, it is more important to get them right and for it to be a report that will have a lasting and consequential result in our system.

Q416 **Thelma Walker:** If we can go on to the role and possibly changing role of teachers in the classroom. I hate to admit it, but as a 21 year-old teacher, the main piece of equipment I had in the classroom, teaching English in a secondary school, was a board rubber, a blackboard and a piece of chalk. When I left the profession, there were iPads in the classroom and interactive whiteboards, but I would say that my relationship with my pupils and children and my desire to encourage curiosity and interest and to help them learn how to become learners never really changed. Thinking about the next 20 years and the introduction of more technology, how do you see the role of the teacher changing? Perhaps it will not. Perhaps it never changes.



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Anne Milton: I do not want to step on Nick's ground. I suppose what I see is very different from the experience in schools. I see in further education the most incredibly adaptable workforce I have ever met. Because of the interaction with employers, a lot of further education colleges and even some sixth form colleges who primarily do level 3 study programmes are independent and very adaptable. I think it inevitably will change but it will never go away.

Q417 **Thelma Walker:** In a positive way? I have mentioned this before in a previous session that part of the challenge for any teacher is the bureaucracy and the admin. How do you see technology maybe advancing?

Anne Milton: In theory, technology should make bureaucracy and admin much simpler. It should be a tool to free up time. It is not an end in itself. As I say, the teaching in further education has changed quite dramatically. If you look on a basic level, you have kids coming in now who did not do what I might have done, which is to take a motorbike to pieces or take a radio to pieces. They have kids coming into further education who have never held a screwdriver or a spanner.

Q418 **Thelma Walker:** It is that using and applying that I was talking about earlier.

Anne Milton: Although they are learning to use very sophisticated machinery, we need to do a bit of catching up on some of those things that you might have done at home, say.

The teacher is in post-16 an enabler much more than a teacher, except at level 3 study programmes. I think a teacher in post-16 education will become more of an enabler. The challenge for the profession generally is about keeping up with the technology that their pupils are using.

Q419 **Thelma Walker:** Do you think there is sufficient training going on at the moment to equip teachers to meet the introduction of more technology in the classroom?

Anne Milton: I have not—it was only published this morning—read the EdTech strategy cover to cover. I think that EdTech is a brilliant way of teaching teachers new things as well as their pupils.

Q420 **Thelma Walker:** The information I have is that we come 20th out of 25 countries in preparing for 21st century knowledge and skills at the moment. That is a bit damning, isn't it?

Anne Milton: Say that again?

Q421 **Thelma Walker:** We come 20th out of 25 countries in preparing children for 21st century knowledge and skills.

Anne Milton: I do not know on what basis that is judged, so I could not comment on it. It depends. That is a very broad statement, knowledge and skills. I would want to look at the research that lies behind that.



Q422 **Thelma Walker:** Nick, any comments on the role of the teacher?

Nick Gibb: The role of the teacher is crucial. There is always going to be that human element between the teacher and the pupil. The EdTech Strategy looks at all kinds of things, like how we improve parental engagement. There are certain challenges that we set out in the strategy to show how technology can facilitate, for example, part-time and flexible working for teachers.

How can we cut teacher time spent marking and analysing in-class assessment? Essay marking, for example. Can we use technology? There is a “no more marking” approach to marking essays, for example. Can we use the technology to help with that? How can we use technology to level the playing field for children with special educational needs, for example? That is a challenge set out in it.

Of course, how do we improve the whole learning environment as well? Can we use technology? We have talked about an app that encourages parents to read to children, for example, and so on. We can use technology in really effective ways in our education system.

Q423 **Thelma Walker:** I get that, but the evidence here and now from teachers is that that workload is not going down, and the admin seems to be going up in some schools rather than down. How would you say we can overcome this?

Nick Gibb: The workload issue is something we have taken really seriously since 2014 with the workload challenge, and there are three key elements that teachers identified. There is the marking, lesson preparation and data. We overemphasise the importance of data. Data is important, but the way that we are demanding data at the moment, the system demands it. We are trying to redress that, and we have worked with—

Q424 **Thelma Walker:** You are trying to redress it? How?

Nick Gibb: We are addressing it. We have had three different workload reviews by leading head teachers with a series of recommendations that we have accepted, and we are working with the unions to push out these messages. I am working very closely with all the unions. We have done little videos with them and so on. We have had posters to demonstrate.

For example, the dialogic marking issue is a huge workload issue for teachers, and we have tried to send the message that we are not demanding dialogic marking. Ofsted is not demanding dialogic marking. The unions think it is not the right approach. It is getting those messages into the system.

Q425 **Thelma Walker:** While we still have this high-stakes accountability that we have, head teachers and senior leaders are under pressure, and they are putting pressure on the classroom teacher to get those results.



Nick Gibb: Yes, you are right. We always have to have accountability in our system, but the question is, what is the best way of delivering those results? The evidence is that this dialogic marking is not the right approach because what matters is children doing work, production, as Tim Oates, the assessment expert, would say. If you have a system that disincentivises setting work because the marking load just makes it impossible, then of course you need to do the opposite. We are working extremely hard.

The technology also can be used to help teachers tackle things like data, and also help with things like lesson preparation. Can we use technology—

Q426 **Thelma Walker:** As I have said before in previous sessions, I can see lots of positives about the introduction of technology. It is just the way it is introduced and the appropriate training that needs to be given. Would you agree?

Nick Gibb: I totally agree, yes.

Q427 **Lucy Powell:** Back to our favourite subject a bit as well. I know we have already discussed it, but just around the challenges of the fourth industrial revolution and curriculum and how people are getting prepared for that. We have heard extensive, extensive evidence from Professor Luckin, from Anthony Seldon, Andreas Schleicher, NESTA, ASCL, lots and lots of people over the last few weeks and months.

All of them, without exception, have talked about the need for multi-disciplinary learning, problem-solving, acquiring the necessary skills, and how we develop the relationship between the human attributes as opposed to the artificial intelligence attributes. All of them have also talked about their fear and their concern that we are going in the opposite direction to what we need to be doing in terms of not just curriculum but the way in which boundaries between different subject matters are not being broken down and we are not developing young people for that fourth industrial revolution.

We have touched on some of it. It is the introduction of the EBacc and the new GCSEs that rely heavily on end assessment and rely heavily on having a large base of knowledge going into them. Do you think that this needs a serious look at, in line with what other leading countries—Finland, Singapore and others—are doing in terms of that preparedness? We are very low down on the index of preparedness for this fourth industrial revolution. Do you accept there is a problem, Nick?

Nick Gibb: Andreas Schleicher will praise those east Asian countries such as Singapore, as well as the city of Shanghai, and the whole-class approach, whole-class teaching. They call it the mastery approach. They expect every child in that class to be taught the same curriculum and to reach the same level, even if that means one-to-one tuition after the class. That is the approach taken in those leading jurisdictions. They teach mathematics in a very systematic, step-by-step way by the teacher



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with a lot of interaction between the teacher and the pupils, and it is that that we are trying to adopt with our Maths Mastery programme in this country.

It is very popular with teachers. We have had exchanges with teachers going out to Shanghai and Shanghai teachers coming to England, demonstrating how they teach mathematics, and it is very successful. We are spending quite a lot of money through our maths hubs in rolling out that approach right across the system. We are learning from countries around the world, as recommended by Andreas Schleicher.

Q428 Lucy Powell: Andreas Schleicher was very critical. He thought you were going in the opposite direction on maths because especially at GCSE the curriculum has just been broadened and broadened, the amount of subject matter in it, so the opportunity for in-depth conceptual understanding is less. We have what he describes as a curriculum that is a mile wide and an inch deep, which is the opposite direction of travel.

Nick Gibb: He might be talking about a curriculum before we changed it. For example, in primary we have—

Q429 Lucy Powell: No, he was not talking about the curriculum before you changed it.

Nick Gibb: In primary we have made it far more focused. In fact, we took the Singapore curriculum, the 2001 Singapore curriculum, as our model, and then we adapted it and consulted on it.

Q430 Lucy Powell: Key stage 4, GCSEs?

Nick Gibb: GCSEs are again based on international evidence. There is a report that Tim Oates did based on the international evidence of what the highest-performing countries around the world do, and again that informed our whole reform of the GCSE. As I said earlier, there is a considerable problem-solving element to mathematics in GCSE to make sure that children really understand the mathematics that they are being taught.

Q431 Lucy Powell: I think that is critical, but it is hard to do that when the curriculum is being added to all the time so there is an extra number of things. You think that we are going in the right direction?

Nick Gibb: I do. There is a debate between England and the OECD on the 21st century skills issue. I quoted some of the cognitive scientists that we have relied on, like Daniel Willingham and Hirsch and the other scientists that I mentioned, because we tried the more competence-based curriculum in 2007 and the years leading up to 2007. It is one of the reasons why we were doing poorly in international league tables.

If you talk to Daisy Christodoulou, for example, she will talk about the difference between a novice and an expert. What is the difference between a novice and an expert? An expert has that accumulated knowledge over the period of their career that enables them to apply



their problem-solving in a more effective way. When we are talking about pupils, they need to acquire that knowledge and acquiring that knowledge is the way to get those skills. As you said earlier, it is not a dichotomy between skills and knowledge. We want both, and the way you get the skills is to make sure that their mathematics is at a sophisticated level, that they are reading fluently and effortlessly, they have read widely and their vocabulary is wide, and that they know things that they can then critically think about. That is what we are trying to deliver.

In that debate between what we are doing in England and the 21st century skills debate that the OECD are promulgating, I think you will find that as these international league tables start to be published, based on our reforms—for example, the PIRLS showing us rising from tenth to eighth place in the world with our highest-ever score in reading—we will do well going forward as our reforms are implemented.

Anne Milton: I do not do schools but I see the post-school bits, and whatever was happening before was not working that well for a large chunk of the population. That is the thing that makes me distraught, actually. Those figures on maths and numeracy skills of adults shocked me to the bone and continue to shock me. Whatever was happening before did not work that well because you are writing off, in many ways, almost 50% of the population due to a lack of numeracy skills.

Q432 **Lucy Powell:** I would be very careful making such sweeping statements.

Anne Milton: I know, but it does matter for the ability of people to get on in life.

Q433 **Lucy Powell:** Of course it does. What—

Anne Milton: What we had before did not work terribly well.

Q434 **Lucy Powell:** No, I would not go that far. No one is talking necessarily about going backwards, I am talking about the future and preparedness.

Anne Milton: Yes, so what you say is—

Q435 **Lucy Powell:** Just on that, in terms of that bridge between post-16 and where we are, obviously, for example, with GCSEs we have comparable outcomes. Whatever your baseline is, 40% of children are going to fail their English and maths GCSE because that is the comparable outcome, or whatever the percentage is at the moment. That will happen every year, no matter what standard you set.

Anne Milton: Yes.

Q436 **Lucy Powell:** Okay, so for the kids you are talking about it is the same outcome, but we are asking them to constantly re-sit English and maths on that same comparable outcome as a gateway to an apprenticeship, a gateway to any other level of qualification they might go on to do, even though there is a 40% chance every time that they are going to fail and that probably gets harder and harder. Do you think that is about



labelling?

Anne Milton: There are functional skills available as well, do not forget. It is not just all about GCSE, as you know, Lucy. It is important.

Q437 **Lucy Powell:** No, but the point is that they have to keep re-sitting.

Anne Milton: Yes, I know, and it is really important. When I see those same young people being taught out of a school environment in a different way, coming back a little bit to what Thelma was talking about, because these are children who spent 11 years in education and still cannot get their GCSE maths, there is—

Q438 **Lucy Powell:** Every year, 40% are never going to get it anyway.

Anne Milton: Well, with functional skills that is not necessary.

Q439 **Lucy Powell:** If they can use functional skills as a gateway to an apprenticeship or to T Levels or to—

Anne Milton: Yes, absolutely, and they can continue to study.

Q440 **Lucy Powell:** They will not have to keep re-sitting?

Anne Milton: They need to get their functional skills and I would need to check whether they need to carry on up to a certain age.

Q441 **Lucy Powell:** They do need to carry on.

Anne Milton: They do need to carry on. What I want is for Nick's changes to work so that ceases to be the same problem when they get into—

Q442 **Lucy Powell:** Those statistics are never going to change unless we adopt the IGCSE model, where everyone can pass.

Anne Milton: Sorry?

Q443 **Lucy Powell:** Unless we adopt a different model where everyone can pass, like you have a driving test and you pass it—

Nick Gibb: The GCSEs are criterion-based. The comparable outcomes issue is about when you introduce a new exam, you want to make sure that those particular cohorts, as those exams are introduced, are not treated unfairly. We are introducing a national reference test that will assess whether the system is genuinely improving standards and as that national reference test demonstrates that we are teaching English and maths more effectively, then you can ease up.

I am always hesitant about the technical terms I am using, but that will enable you to ensure that, while maintaining the standard, while the criteria that lead to those grades are the same standard, you can allow more young people to reach those grades if the national reference test is demonstrating that the school system as a whole is pushing up standards. You could get to a position where more and more young



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people are getting grade 4 or above in those subjects, if the national reference test is demonstrating objectively that our system is improving standards.

Q444 **Lucy Powell:** I do understand the statistics and the science and I am not necessarily saying it is wrong. The point I am making is that if a GCSE in English and maths is now the gateway, which it is, it is the gateway—

Anne Milton: It is not the gateway. You can—

Q445 **Lucy Powell:** No, it is the gateway to be able to do further education, to go into an apprenticeship, to get to that next level.

Anne Milton: You can—

Q446 **Lucy Powell:** When every year of sitting you are up against a new cohort, that is why so many children are having to re-sit all the time and are not passing.

Anne Milton: You can do your apprenticeship and continue your maths. You are not prevented from getting on the apprenticeship, you just have to continue to do it.

Q447 **Lucy Powell:** The qualifying criteria for many of these apprenticeships is that you have to have English and maths.

Anne Milton: I meet lots of employers who are taking on people who do not have English and maths, and will do it alongside.

Q448 **Lucy Powell:** Okay. Let us just go to a slightly different area.

Anne Milton: Then often they reach success, because they are not people for whom classroom learning ever really worked very well, and so they do get it, interestingly.

Q449 **Lucy Powell:** Exactly the point I am making.

One of the other issues that has been raised is about practical science, especially at GCSE with the emphasis on exams so much. This was seen as a regressive step in terms of our scientific advancement for young people. What do you say about that, Nick?

Nick Gibb: The teachers have to have taught 12, I think, different practical experiments to the young people taking those GCSEs over the course of that course, and they have to certify that those young people have been through that and have been taught it. I think that is a more effective way than the previous system of having the controlled assessment.

Ofqual were concerned about the reliability and the schools were concerned about the time that that was taking up. Now the system we have, with the requirement for those children to take part in a certain number of practical experiments as part of the GCSE, is the most effective way of ensuring we have very high-quality practical science in GCSEs.



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Q450 **Lucy Powell:** Just finally, basically you feel like we are heading in the right direction of travel, preparing people for the fourth industrial revolution? I think that is what you are saying.

Finally, Nick, as you are here, one of the things that we have been looking at recently with Ofqual and others is the unfair playing field with private schools being allowed to sit IGCSEs, where they are not subject to the same comparable outcomes and where 70% or more are getting A* and A and using that as a gateway to university, compared to the tougher new GCSEs that are being assessed on comparable outcomes. Do you think that is a bit of a national scandal?

Nick Gibb: Look, the IGCSE is not regulated—

Lucy Powell: No, we know that.

Nick Gibb: —in the same way that GCSEs are. The question for us is: should we allow the IGCSE in performance tables? The decision we took was no. This is not a concern about the particular IGCSE that Cambridge International Assessment produce. That has been around a long time, it is regarded as a very high standard and the Independent Schools Council would say it is of a comparable standard to the GCSE.

The danger we faced was that the exam boards would be producing more and more level 2 qualifications that they would describe as IGCSEs, which would not be of the standard of the current IGCSE and certainly not the gold standard new GCSE. We could not allow a proliferation of these exams to then come into the performance table. That is why we did not allow them in performance tables.

Q451 **Lucy Powell:** Do you think they should not be therefore accepted by universities as part of an admissions process? GCSEs are a key part of whether you get an offer from a university and whether you get an interview for a university place. Given that 70% or more are getting A* and A—for my teenage son, that would be great. I could guarantee he could get an A* or an A.

Nick Gibb: You should talk to Cambridge Assessment, have them before your Committee to—

Q452 **Lucy Powell:** No, I am asking about universities.

Nick Gibb: Cambridge Assessment would say that to reach those grades in the IGCSE is as demanding as reaching those grades in the regulated—

Q453 **Lucy Powell:** But they are not regulated.

Nick Gibb: They are not regulated but they would nevertheless say that they are.

Q454 **Lucy Powell:** I know what they would say because they have lobbied me. I am asking you what you say.



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Nick Gibb: We do not regulate them. They are not permitted in the performance tables, for the independent sector as well, but some independent schools want to teach them anyway.

Q455 **Lucy Powell:** The majority.

Nick Gibb: I think there will be a shift. If you are asking what my own personal view is, I think there will be a shift by the independent sector towards the new GCSEs because they are of a very high standard and I think parents will want to ensure that their children are being taught to what are regulated and very high standard GCSEs.

Q456 **Chair:** Can I just make a side point before I pass on to Ben? My colleague Thelma quoted a statistic. It is from the *Economist* Automation Readiness Index and it suggested that although we were eighth overall, we were 20th out of 25 in preparing children for 21st century knowledge and skills. That is what Thelma was referring to, and Lucy. I think that is quite—

Nick Gibb: It depends on what they mean by that. These things are very subjective. They do depend on the assumptions and the views of the people asking the question, what they mean by “21st century skills”. I think that our curriculum is preparing young people to be as cognitively developed and knowledgeable as possible, to enable them to function well in a modern world.

I will just give you this other quote from E.D. Hirsch because I did not get to. It says, “The Internet has placed a wealth of information at our fingertips. But to be able to use that information—to absorb it, to add to our knowledge—we must already possess a storehouse of knowledge. That is the paradox disclosed by cognitive research.”

Q457 **Chair:** What some colleagues are arguing on the Committee is not that you do not have knowledge-based education in schools, but that you also have a greater focus on skills. It should not be one or the other.

Nick Gibb: No, but my argument is that you get those skills by teaching the knowledge and the skills come from it. The opposite is that you just teach those skills in isolation, and it is that—

Q458 **Chair:** No one is arguing for that.

Nick Gibb: No, you may not be but that is—

Q459 **Chair:** Not on this Committee but there is a feeling that a balance has to be both, not just tipped in one direction.

Nick Gibb: It is both. When you say “both”, I am saying we are delivering those skills but the way to get those skills is through a knowledge-based curriculum. If you have a very rigorous maths curriculum and if you want to test that children understand what they are being taught, you have problems that they have to solve. That is how they acquire that problem-solving skill. If you just have a lesson in



problem-solving, critical thinking or creativity, you will not get the very skill that you are seeking.

- Q460 **Lucy Powell:** In reverse, you have the opposite. People learn things because they have a desire to learn things and a love of learning it. If they are having to learn endless formulae or endless quotes from a myriad of poems when the real-life skill there is, "I know how to apply those formulae and which formulae I need to use in the right circumstance", or, "I can read a poem and critically assess it", I do not need to have crammed my brain full of stuff that in a normal life situation, I would be able to refer to.

With a son going through these GCSEs, I would say that the balance has shifted greatly to having to cram stuff in at the expense of a love of poetry or a love of maths and being able to apply that love and that knowledge in a way to problem-solve.

Nick Gibb: The amount of quotations you need for GCSE is overstated in these campaigns about the new GCSE.

- Q461 **Lucy Powell:** My son is sitting his English Lit in a month and he needs to know a hell of a lot of really awful poems, frankly. He loves literature. He is not very good at it. He loves it, though, and he can critically assess it, but he is having to get himself all stressed about having to cram into his head exact quotations that he might happen to need.

Nick Gibb: There is some element of that, but it is not as—I do not know how the school—

- Q462 **Lucy Powell:** He is at a fantastic school.

Nick Gibb: There is no requirement for masses of learning of huge swathes of text but there is a benefit from knowing formulae by heart, some formulae by heart. Not all formula are required by heart. Some formulae are provided.

- Q463 **Lucy Powell:** It is a big page.

Nick Gibb: Some of it, yes, the formula for the area of a circle and so on. Some of it is required.

- Q464 **Lucy Powell:** I have a science degree. I know. I am just saying that it is unnecessary. I can help him with his maths. I am very good at maths. I just quickly refer, "What is that formula?" and then we go through the seven or eight stages that he needs to solve the problem. He does not need to stress himself learning that. This is what people are telling us.

Nick Gibb: If you read Daniel Willingham, he will tell you that there are some things you need to have in your long-term memory—

- Q465 **Lucy Powell:** You need to know formulae exists, you do not—

Nick Gibb: No, not necessarily. No, there are some—

Lucy Powell: —necessarily need to know the formula itself.



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Nick Gibb: No, there are some things you need to have in your long-term memory because you cannot always be reaching for the information. For example, multiplication tables. You absolutely need to know those by heart because if your working memory is not big enough you would always need to be finding out, "What are seven sixes?" when you are trying to simplify fractions.

There are some things you need in your long-term memory. What Willingham says is that what makes an educated person is that they have a lot of knowledge in their long-term memory that they can retrieve and use in their short-term memory to do the critical thinking to apply—

Q466 **Chair:** Anne, you are very quiet in this knowledge debate. You are very quiet.

Anne Milton: I wanted to ask the question whether that study—I know this is unusual, for somebody appearing before a Committee to ask a question. Was that study based on 18 year-olds or 21 year-olds?

Q467 **Lucy Powell:** I just think the evidence is not there for this. I do disagree with it. I was highly academic. I did really well at school. I do not have a very good long-term memory for knowledge. My husband—I think it is a male/female thing—knows absolutely loads of completely unnecessary trivia and knowledge, and he loves it.

I have been successful in life because I am a good communicator, I am a good networker, I can analyse things, I can read things; all of that sort of stuff as well. Give me a maths problem and I can solve it as long as I have the formula there to reference, but I cannot remember them.

Nick Gibb: I think you remember more than you think.

Q468 **Lucy Powell:** You have to look at the breadth of evidence and not just pick the people you think agree with your own view of the world, and then you get the evidence to justify it rather than looking at the whole—

Nick Gibb: I came to my views on this issue because I have read these people, not the other way around.

Q469 **Lucy Powell:** Read the other people.

Nick Gibb: I do. No, we do, and I was immersed in all the curriculum issues that we had in 2007. I am very familiar with that whole curriculum and we took a view that we did need to move, not wholesale but to a degree, more towards a knowledge-based curriculum.

Q470 **Chair:** My view is that knowledge is useful when individuals have the skills to interpret and communicate it, and that skills are only useful when people have a core knowledge to draw on.

What I am trying to say is that I believe in knowledge and I believe that what you are doing in reading is magnificent, but I also think that the balance has been tilted too far in one direction and we need to have a skill system as well as a knowledge system. I want people to learn about



battles in the classroom but I also want them to go to the fields where those battles are because I want them to know that they can be an archaeologist or work in a museum and have that work experience and vocational side to that education as well as learning the core knowledge in the classroom.

Nick Gibb: I do not disagree with any of that.

Q471 **Ben Bradley:** Back to funding—joy—can you explain how you came to the base unit of per-pupil funding? How do you ensure that it is fair and accurate when it seems to be based almost wholly on what the historic levels were as opposed to what the actual costs are?

Nick Gibb: It is a good question. We created the national funding formula, which is a much fairer way of distributing funding because previously we were basing the distribution of funds to local authorities on historic data, just rolling it forward a year, and yet different areas have changed their demographics and their proportions of free school meals and so on. The first thing is that we are basing the national funding formula on current, up-to-date data.

How do we get to the proportions, the age-rated per-pupil funding? We aggregated 150 local funding formulae into one national—it was like the wisdom of the crowd, essentially—and then we did tweak it slightly. We put slightly more towards low prior attainment. Other than that, it is, broadly speaking, roughly the aggregation of 150 local formulae.

The beauty of the national funding formula is that once the principles are established, which they now are—and when we consulted on the principles there was almost no objection to those principles. If you think then that the 73% of the national funding formula that is the age-weighted pupil unit is too low and you think it should be 75% or 80%, the beauty of the national funding formula is that we can have this debate nationally and decide that you are right and we will move it up, or you might decide that more should go to disadvantage, in which case we can tweak it and put a higher proportion.

It is transparent, it is open and we can debate it as a country. Then you base the distribution of the schools block on the basis of that formula. It is a very fair system and it is transparent. We can have this debate about what precisely the proportion should be.

Q472 **Ben Bradley:** What oversight and control do you have over local authorities? You give that funding to the authority and they give it to schools. They are not forced to give it in the same way as you tell them to.

Nick Gibb: Exactly. That is another debate. Initially, we thought there would be a one or two-year transition period so we would allocate the funding to the local authorities on the basis of the national funding formula and then the local authority would allocate it to the schools on the basis of their local formula.



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The intention when we introduced the national funding formula was to move to a hard formula eventually so that we would fund the school directly on the basis of the national funding formula. We wanted to make sure there was some flexibility for local authorities to respond to local issues.

If you are going from a local formula that gives, say, £175,000 fixed sum to each school, to the national, which is £110,000, there are issues on that locally. We wanted to make sure, in these transition years as we introduce this—this came into force in 2018-19—that we gave local authorities that flexibility. For 2018-19, for 2019-20 and, we have also announced now, for 2020-21, it will continue to be the local authority that distributes it to schools because of that flexibility.

Q473 Ben Bradley: We have lots of pet projects, little extras and all the other things, little pots of money, whether it is the mental health strategy or EdTech. You have talked yourself today, Nick, about 10 or 12 different pots of several hundred million pounds that have gone to different things.

Would it not be better and clearer, talking about long-term strategy, to give schools the knowledge that they were going to have all of that money in their pot for the medium term and then give them the control and the autonomy over how they spend it in order to be able to do precisely that, give them that local control to be able to adapt to those needs? We have the system of free schools and academies on the basis of giving schools more control and more autonomy but then we seem to be very controlling about what money they are allowed to have and for what purpose.

Nick Gibb: There are two things. One is when we announce, mid-financial year, that there is going to be more money. For example, for the £250 million extra, £125 million of that was this financial year that has just finished, for high needs. The reason why we can do that is that we have more clarity about whether we have any spare money within the overall envelope, the overall school and higher needs funding. We can do that. Sometimes it is a matter of looking at the public finances and whether we can allocate a bit more. That then hopefully becomes part of the baseline.

Then the other issue is national programmes. If we are training teachers across the system in how to teach computer science, that is a national programme. If we are trying to roll out the modern foreign language hubs, we have a scheme that is wanting to help schools teach modern foreign languages in the way that best practice shows. That is a national scheme and therefore they would become the national funds.

Chair: We need to move on. We need very concise answers.

Nick Gibb: Yes, sure. That is why they are—

Q474 Ben Bradley: We talked a little bit about special educational needs already and how that draws away from core funding to an extent that



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seems particularly challenging in FE. I only sat with Nadhim Zahawi a few weeks ago looking through the predictions in terms of the cost in the future of SEND provision within FE. How disastrous is that going to be, when you look at some of the figures in terms of the growth in need compared to the funding?

Anne Milton: Again, we look ahead at the spending review but separately to that, in FE we are looking at the resilience of the sector. I suppose there are three things that play into FE at the moment, which include people with special education needs. One is the post-18 review that is going on, which will touch on FE for sure. Secondly, we are looking at the resilience and the sustainability of FE. We have had the area reviews. We have had restructuring money. About £470 million has been distributed to date for that. We need to look ahead. We now have an insolvency legislation in place and we need to look ahead and say, "How do we make FE sustainable?"

You are right to mention young people with special education needs because in the FE debate they do not get a lot of mention, but I was in a college recently and they had 400 kids with special educational needs. That is a lot of young people. Interestingly, they do a fantastic job. They never specifically this mentioned to me but I think they see their work as getting these young people into employment. They see it very much through that lens. They do a phenomenal job but you are right, the figures coming through would suggest that this is going to become a bigger and bigger part of that.

Q475 **Ben Bradley:** They are going to need funding to do that, to give the opportunity to—

Anne Milton: The funding and the right opportunities as well, because it is about preparing young people for future life whether you have SEND or not. For a young person with SEND, getting into a job is critical. It is life-changing for anybody but particularly for those young people.

Q476 **Ben Bradley:** I will give you the opportunity to defend the Department, I suppose. You might have seen in *Schools Week* Lord Agnew's cost-cutting schemes, which I am sure you will be able to explain more clearly. Featured throughout this are things like proposals to teach three classes in the dining room, covered by temporary staff, to save money; things like getting rid of experienced teachers and having short-term supply teachers instead. I am assuming they are not things that DfE would suggest. I wonder if you could clarify what that is about?

Nick Gibb: We are disappointed by the *Schools Week* article that basically chose to publish an article that takes a number of SRMAs'—School Resource Management Advisers—recommendations out of context. It is important that schools are using taxpayers' money as effectively as possible. SRMAs are very skilled and can show schools how to use their money effectively to find efficiencies.



For example, we have a national buying scheme for insurance. It is significantly cheaper than insuring with your own insurance company. We have national buying schemes for energy, and for buying equipment. There is the integrated curriculum and financial planning tool that looks at the array of teachers and staff that you need to deliver particular curricula, looking at three to five-year planning horizons, based on the approach taken by the Outward Grange multi-academy trust.

While we are negotiating with Treasury to ensure we have the best possible deal for Education, we also have to demonstrate to Treasury that we are spending that money as effectively as possible. That is something that the NHS has to deliver on as part of its 10-year plan, and so do we. What Lord Agnew is doing is making sure that schools are equipped to be as efficient as possible. He has particularly honed in on the non-staff spending—the £10 billion that schools spend outside their staff budgets—to make sure we are spending that money as effectively as possible.

Anne Milton: It is the same with FE. During National Apprenticeship Week, I went into some colleges that have been doing brilliantly, financially stable, are investing in new facilities, and you can go to another college that is struggling. It is not due to lack of commitment on either organisation.

How do you spread the expertise that college A has, doing very well, financially stable, into college B? It is different in colleges because they have a far more complex business model. However, in every sector, we glibly talk about spreading best practice but the truth of the matter is that it is quite difficult to spread it because people do not pick up the ideas. It is the same in FE.

Q477 Ben Bradley: I have seen examples in my constituency of local decision-making within the college, their challenges. I get that.

Finally, talking about the spending review, what would be your priorities? You have touched on the 10-year plan proposals and making sure that money goes to the right places and is spent effectively within those plans. Through the evidence that we have had here through our SEND inquiry, the biggest single priority within that spending review should be dealing with that, frankly, that funding for special educational needs in particular that seems to be a drain a core budgets and on teacher time, and so on; it is hugely impactful. What is your key recommendation to the Chancellor?

Nick Gibb: I do agree with that. These are the most vulnerable children in our society and we need to make sure that they are given the best education possible to equip them for life, which for some of them will be more challenging than for the rest of us. We need to make sure those children will be given the best start in life and that means making sure that the funding is there. That is a priority for our spending review bid, but I am also concerned about post-16 funding, not just in FE but also in the sixth forms of schools, where we have not been able to protect



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budgets. That is increasingly becoming a very serious challenge for sixth forms and is also a priority. It is all very well saying I have three priorities, but I am also concerned about overall school funding and I do want to make sure that we are securing the best deal for all schools.

Q478 **Chair:** What you have just said about special educational needs is very important but, Anne, I want you to double confirm that you getting more funding for FE is one of the priorities for the DfE.

Anne Milton: I most certainly do.

Q479 **Chair:** How much?

Anne Milton: As I said at the end of the debate yesterday, I will put my tin hat on and go into battle to fight for it.

Q480 **Chair:** How much will it need?

Anne Milton: It would be off the top of my head.

Q481 **Chair:** You must have a view about how much extra funding you want for further education.

Anne Milton: Yes, the first thing I would like to see is the base rate rise. The trouble is that FEs, which have complex business models, are risk averse, not unreasonably. They have two main concerns. One is their Ofsted rating and the other is making their books balance. Until the base rate is lifted, they are not going to—

Q482 **Chair:** How much extra?

Anne Milton: I would not like to say off the top of my head, Robert. I have looked at figures. It would be a guess and it would be inappropriate of me to say.

Q483 **Chair:** This is my argument. You have acknowledged that there needs to be more funding, both of you. You acknowledge that there are extra costs. The reason why the NHS battle was won by the Health Secretary was that the Health Department made their argument publicly. NHS England and the Health Secretary made the argument publicly.

Anne Milton: I know. Can I come in, Robert?

Q484 **Chair:** Hang on. You two say there needs to be more money but will not make the argument publicly. It is like cardinals at the Vatican, doing it very secretly with Treasury, hoping there is a bit of white smoke coming through the roof. What you should be doing, and what we are trying to do to help you, is to say, "This is what we think a proper five-year funding settlement would look like. This is how much we think a proper 10-year strategic plan should look like. This is the case we are making to Treasury" just as the Health Department, the NHS and the Health Secretary, past and present, have done.

Anne Milton: Okay. I reject the fact completely that I have not made this argument publicly.



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Q485 **Chair:** You have not given a figure, whereas the NHS did.

Anne Milton: Just let me finish.

I have, without doubt, made public the fact that I think it is poor and very damaging to further education, on a number of grounds. I have said it in Westminster Hall, I will always say it publicly, I will say it from the Despatch Box, that FE needs more money. On social justice, there is a moral imperative—

Q486 **Chair:** They made a specific case, with figures, Simon Stevens and Jeremy Hunt—

Anne Milton: No, let me finish. You have been a Minister, right, so it is inappropriate and it is above our pay grade, to go out publicly to say exactly what that figure is because it is for the Secretary of State to say that.

What I would say about Health is that if you had questioned them before they put their 10-year plan out, they would have said the same as Nick and I are saying. We are not at the same stage yet. There is a point at which it would be inappropriate to disclose those discussions. As you know, the lead up to a spending review is a very complex position—

Q487 **Chair:** That is not the case. NHS England, Simon Stevens, and the Health Secretary frequently made the case, publicly—maybe not to their Select Committee, I don't know about that, but publicly—in advance of the budget, well in advance of the spending rounds, how much money the NHS needed.

Anne Milton: The NHS is managed in a very different way. NHS England, which was something we did in coalition, is separate from the Department of Health. We do not have that division in the Department for Education. NHS England is not part of the Department of Health.

Q488 **Chair:** Does Education need an Education England, given that NHS England has been so expensive?

Anne Milton: It has the Education Select Committee. Does Education need an Education England? I would say probably not; that would be a long debate. It is a separate system. It also has a multitude of professional bodies. What I am saying is, please do not doubt for one minute that we don't think that we would like more money. I certainly, and I say it publicly, do not disguise the figures in any way. I do not wrap it up. There is no way of wrapping this up. I do think that this Committee, just asking for more money, is not enough.

Q489 **Chair:** That is not what we are doing.

Anne Milton: No, I know you are not.

Q490 **Chair:** Hold on. That is what is our inquiry is about. It was purposely set up—not to have an argument about day-to-day funding, about the national funding formula, or about this school or that school—to say if



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there was a five-year funding settlement, what would the money be. That is why you are here today. If you want us to help, give us a figure.

Anne Milton: If I may add, what I was about to say to—

Q491 **Chair:** We want to help. Give us a figure.

Anne Milton: Okay. To add another tool to your box of weapons that you will take into battle on our behalf, there is the socio-economic cost of not getting education right. We have talked about social justice, we have talked about social mobility, we have talked about the productivity issue.

I don't know how much account Treasury makes of the social and economic cost to the Government if we do not get education right. We have talked about children with high needs. If we do not get their education right, and support those families, we will have a parent not being able to work; we will have marital breakdowns because they are not uncommon. Do spread out into those areas.

Q492 **Thelma Walker:** I have been thinking about investment in post-16 education but before I ask my question, can I give a shout out to a sixth form college in my constituency of Colne Valley? Huddersfield New College is the winner of the TES Sixth Form College of the Year. I thought I would mention that. Angela Williams and her team have obviously been very successful. Angela and her colleague, Simon Lett—principal of Greenhead College, another outstanding college in Kirklees—have both said that funding pressures mean that it is so difficult now to provide the first-class education that they have been providing in the past.

The results of the "Raise the Rate campaign: funding impact" survey of college principals conducted by the Sixth Form Colleges Association, indicate that 51% of schools and colleges have been forced to cut courses in languages, 78% have reduced or removed student support services; 81% are teaching students in larger class sizes. That is the reality of what sixth form college principals are saying, and these are outstanding, award-winning college principals we are talking about. The Raise the Rate campaign has two asks: raise the national funding rate to £4,760 per student and raise the rate in line with inflation each year. Can you do that?

Anne Milton: Will I do that? I am not the Chancellor of the Exchequer.

Q493 **Thelma Walker:** Can you lobby for that? Can you work for that?

Anne Milton: You said two things that I think are really important. One is about support services. The issues are slightly different in sixth form colleges from FE colleges, but they are critical. We know now, and there is money going in for mental health services, that if young people at the age of 16-plus still have, or develop, mental health problems, the support needed is much greater at that age because either they are problems that have not been resolved in school, or they are developing problems.



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The other thing that you skirted round, but that I think is in there, is about enrichment. The key thing—what is the difference between a school sixth form and a sixth form college—I would say is around the enrichment area. It is a different learning environment—

Q494 **Thelma Walker:** Well, 78% in extra-curricular.

Anne Milton: That is right. Exactly. Sixth form colleges are either they are a wonderful bridge between school and university—they have a less school-focused attitude to learning—

Q495 **Thelma Walker:** With respect, I know all that.

Anne Milton: I know you do. I agree they should have more money. You asked me if I am going to lobby for it. The short answer is yes.

Thelma Walker: Okay.

Q496 **Chair:** I have a couple of questions to end with, first of all to Nick.

You accepted the costs, the IFS figure, the 8%, and you said that some of that was due to local government cuts. Am I correct?

Nick Gibb: Yes.

Q497 **Chair:** What percentage of it was due to local government cuts?

Nick Gibb: I don't have that figure.

Q498 **Chair:** The information we have from the NAO, the IFS and the EPI, is that funding pressures comprise 4.4% pay, 1.89% National Insurance, 1.6% non-staff inflation, 0.4% pension, and 0.4% apprenticeship levy. Where does the local government cut fall into that?

Nick Gibb: What my note says is that this is a general measure of school spending which includes three to four-year olds, it includes school sixth forms, and it includes local authority spending on education, as well as the usual funding for five to 16 year-olds. The analysis goes up to, and includes, 2017-18. That is my understanding of what makes it up.

Q499 **Chair:** Could you come back to us? The bulk of the figures here—I have given you pay, National Insurance, non-staff inflation, pension and apprenticeship levy—are not local government.

Nick Gibb: Our understanding is that there is an element of local government—the central services, the ESG—

Q500 **Chair:** That would be a very small part. If these figures I have just quoted to you are correct, that would be a very small amount.

Nick Gibb: What I have also said is that we have protected real-term per-pupil funding between 2010 and 2015 and we have done the same for 2018 going forwards. There is an issue of the years between. We had two different spending reviews, the 2010 Spending Review and the 2015 Spending Review. As I was saying about Treasury, as Treasury sought to bring down this deficit—as the years go by, as you get lower and lower in



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bringing that deficit down, it does become more demanding and those years were particularly challenging. Part of what you have just cited, things like the higher employers' National Insurance contribution, is part of dealing with the deficit.

The higher employer contribution to teachers' pensions is part of dealing with the deficit. They were costs that were absorbed by schools and we accept that that is a pressure on schools. Then we have things like the apprenticeship levy, which have their own value in terms of improving apprenticeships—

Q501 Chair: I am not arguing about the reasons for it. I have some agreement, obviously, as a member of the Government and a Conservative. My point is that these are extra costs, whatever the reasons, and that is why the whole idea of having a five-year plan to deal with this sort of thing, at least a funding settlement, would make such a difference.

Nick Gibb: Yes, and what I was trying to explain was that we understand that those are cost pressures on the school system but we should also bear in mind the very real problem that the Government have had to deal with since 2010 and in dealing with that problem we have protected Health, and International Development, and we have protected schools, five to 16, in real terms, overall. I do accept that there are high pupil numbers and that there are these cost pressures but we do need to put these issues into perspective.

Going forward, 2018-19 is the first year of the National Funding Formula. It is a fairer way of distributing funding. We are protecting school funding in real terms and per pupil, in 2018-19 and 2019-20, and we will be presenting the best case possible to Treasury for the future years of the spending review.

Q502 Chair: Pupil premium: we have touched on this but can I ask you about the measurement of it? A child who has been registered as eligible for a free school meal for all of the last six years may well be significantly more disadvantaged than one who has only been registered for a small part of the last six years.

The money that follows them through the pupil premium is the same. Are you thinking of a more accurate way of distributing the pupil premium? For example, the pupil premium could be paid according to how long children have been eligible for free school meals in the last six years.

Nick Gibb: You could do that; you could. The issue is what the overall pot is. The overall pot is £2.4 billion. We have spent £13 billion since 2010 on the pupil premium. This is a very large programme. You can tweak it to distribute it in a different way, but if you don't increase the £2.4 billion, it means you have winners and losers. The argument you make is compelling but I think –

Q503 Chair: Will you look at the way you measure and distribute the pupil



premium and how it is being spent?

Nick Gibb: Yes, you could distribute it in a different way. When we first introduced the pupil premium, it only applied to free school meals. We then decided it should apply to anyone who has been on free school meals any time in the past six years, as a fairer system. You could change it to shift the funding so that the more years that the child has been on free school meals, the more funding attaches to that child. You could do that and I don't have firm views either way. You make a compelling argument and we always keep these things under review.

Q504 **Chair:** Finally, the National Retraining Scheme announced £100 million to build and trial the National Retraining Scheme. What is going to be the overall cost of the National Retraining Scheme?

Anne Milton: We do not yet know because some of that £100 million has been spent on doing the research, which I know feels a bit tedious, but it was very important for the reasons that I outlined to Ian before. What motivates people to learn?

Without a doubt, the prospect of a job does that, so that is very easy, but a lot of the people who go onto this scheme will not necessarily have the promise of a job. It does need to be close to a promise. What sort of learning works? That will vary around the country. It is really important, therefore, that we do not pick learning from, say, Birmingham or Hull and apply it to rural Cornwall. What sort of support is needed? How do you help those people into new jobs if there is not necessarily one available? What sort of added support do you need on top?

Q505 **Chair:** Can you give reassurance that the National Retraining Scheme will have social justice at its core in that it will help with jobs for those who are risk of being displaced?

Anne Milton: Most definitely. Correct. We are looking at people who are furthest from the job market, if you like, and people whose jobs are at risk of automation. It is most definitely circled around those who would be least able to move into a new job and therefore social justice—

Q506 **Chair:** It is a social justice retraining scheme, at its core?

Anne Milton: Social justice is absolutely at its core.

Q507 **Chair:** What is the timeframe for rolling all this out?

Anne Milton: We are hoping to start rolling it out in the summer. The only thing to be aware of is that we will roll out and evolve—because that is the way we can continually gather and use the research.

Q508 **Chair:** I promise that this is the last question.

How will it work in practice?

Anne Milton: That is part of the rollout. We definitely have one area in mind. How you roll it out across the country—you can have it employer-



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led, employers who come forward and say, "We are automating in the next five years. We have a workforce that needs retraining".

Q509 **Chair:** What is the plan of action? Is there a timetable to roll it out and a plan about how it is all going to work and so on? Are you able to share, to send that information to the Committee? There have been very few details.

Anne Milton: We are in the very early stages, beta testing. The important thing is that we do not dig ourselves into ruts that we cannot get out of. The key to it is that it is not too fixed, so that we can move it with employer and personal needs.

Q510 **Chair:** Thank you.

Anne Milton: It is a pleasure.

Chair: Thank you very much, both of you.

Anne Milton: I apologise, but I do just need to say that sometimes it is our opportunity to get on the record that we understand the issues that organisations face.

Chair: Thank you for two hours of sustained questioning. It is appreciated. We are trying to help you make the case for more funding. Thank you very much.