DEPARTMENT FOR EDUCATION

Rt Hon Gavin Williamson CBE MP
Secretary of State

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Robert Halfon MP
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Dear Rob,

Thank you for your letter of 29 June about the Department's Main Estimates and your questions on DfE's planned spending for 2021-22 and beyond. Please find in the annex below answers to each of the questions raised by the Committee.

Thank you for writing on these important matters.

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Annex - Responses to Questions

Catch Up

1. ***The Government has variously announced education catch-up funding of £1 billion (Summer 2020), £0.7 billion (Budget 2021) and £1.4 billion (June 2021). So far only £369.416 million extra has been provided from the Reserve specifically for education catch up in the 2020-21 Supplementary Estimate, and £122 million in the 2021-22 Main Estimate. As a result, we have difficulty reconciling the amounts so far included in Estimates to the funding announcements made by Ministers. It is unclear whether all of the money provided has been additional monies, or if some has been derived from DfE savings elsewhere. We therefore ask that you provide a table showing:***
   - ***How much of the total £3.1 billion so far announced has come from savings in other areas of DfE spending, rather than as additional funding from HM Treasury?***
   - ***How much is expected to be added in 2021-22 DfE Supplementary Estimate***
   - ***How much of the announced catch-up funding was spent in 2020-21?***
   - ***How much additional funding over and above the non-Covid-19 SR baseline has been included in the 2021-22 Main Estimate?***
   - ***How much is planned for financial year 2022-23 and beyond?***
   - ***Is any of this funding ring fenced - either within the DfE, or within schools' budgets - to prevent it being used to fund other pressures?***

In each case, please provide a breakdown between centrally provided funding (such as the National Tutoring Programme) and amounts allocated directly to schools

The table below sets out details of the announced recovery funding. This has been broken down by how the Department anticipates spending to fall in each financial year until 2024-25:

Package	**Title**	**FY20-21 £m**	**FY21-22 £m**	**FY22-23 £m**	**FY23-24 £m**	**FY24-25 £m**	**Total £m**
Package 1 (announced June 2020)	Universal catch-up premium	379	271	-	-	-	**650**
	Tutoring interventions	163	127	62	-	-	**351**
Package 2 (announced February 2021)	Tutoring interventions expansion	-	119	76	-	-	**195**
	Recovery Premium including accelerator	-	157	145	-	-	**302**
	Summer Schools	-	200	-	-	-	**200**
Package 3 (announced June 2021)	Tutoring interventions (including Pillar 3)	-	158	393	359	110	**1,020**
	Teacher training and development for teachers and Early Years professionals	-	45	132	145	86	**408**
	Total catch up and recovery	**542**	**1,077**	**808**	**504**	**196**	**3,126**
	Of which from existing budgets	***173***	***100***	***66***[1]			***339***

[1] In addition to the £195m figure for tutoring in the February 2021 package, DfE fully funded a £10m pre-reception early language programme across AY21/22 that was announced as part of the February package.

Title	FY21-22 £m	Of which received at Mains £m	Of which to be received at supps £m
Package 1	398	398	-
Package 2	476	122	254
Package 3	203	-	203
Total catch up and recovery	**1,077**	**520**	**457**

DfE budgets will be adjusted at Supplementary Estimate to cover the remaining 2021-22 funding needed to support Covid-19 recovery announcements. The Main Estimate included catch up funding above the SR baseline of £520m, of which £122m was additional to that allocated at SR. Other additional budget received at the Main Estimate did not relate to catch-up.

Of the £542m made available to support catch up in the financial year 2020-21, £530m was spent.

Funding for catch-up and recovery is ring-fenced for this purpose.

2. ***In the light of the assessments by the Education Policy Institute and Sir Kevan Collins, that the amounts so far provided for education catch-up are insufficient, what evaluation does the DfE intend to carry out regarding the effectiveness of the catch up spending already announced and being spent?***

The Department is already evaluating the impact of current recovery work. It is developing metrics and an evaluation plan to monitor the overall education recovery package as well as specific interventions, including for specific groups of learners.

The Department has commissioned Renaissance Learning, and their subcontractor, the Education Policy Institute, to provide a baseline assessment of the learning loss and catch-up needs for pupils in schools in England and to monitor progress over the course of the academic year 2020-21. We are currently seeking commercial agreements for further academic years.

The Department has a contract with Ipsos MORI, in consortium with Sheffield Hallam University and the Centre for Education and Youth, to undertake a mixed-methods study design (including surveys, interviews, and case studies) to examine how schools are tackling the issue of lost learning. Results from the study will be used to understand how the catch-up premium funds have been spent and how best to support schools to tackle learning loss.

The Department has commissioned evaluations of specific interventions, such as the National Tutoring Programme, to understand the effectiveness of individual interventions and will use management information to track progress against delivery.

The Department will collate all of this evidence to assess the performance of the overall programme.

3. ***What is the DfE's assessment of the amount of further catch-up funds needed as part of the forthcoming Spending Review for 2022-23 and beyond?***

As we have announced, we will be conducting a review on extended time in school and colleges ahead of the forthcoming Spending Review (SR). Alongside this, we will continue to evaluate the impact of Covid-19 on pupils' learning. We cannot comment further on this ahead of the SR itself.

4. ***Are local authority-maintained nurseries eligible for the package of £18 million for Early Years language catch-up funding announced by the Government in February 2021? If they are not, why is this?***

Local authority-maintained nurseries are eligible for the pre-school elements of the £18 million package for early years catch up funding announced in February 2021. We will be announcing how this additional funding will be made available in due course. They will also be eligible for other elements of the £153 million announced for early years recovery on 2 June 2021.

Costs of school assessments

5. ***What additional funding has been provided in the 2021-22 financial year to support schools to conduct the teacher assessed grades which replaced Summer 2021 external exams?***

School leaders and staff have worked incredibly hard, and they continue to do so to meet their students' needs. We continue to work closely with Ofqual and the exam boards to ensure that teachers feel supported. As part of this process, we are regularly engaging with the teacher unions and other sector representatives to ensure the processes and supporting guidance reflects their feedback.

Our policies on awarding qualifications in 2021 were designed, with input from the unions, to minimise workload as much as possible. JCQ and the exam boards have published extensive guidance and materials for schools and colleges to support teachers with their assessments, marking and making their judgements of students' performance in these challenging circumstances.

To support centres with the particular additional requirements of assessing private candidates this year, and avoid the cost being passed on to candidates, we have provided a grant for centres to claim £200 per private candidate entry (https://www.gov.uk/government/publications/private-candidate-support-grant-information-for-exam-centres/private-candidate-support-grant).

We have also confirmed that we will provide funding to awarding organisations with respect to formal appeals of teacher assessed grades submitted to them by state-funded providers and any providers on behalf of private candidates in England. These centres will therefore not need to pay a fee to awarding bodies when submitting their appeal. Exceptionally for this year, we are also providing additional funding to centres for teachers to process priority appeals. This will be £75 per each priority appeal.

Teacher turnover and pension costs

6. ***At NASUWT's annual teaching union conference in April 2021, you stated that "far too many teachers leave within the first five years of joining the profession". What information is this based upon? Does the DfE regularly gather data on the age and experience profile of teachers leaving the profession?***

The Department annually publishes figures on retention of newly qualified teachers (link). Of those teachers who qualified five years ago, 68.6% were still teaching in state-funded schools in England in November 2020. Retention rates have gradually declined each year, apart from in 2020 when there was an increase in retention of teachers who qualified two or more years ago.

The Teachers Analysis Compendium (link) based on 2010 – 2016 data showed that younger NQTs (those under 30) were more likely to be in service after five years, with a retention rate that was higher by 3 percentage points. Figure B1 on page 32 of "Government evidence to the STRB 2021" (link) shows wastage rates of qualified teachers by experience, and shows that wastage rates consistently grew from 2011 until reaching a peak in 2016. All experience groups have seen wastage rates fall over the two latest School Workforce Censuses, with the most notable improvements amongst the least experienced teachers (1 – 10 years since QTS), who have the highest leaver rates. Both sources are based on analysis of the annual School Workforce Census.

7. ***35,871 teachers were reported as moving from active to deferred pension status in 2018-19.1 We would like to know whether this has increased or reduced in 2019-20? Do numbers and benefits of teachers' pension scheme joiners and leavers reveal any trends?***

The number of teachers reported as moving from active to deferred pension status in 2019-20 is provisionally estimated to be 31,969 (the figure has not yet been finalised because the Accounts have not yet been laid). This is a small decrease from 35,871 in the previous year. There were 52,385 new members to the Scheme in 2018-19, very similar to the provisional figure of 51,867 new members in 2019-20.

8. ***What analysis, if any, has been done on the reasons why teachers leave the profession early?***

The DfE commissioned a large-scale qualitative study (CooperGibson Research 2018), published in 2018, which was designed to explore and improve our understanding of the reasons for leaving teaching. This research comprised interviews with former teachers including those who left early in their career. It found that decisions to leave were generally driven by the accumulation of a number of factors, including those relating to workload, stress, school leadership, teaching policies, professional development and pay. Generally, the reasons for early career teachers leaving did not differ from those of more experienced teachers, although they tended to make the decision to leave more quickly.

9. ***What is being done to reduce the proportion of early departures from teaching and to encourage teachers to stay in the profession?***

Teaching remains an attractive and fulfilling profession. This year (2020/21), we have provisionally recruited over 41,000 new trainee teachers – 23% more than last year.

However, we recognise more needs to be done to ensure this increase is not short lived so we are taking concrete action to improve teacher supply and quality, and transforming the support and training we provide for teachers to attract more people to teaching and enable them to thrive. Teacher quality is the most important in-school determinant of pupil outcomes. DfE is creating an entitlement to at least three years of structured support and professional development, to bring teaching into line with other prestigious professions such as law, accountancy and medicine. Underpinning this is the new Initial Teacher Training (ITT) Core Content Framework and the Early Career Framework (ECF): together, these ensure that new teachers will benefit from at least three years of evidence-based training, across ITT and into their induction.

We are also launching a reformed suite of National Professional Qualifications for teachers and school leaders at all levels, from those who want to develop expertise in high quality teaching practice to those leading multiple schools across trusts.

These measures will create a golden thread running from Initial Teacher Training through to school leadership, rooting teacher and leader development in the best available evidence.

The Department has also published a range of resources to help address teacher workload and wellbeing and support schools to introduce flexible working practices to ensure teachers stay in the profession and thrive.

10. ***In relation to the Teachers' Pension Scheme (TPS) Estimate, can the DfE explain what impact the change to employer contribution rates and the academies pooling arrangement is having on the actual costs faced by schools, compared to past years?***

The Department provided funding to cover the full additional costs to schools resulting from the increase to the employer contribution rate. The change in employer contribution rate has no overall effect on the academies pooling arrangement compared to past years.

11. ***We are aware that a past increase to TPS employer contribution rates was supported by additional funds from DfE, but even though that may have meant that, overall, schools' extra costs were covered, did it mean that individual schools were fully funded for all of these extra costs? Finally, do the increases to amounts spent per pupil following this change partly reflect the increased employer TPS pension costs faced by schools, as well as other more routine inflationary costs such as increases to teachers' salaries?***

The additional funding provided by the Department ensured that maintained schools and academies were fully funded for these extra costs. Although allocations from the fund were calculated on a per pupil basis, which was the most accurate method of distributing funds, a supplementary fund was also provided to allow individual schools to apply for additional funding if their actual costs were above the level of funding already provided. The introduction of the teachers' pension employer contribution grant was designed to directly meet the cost of the September 2019 increase in the employer pension contribution rate from 16.4% to 23.6%. The grant has continued on that basis.

From 2021 to 2022, funding for the increase in pension costs will be paid through the schools, high needs and central school services block (CSSB) national funding formulae (NFF), instead of as separate grants. We have ensured that the additional funding schools will attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as separate grants, without adding significant complexity to the formulae.

School deficits and surpluses

12. ***The DfE's published statistics show that the percentage of local authority maintained schools in deficit has grown from 5.4% in 2014-15 to 12% in 2019-20, with the average size of school deficits for those in deficit increasing, and average surpluses for those schools in surplus decreasing, even before the pandemic struck. What is the DfE doing to assist an ever- growing share of schools going into deficit, or to prevent deficits from occurring in the first place? What is the DfE's assessment of the impact of the pandemic upon school balances during 2020-21?***

We trust schools to manage their own budgets and the vast majority are operating with a cumulative surplus, with only a small percentage having a deficit. The latest published figures show 96% of academy trusts and 88% of local authority (LA) maintained schools are in cumulative surplus or breaking even, with an overall cumulative surplus of £4.9 billion, compared to a cumulative deficit of £308 million.

Academy trusts revenue reserves data, from the academy accounts return, is the latest formal data available to the Department on schools' finances. These data cover academy trust finances in academic year 2019 to 2020. This is the first return that includes part of the impact of Covid-19 on schools' finances and includes the partial school closures of the first lockdown from March 2020, but not full school re-opening in September 2020.

The data shows on average academy trusts have added to their revenue reserves in the year up to September 2020, suggesting that costs due to the initial stages of the pandemic did not cause unmanageable cost pressures for the majority of academy trusts. The proportion of academy trusts in surplus increased, up from 94% in the previous year. Further analysis of academy trusts revenue reserves as part of this return is available at https://www.gov.uk/government/publications/academy-trust-revenue-reserves-2019-to-2020.

Equivalent data for maintained schools covering the financial year 2020-21 is not yet available, and is expected towards the end of 2021. However, informal contacts with local authority finance officers strongly suggest that maintained school finances will have improved during 2020-21.

Where schools encounter financial difficulties, there is a range of support they can access. This includes a wide range of school resource management tools, which help and support LA maintained schools, academies and free schools to reduce costs and get value for money. In serious circumstances, schools can access additional funding or advances from local authorities for maintained schools, or ESFA for academy trusts.

13. Has the DfE undertaken any work to establish the impact of Covid-19 and school lockdowns on the financial health of schools - for instance the size and scale of schools' deficits and the extent to which Covid-19 has contributed to this?

The response to the Covid-19 pandemic is ongoing, and it would be premature to assess the full impact of lockdowns on the financial health of schools. The Department is focusing on supporting the sector through the pandemic and focussed on the recovery of lost learning through targeted funds and interventions.

As shown in the latest available data on academy trusts reserves, mentioned above, trusts have added to their revenue reserves in the year up to September 2020, suggesting that costs due to the initial stages of the pandemic did not cause unmanageable cost pressures for the majority of academy trusts. In 2019/20 average revenue reserves across academy trusts were £1.15 million, compared to £0.96 million in 2018/19, an increase of 20%. Equivalent data for maintained schools covering the financial year 2020-21 will be available towards the end of 2021.

Further Education

14. What additional financial support has been or is being provided by the DfE for the extra operating costs faced by Further Education (FE) institutions as a result of the Covid-19 pandemic, including funding for safety measures, social distancing, remote learning and catch-up?

The Department has provided a range of support to the post-16 sector, including for high workforce absence rates, laptops for remote provision, targeted support for young people and professional development funding.

A Covid Workforce Fund for the FE sector was announced on 27 November 2020. The fund supported general FE colleges, Sixth Form Colleges and Special Post-16 Institutions with significant absence levels and significant financial pressures to stay open by allowing them claim costs of backfilling staff absences between 1 November & 31 December 2020. The eligibility criteria for the fund included an absence threshold of 20% in the short term, and 10% for 15 days or more, and financial reserves at the end of the funding year down to a level of no more than 4% of their annual income.

We also recently announced (on 18 June 2021) £9.5m of investment in FE workforce professional development for a one-year FE Professional Development Grants (FEPDG) pilot which will allow groups of FE providers to bid for funding to work collaboratively to develop high-quality professional development approaches. The FEPDG pilot will help ensure excellent teaching which will be vital to ensuring the Government's landmark reforms to post-16 education are a success, so more people can gain the skills they need to secure good jobs and support the country to build back better from the pandemic. Sharing of resources and approaches funded through the FEPDG pilot will build on existing excellent teaching in the sector and provide opportunities for providers to work together to share effective practice.

We announced in December that the Get Help with Technology scheme was being extended to provide support with devices and connectivity for 16 to 19-year-olds. This forms part of a £400 million investment to help students continue their education at home and access online social care services. All FE institutions and schools with sixth forms were invited to join the service in January and order from their allocation of devices. Over 1.3 million laptops and tablets have been distributed to schools, trusts, local authorities and further education providers for disadvantaged children and young people.

To mitigate the disruption to learning arising from Covid-19 we introduced the 16 to 19 tuition fund which provided £96 million of ring fenced funding in the academic year for schools, colleges and all other 16 to 19 providers.

Providers can also continue to use the 16 to 19 bursary fund to support learners to overcome financial barriers to participation which includes provision of devices and connectivity. As set out in the 16 to 19 Bursary Fund guidance, providers should decide what support a learner needs based on their individual circumstances and need. For adults aged 19 and over we introduced a change to the ESFA Adult Education Budget (AEB) funding rules for the 2020 to 2021 academic year to enable providers to use learner support funds to purchase IT devices and/or internet access for disadvantaged students to help them meet technology costs. In areas where the AEB budget is devolved, mayoral authorities determine adult student support arrangements.

15. ***When are FE institutions likely to see the benefit of the additional capital funding?***

Colleges have already begun to see the benefit from the FE Capital Transformation Fund with £200m of the £1.5bn investment being brought forward to 2020-21 to undertake immediate remedial work to their estate. Some colleges have completed their initial work already and others will complete by the end of this academic year.

In addition, the next 2 stages of the FE Capital Transformation programme have already commenced and will deliver the remaining £1.3bn. More information on this is set out below.

16. What proportion of FE institutions are likely to benefit from the Capital Transformation Fund and what are the Fund's priorities?

The Further Education Capital Transformation Programme delivers the Government's £1.5 billion commitment to upgrade and transform the FE college estate over the next 5 years. It is being delivered in 3 phases:

1. An initial £200m was allocated to all FE college and designated institutions in September 2020 as part of Project Speed to prioritise immediate remedial work in 2020/21 and deliver a boost to the construction industry and local economies.
2. We are working directly with 16 colleges with some of the worst condition sites in England to deliver their projects. These colleges were announced on 8 April (https://www.gov.uk/government/news/sixteen-colleges-to-benefit-from-next-phase-of-fund-to-transform-facilities).
3. The FE Capital Transformation Fund will deliver the remaining funding through a bidding process, aiming to significantly reduce the proportion of FE college estate that is not fit for purpose or in unsatisfactory condition. Further education colleges and designated institutions in England were invited to apply to the Further Education Capital Transformation Fund by setting out proposals for investment to tackle poor condition across their estates. The first bidding round was launched on 21 January 2021, commencing with Stage 1 of a 2 stage bidding process. Bids were received from colleges by 22 March. We expect stage 1 to conclude this summer and will then invite success applicants to submit a more detailed proposal as part of stage 2.

The programme has the following key objectives:

- to upgrade the FE college estate ensuring all colleges are excellent places to learn;
- to support the Government's further education and technical education reforms, including those set out in Skills for Jobs: Lifelong Learning for Opportunity and Growth;
- to ensure FE colleges have the buildings and facilities they need to support the skills needs of their local labour market, building strong relationships with local employers;
- to contribute to local economic regeneration and the levelling up of skills and opportunities across the country;
- to promote optimum space utilisation and more efficient use of facilities; and
- to support government objectives on environmental sustainability.

17. Following the passing of the March deadline for the submission of applications from FE institutions for capital funding under the Capital Transformation Fund, what are the next stages in the process?

Stage 1 of the first bidding round of the FE Capital Transformation Fund (FECTF) launched on the 21 January 2021 and closed to applicants on 22 March. We received a high number of applications.

The department has been assessing bids to stage 1 of the bidding round and is due to announce the outcome of stage 1 bids and launch stage 2 of the bidding process this summer. Applicants successful at stage 1 will be invited to submit a more detailed bid at stage 2.

Funding will be awarded following stage 2 of the bidding process.

Higher Education

18. *What assessment has been made of the financial impact on the Higher Education (HE) sector of Covid-19 and lockdowns, for instance on income foregone from international students?*

The Government has been working closely with the higher education sector and the Office for Students (OfS) to understand the impacts of Covid-19 on providers' finances and has provided a range of support to the sector.

As part of its responsibilities for monitoring the financial sustainability of the sector, OfS published a report on 2 July 2021: https://www.officeforstudents.org.uk/publications/financial-sustainability-of-higher-education-providers-in-england-2021/. The report sets out the OfS's analysis of English HE providers' financial returns and forecasts, covering the period 2018-19 to 2023-24. The outturn data for 2019-20 will be slightly affected by Covid-19 impacts, but it is in the forecast numbers for 2020-21 that the financial impacts of Covid-19 are a major influence. The sector in aggregate experienced stronger student recruitment in 2020-21 than many predicted at the height of the pandemic. 2020-21 saw overall strong demand from UK students, and overseas students held up well, albeit at lower levels than were forecast before the pandemic. Although the position was not as bad as feared, there is still a distinct drop in financial performance forecast for academic year just drawing to a close. The sector is, however, optimistic about recovery from 2021-22 onwards.

The report provides a wide range of detail on patterns of income and expenditure, key financial indicators and underlying numbers of students, including by domicile.

19. *What additional financial support has the DfE made available to universities and other HE institutions as a result of the financial impact of Covid-19?*

The Government has worked across departmental boundaries to provide support for the HE sector as it faces the financial and operational challenges posed by Covid-19.

HE providers have been able to benefit from the range of business support packages announced by the Chancellor, including the set of government-backed loan schemes and the Coronavirus Job Retention Scheme. To combat cashflow pressures, DfE brought forward over £2bn of tuition fee loan payments from January 2021 to October 2020; in a similar vein, the Department for Business, Energy and Industrial Strategy (BEIS) had already brought forward £100m of Quality-related research funding to academic year 2019/20 to help stabilise HE providers' finances.

In summer 2020, around £280 million of funding was made available to sustain UKRI and National Academy grant-funded research and fellowships. From Autumn 2020, BEIS provided a package of grants and low-interest loans to cover up to 80% of a university's income losses from international students for the academic year 2020/21, from which five universities received £21.7m in funding in total. Since April last year over £60m of additional support was made available for UKRI-funded doctoral students in the final year of study who were immediately disrupted by Covid-19 and to help those PhD students most in need. Around £11 million of additional block grant funding was made by Research England to English universities in academic year 2020-21 to support postgraduate research communities.

The OfS analysis in the July 2021 report, and an interim report in December 2020, indicated that government support measures had contributed significantly to HE providers' ability to weather the financial challenges of Covid-19.

We have also put in place a mechanism to be able to intervene, where there is a case to do so, to support providers whose future is at risk because of the financial impacts of Covid19, despite all the support we have offered and the steps providers have taken to protect themselves. The Higher Education Restructuring Regime, which was announced on the 16 July 2020, may be deployed as a last resort, if a decision has been made to support a provider in England, when other steps to preserve a provider's viability and mitigate the risks of financial failure have not proved sufficient.

The Government has also worked closely with the Office for Students to help clarify that providers can draw upon existing funding to increase hardship funds and support disadvantaged students impacted by Covid-19. Providers were able to use OfS Student Premium funding worth around £256 million for this academic year towards student hardship funds, including the purchase of IT equipment, and mental health support, as well as to support providers' access and participation plans. We have also made an additional £85m of student hardship funding available to higher education providers in the 2020/21 academic year. Providers have flexibility in how they distribute the funding to students, in a way that best prioritises those in greatest need.

20. How has any funding for universities and other HE institutions so far been allocated and distributed?

The way in which HE providers have been able to access the range of government support set out above varies according to the different types of support:

- for the business support measures, any given provider, as an autonomous organisation, will have decided which schemes it wished to apply to and will then have been subject to assessment of its application according to the published criteria and rules of the scheme(s) in question;
- tuition fee loan payments brought forward were those that would have been payable to any given provider for the second term of the academic year, so did not require any new allocation and were distributed by the Student Loans Company;
- quality-related research funding brought forward into 2019/20 was allocated on a formula basis in proportion with the funding already been allocated for that year;
- the BEIS package aimed at protecting research from a dip in providers' international fee income was governed by a published application process, to which universities applied in late 2020, with the distribution of funding made in spring 2021;
- remaining support for research projects was allocated by UKRI and Research England by reference to providers' established levels of research activity and through agreement between UKRI and institutions about PhD support;
- additional DfE funding to address student hardship was distributed to HE providers through the OfS's mechanism for allocating student premium funding.