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Children, Schools and Families
Committee

The Department for Children, Schools and Families and the Children's Plan

Second Report of Session 2007–08

*Report, together with formal minutes, oral and
written evidence*

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The Children, Schools and Families Committee

The Children, Schools and Families Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Children, Schools and Families and its associated public bodies.

Membership at time Report agreed

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Summary

The new Department

Given that the Department for Children, Schools and Families is a new department which from the outset has laid out its overall aims for the next ten years, we considered it important to look at some of the general issues raised by its creation and the way in which it is setting about its work.

While joint working across Government is of course not new, the extent to which the DCSF is involved with other departments is possibly unique. There are two areas where it has sole responsibility for policy and funding—early years and 5 to 13 schooling—but on everything else it has joint responsibility and varying degrees of control. On 14–19 education it has joint responsibility with DIUS, but sole responsibility for funding. On matters such as child poverty and health the funding and policy levers are largely in other people's hands.

We welcome the new Department's focus on children. Our main concern is about how well the various parts of Government will work together. The problem with joint responsibility is that it might mean no effective responsibility, with each part of the system doing its own work but with no-one ensuring that it does all add up to coherent policy and actions. The DCSF has been given the leading role, which appears to be an acknowledgement that ultimately someone does have to take decisions. The challenge for the Department and for the Secretary of State will be to ensure that they are able to lead and to require decisions to be made.

All children's services are now co-ordinated by one department. Education, which was formerly the responsibility of one department, is now split between two (DCSF and DIUS). The main issue of overlap between the two departments is 14–19 education, and as yet neither department appears to have the lead role. Given the importance of 14–19 Diplomas, clarity over who is responsible is vital. We ask the DCSF to set out each department's specific responsibilities towards Diplomas. The success of the Diplomas is vital to improve levels of attainment. We shall be taking further evidence on progress in implementing Diplomas later in the year.

The issue of how well education, health and other services work together at the local level is one that we will want to monitor, as it is crucial to the success or otherwise of the government's plans. The mechanism for achieving effective joint working at the local level is the Children's Trust, and we plan to undertake an inquiry into Children's Trusts later in the year. The extent to which the DCSF is able to achieve effective joint working will be the main determinant of whether the aims of these policy initiatives will be achieved.

The work of the Committee

These new structures present challenges to us as well. It will clearly be our main task to hold the Secretary of State accountable for how well these new arrangements work, given his key leadership and co-ordinating role, but scrutinising children's issues will now mean scrutinising the work of several different departments, including Work and Pensions,

Health, Justice and the Treasury. We have decided to invite the Secretary of State, his opposite number at the Department for Work and Pensions and a Treasury minister to give evidence jointly later this year on the issue of child poverty. We hope that this will both provide an opportunity to see how well these different departments work together to achieve one of the Government's most challenging policy objectives, the halving of child poverty by 2010, and demonstrate our determination to pursue scrutiny of children's issues across Government.

The Children's Plan

The Children's Plan sets out objectives, but does not say which are the main priorities and does not have a timetable for action for the Plan as a whole. This lack of priorities and the absence of a timetable for implementation are weaknesses which need to be rectified, otherwise the Children's Plan runs the risk of being simply a wish list rather than the mission for the Department of which the Secretary of State spoke. If it does not do so before, it should use the progress report later in the year to set out in greater clarity when it hopes to achieve some of its main policy proposals. In order to keep track of progress on the Children's Plan, we intend to take evidence for the Secretary of State again when the progress report is published.

Every Child Matters has provided the Government's policy framework for children since 2003. Many changes have sprung from it, for example combining education and children's social services in Children's Services departments in local authorities. The Children's Plan, however, is not based on the five ECM outcomes, but on a new set of strategic objectives. It is not clear why the ECM outcomes could not be used as basis of the plan. If there is to be long term planning it is important to stick to objectives. The way in which the DCSF sees the ECM outcomes being linked to the objectives in the Children's Plan needs to be clarified as soon as possible, and the new strategic objectives need to be maintained for the long run. The fact that there are now three sets of indicators that the Department is using—five Every Child Matters outcomes, six strategic objectives and five PSA objectives—is unsatisfactory. The Department needs to be clear both for the sake of its own work and that of the wider children and families workforce which objectives it is primarily working towards.

Public Service Agreements

The Chancellor's 2007 Pre-Budget Report and Comprehensive Spending Review outlined new arrangements for securing effective public services and efficiency. There are to be fewer Public Service Agreements and targets, though the overall system will be retained. As far as Children, Schools and Families are concerned, the new performance framework requires all the departments contributing to the achievement of a PSA to "share" a Delivery Agreement which will be developed in conjunction with "delivery partners and frontline workers". Under the 2004 Spending Review, the DfES had five headline objectives, and 14 indicators in total which were used to assess progress towards those objectives. Under the 2007 Spending review, the DCSF again has five headline objectives, but 26 indicators. For the DCSF at least it appears that the pressure to achieve targets will not be reduced.

In order for there to be confidence in targets and goals, the basis on which they have been

formulated must be made clear. For that reason we ask the Department to set out in its annual report or in the response to this report the basis on which the targets for indicators under the new PSA objectives have been determined.

The new Department needs to be explicit how it intends to drive improvements in services for children and families. In particular, Ministers will need to spell out how their desired outcomes will be hastened and delivered by the various different performance drivers currently in use. In some cases, there may be conflicts between 'choice' as exercised by parents and the demands of PSAs. In addition, there are still tensions between the Government's desire to secure collaboration and co-operation between institutions, and financial incentives and performance requirements which stimulate competition. These two policies need to be carefully managed. Where competition is introduced it is important that it does not lead to fragmentation of provision.

Schools' Funding

The schools' funding system was reviewed in the run-up to CSR 2007. However, it was decided that no reform was to be made in the immediate future: it is proposed to continue with the "spend plus" method of allocating Dedicated Schools Grant (DSG) for the three years from 2008–09 to 2010–11. During this period, there will be a further examination of the subject with a view to possibly developing a new formula for allocating DSG between authorities from 2011–12 onwards. We will want to be kept informed of the review of schools funding as it goes through its different stages. With funding growing more slowly in the current CSR period than in the previous one, decision on calculating and distributing schools funding will be even more critical. The changes in funding to the 16–19 sector, and the implications for 14–19 funding, will also need to be examined carefully.

Efficiency and productivity

When he was Chancellor, the Prime Minister set efficiency targets for the public sector following the publication of the Gershon Report in 2004. The DfES was expected to achieve a total of £4.3 billion of savings by 31 March 2008. According to Chapter 2 of the previous Department's Annual Report for 2007, the former DfES was "on course" to deliver the £4.3 billion total and also to cut 1,960 civil service posts (over the period October 2003 to 2008). We are keen to see the detailed assessment of the achievement or otherwise of the Gershon targets in order to establish how much more effectively the education and children's services systems are operating. We will also wish to see how the new efficiency targets in schools are monitored and the extent to which they are achieved.

1 Preface

1. On 28 June 2007 the Department for Education and Skills was divided into the Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills. According to the DCSF itself, the focus of the new Department is to secure “integrated children’s services and educational excellence”.¹ On the day on which the new Department was created, the Prime Minister issued a Written Ministerial Statement, in which he said that the aim of these Machinery of Government changes was to “sharpen the focus of central Government on the new and very different challenges that Britain will face in the years ahead”.² He added that “In particular the changes seek to strengthen the Government’s support for children, young people and families through these challenges, and to ensure that Britain is equipped to seize the new opportunities of the global economy.”³

2. In December 2007, the Secretary of State for Children, Schools and Families, Rt Hon Ed Balls MP, published a Children’s Plan,⁴ setting out the Government’s ambitions “for improving children and young people’s lives over the next decade and how we intend to achieve them.”⁵ The Plan puts forward proposals on a large number of diverse issues, ranging from improved health provisions and play facilities to reducing child poverty, as well as aims for improving levels of educational attainment.

3. The establishment of the new Department has led in turn to the formation of a new Committee to enable the House of Commons to scrutinise its work. We have already begun work on a number of inquiries across the range of the Department’s remit, but, given that this is a new department which from the outset has laid out its overall aims for the coming years, we considered it important to look at some of the general issues raised by the creation of the Department and the way in which it is setting about its work. Our predecessors on the Education and Skills Committee took evidence each year from the Secretary of State and the Permanent Secretary, primarily on expenditure matters, but also taking the opportunity to discuss issues relating to the work of the Department more widely. It seemed sensible for us to continue that practice, and we therefore took evidence from the Secretary of State on the reasoning behind the new Department and the contents of the Children’s Plan. We shall continue this wider scrutiny of the work of the Department in evidence on the 2008 departmental annual report in the summer.

1 <http://www.dcsf.gov.uk/aboutus/>

2 HC Deb, 28 June 2007, cols 36-37WS

3 *ibid*

4 DCSF, *The Children’s Plan: Building brighter futures*, Cm7280, 11 December 2007.

5 *ibid*, p.15.

2 The new Department and the Children's Plan

4. In a Written Statement made on the day he came into office, the Prime Minister set out what the new Department is being asked to achieve:

“Children and families are the bedrock of our society. The Government's aim is to ensure that every child gets the best possible start in life, receiving the ongoing support and protection that they—and their families—need to allow them to fulfill their potential.

“To drive forward progress towards this goal, I am today announcing the formation of a new Department for Children, Schools and Families, for the first time bringing together key aspects of policy affecting children and young people.

“The new Department will play a strong role both in taking forward policy relating to children and young people, and coordinating and leading work across Government on youth and family policy.

“High quality and tailored education for all young people will be at the heart of the new Department—which will take on pre-19 education policy responsibilities, from the Department for Education and Skills (DfES), working closely with the new Department for Innovation, Universities and Skills to ensure successful delivery of the 14–19 reforms. Funding for 16–19 education will in future go to schools and colleges via the local authority education budget. Raising school standards for all children and young people at all ages will be an overriding priority of the new Government.

“The new Department will assume responsibility for promoting the well-being, safety, protection and care of all young people—including through policy responsibility for children's social services.

“It will also be responsible for leading the Government's strategy on family policy—including parenting—and, working with the Department for Work and Pensions (DWP) and HM Treasury, will take forward the Government's strategy for ending child poverty.

“The Department will be responsible, together with the Department of Health (DH), for promoting the health of all children and young people, including measures to tackle key health problems such as obesity, as well as the promotion of youth sport with the Department for Culture, Media and Sport (DCMS).

“The new Department will drive the Government's wider strategy on youth issues. This will include working with the Home Office and the Department of Health on tackling drug use and with the Department for Communities and Local Government (DCLG) on youth homelessness and supported housing.

“The Department will also be responsible for promoting the wider contribution of young people to their communities. It will assume responsibility from the Home

Office for the Respect agenda. In addition it will lead a new emphasis across government on the prevention of youth offending, through joint responsibility with the Ministry of Justice for policy and funding of the Youth Justice Board.”⁶

5. While joint working across Government is of course not new, the extent to which the DCSF is involved with other departments is possibly unique. There are two areas where it has sole responsibility for policy and funding—early years and 5 to 13 schooling—but on everything else it has joint responsibility and varying degrees of control. On 14–19 education it has joint responsibility with DIUS, but sole responsibility for funding. On matters such as child poverty and health the funding and policy levers are largely in other people's hands.

6. The Secretary of State told us:

“What we are doing here is by far the most radical attempt to make this work, through having a set of overt joint responsibilities [...] I am jointly responsible for children's health, even though most of the budget spend is with the Department of Health. That means that we need to use our influence in every way that we can to try to drive performance.

“We have invested a huge amount of time and effort, through the Children's Plan, in putting together our new public service agreements via the machinery of government in Whitehall to make a reality of those joint responsibilities. There is much more intensive, cohesive working between different Departments on children's outcomes than I think that we have had before in Britain. I think that we are also leading other countries in trying to do this. As you say, it is about influence and leverage, rather than simply the allocation of your own departmental budget.”⁷

7. He also said that the DCSF had “a large number” of functions that the DfES did not perform, citing the example of youth justice:

“[...] we have joint responsibility for the management of the Youth Justice Board, for ministerial oversight of day to day operations, for appointments. Every policy decision is made jointly by myself and Jack Straw or by Beverley Hughes and David Hanson. We now have, located in our Department but led by a senior official from the Ministry of Justice, a 30-plus strong team of officials who jointly, across the two Departments, prepare all advice on Youth Justice issues. That is a set of responsibilities and expertise that the Department did not have in DFES days. You will not see that reflected in our departmental expenditure limit, because our departmental expenditure has a small amount of resources for the prevention of crime. Most of the expenditure is happily in the Home Office or the Ministry of Justice [...] In terms of intensity of effort, the allocation of civil service resource and ministerial accountability, youth justice is a substantial addition for us, but I think that you could say the same thing about children's health and school sports. We now have joint responsibility for children's play, drugs policy, youth and alcohol policy and child poverty. Those are all areas where we have taken on new responsibilities

6 HC Deb, 28 June 2007, cols 36-37WS.

7 Q 9

and had dedicated resource and ministerial time allocated to them within the Department.”⁸

8. There is a logic to these arrangements, with the clear attempt to look at the needs of children and families in the round rather than having individual services addressing individual issues. By creating a department around the needs of a particular age group (rather than around the institutions designed to provide public educational services) the Government has clearly signalled its intention that the focus is, in future, to be on children rather than, say, schools.

9. **We welcome the new Department's focus on children.** Our main concern is about how well the various parts of Government will work together. **The problem with joint responsibility is that it might mean no effective responsibility, with each part of the system doing its own work but with no-one ensuring that it does all add up to coherent policy and actions. The DCSF has been given the leading role, which appears to be an acknowledgement that ultimately someone does have to take decisions. The challenge for the Department and for the Secretary of State will be to ensure that they are able to lead and to require decisions to be made.**

10. It is not just at the national governmental level that this joint working is necessary, of course. In all local areas across the country, joint working is necessary to deliver services to children and families. An issue at local level since the inception of Every Child Matters is that many people working in other sectors have said that working with health services has been difficult. The Secretary of State told us:

“It is a regular refrain from school heads and directors of children's services on the ground that there is sometimes a gap in working and not enough intensity of joint engagement, for example on children's mental health or children's health more generally. That is something that I know that Alan Johnson, as Secretary of State for Education, was very focused on. He has gone into the Department [of Health] with a big desire to improve the prevention side of children's health and to have much greater working locally. You can see that in the fact that we have announced a joint review of child and adolescent mental health services and the fact that [we] [...] are doing a joint review of speech and language therapy. You can also see it in the operating framework for the NHS for the next year [...]. It had children's health as one of its top five priorities and was seen in the children's community as a very substantial step forward for children's health and its prioritisation within the overall NHS [...]. We now need to see that [joint working] reflected in the way in which primary care trusts around the country are allocating their budgets and working with children's services locally. That is not perfect today, but we think that this is a big step forward.”⁹

11. **This issue of how well education, health and other services work together at the local level is one that we will want to monitor, as it is crucial to the success or otherwise of the government's plans. The mechanism for achieving effective joint working at the local**

8 Q 51

9 Q 52

level is the Children's Trust, and we plan to undertake an inquiry into Children's Trusts later in the year.

12. All children's services are now co-ordinated by one department. Education, which was formerly the responsibility of one department, is now split between two (DCSF and DIUS). The main issue of overlap between the two departments is 14–19 education, and as yet neither department appears to have the lead role. This is a concern given the importance of this sector in improving educational attainment, with the introduction of the new diplomas and with the Government's plans to require young people to stay in education or training or employment with training until they are 18.

13. Given the importance of Diplomas, clarity over who is responsible is vital. We ask the DCSF to set out each department's specific responsibilities towards Diplomas. The success of the Diplomas is vital to improve levels of attainment. We shall be taking further evidence on progress in implementing Diplomas later in the year.

14. We understand the reasons why the Government has formed the Department for Children, Schools and Families. We welcome the recognition that all the services for which it is responsible play a significant part in helping children and young people develop and address difficulties that they may face, and that those services need to be co-ordinated rather than operate in isolation if they are to be as effective as possible. **The key issue for the Department is to make joint working a reality at both national and local level, and the extent to which it is able to achieve effective joint working will be the main determinant of whether the aims of these policy initiatives will be achieved.**

15. These new structures present challenges to us as well. **It will clearly be our main task to hold the Secretary of State accountable for how well these new arrangements work, given his key leadership and co-ordinating role,** but scrutinising children's issues will now mean scrutinising the work of several different departments, including Work and Pensions, Health, Justice and the Treasury. **We have decided to invite the Secretary of State, his opposite number at the Department for Work and Pensions and a Treasury minister to give evidence jointly later this year on the issue of child poverty. We hope that this will both provide an opportunity to see how well these different departments work together to achieve one of the Government's most challenging policy objectives, the halving of child poverty by 2010, and demonstrate our determination to pursue scrutiny of children's issues across Government.**

The Children's Plan

16. The Children's Plan is a ten year plan with huge range of objectives, from increasing play opportunities to halving child poverty. The Secretary of State told us:

“In some ways, I would personally see the Children's Plan as being the mission for our Department [...]. I do not want the Children's Plan to be seen as only the spending announcements made in the document—the measures that we are taking on school improvement are also very important. I say that to make clear that we see

schools, and driving up standards, as central to the achievement of the Children's Plan."¹⁰

17. The document is described as a plan, but while it sets out objectives it does not say which are the main priorities and does not have a timetable for action (for example, what will happen in the first year, aims for the 5 year mid-point etc), although there are target dates for implementation of some of the individual initiatives. For example, looking at the next steps section of the Children's Plan, is the review of Child and Adolescent Mental Health Services a higher priority than the national play strategy? The Plan says that teaching should become a master's level profession, undoubtedly a major policy change, but it does not appear in the next steps list. When will work begin on this process, and does the Government have a target date in mind? In many cases such as these, the Plan raises issues, but does not develop with clarity what the Government wishes to do and by when.

18. There is a commitment in the Plan for a report back a year after publication, which will provide an opportunity to assess what has been achieved, but without a more structured framework it will be difficult to keep track of how well the Department is implementing its plans. **The lack of priority amongst objectives and the absence of a timetable for implementation are weaknesses which need to be rectified, otherwise the Children's Plan runs the risk of being simply a wish list rather than the mission for the Department of which the Secretary of State spoke. If it does not do so before, it should use the progress report later in the year to set out in greater clarity when it hopes to achieve some of its main policy proposals. In order to keep track of progress on the Children's Plan, we intend to take evidence for the Secretary of State again when the progress report is published.**

19. *Every Child Matters* has provided the Government's policy framework for children since 2003. Many changes have sprung from it, for example combining education and children's social services in Children's Services departments in local authorities. The Children's Plan, however, is not based on the five ECM outcomes, but on a new set of strategic objectives. These objectives are:

- secure the health and wellbeing of children and young people;
- safeguard the young and vulnerable;
- achieve world-class standards;
- close the gap in educational achievement for children from disadvantaged backgrounds;
- ensure young people are participating and achieving their potential to 18 and beyond; and
- keep children and young people on the path to success.¹¹

10 Q 50

11 Children's Plan, p 15. The five ECM outcomes are Be healthy; Stay safe; Enjoy and achieve; Make a positive contribution; Achieve economic well-being.

20. We asked why the ECM objectives had not been used as the basis for the Children's Plan. The Secretary of State said that "We decided to structure the document around our five public service agreement objectives rather than around the five Every Child Matters objectives, although we could have done it the other way round [...]. The document, and in a way the entire Department, is informed by the reality of Every Child Matters on the ground in local areas."¹²

21. He offered to set out for the Committee a breakdown of what is being done in connection with the Children's Plan on the ECM outcomes.¹³ In a letter sent after our meeting, he said that the new objectives and PSAs "reflect, and are critical, for the five ECM outcomes", and acknowledged the need to set out clearly how they relate for "frontline practitioners".¹⁴ He promised to publish a "refreshed outcomes framework" in the near future,¹⁵ although that has not yet appeared.

22. It is not clear why the ECM outcomes could not be used as basis of the plan. The new objectives do not stray far from those outcomes, but are different in emphasis. **If there is to be long term planning it is important to stick to objectives. The way in which the DCSF sees the ECM outcomes being linked to the objectives in the Children's Plan needs to be clarified as soon as possible, and the new strategic objectives need to be maintained for the long run. The fact that there are now three sets of indicators that the Department is using—five Every Child Matters outcomes, six strategic objectives and five PSA objectives—is unsatisfactory. The Department needs to be clear both for the sake of its own work and that of the wider children and families workforce which objectives it is primarily working towards.**

Public Service Agreements

23. The Chancellor's 2007 *Pre-Budget Report and Comprehensive Spending Review* outlined new arrangements for securing effective public services and efficiency. There are to be fewer Public Service Agreements and targets, though the overall system will be retained. As far as children, schools and families are concerned, the new performance framework requires all the departments contributing to the achievement of a PSA to "share" a Delivery Agreement which will be developed in conjunction with "delivery partners and frontline workers".¹⁶ There are to be a "small basket of national outcome-focused performance indicators that will be used to measure progress towards each PSA outcome".¹⁷

24. The PSAs for the DCSF are:

- Improve the health and well-being of children and young people.

12 Q 50

13 *ibid*

14 Ev 21

15 *ibid*

16 *Meeting the aspirations of the British people 2007 Pre-Budget Report and Comprehensive Spending Review*, Cm 7227, London: HM Treasury, p187.

17 *ibid*

- Improve children and young people's safety.
- Raise the educational achievement of all children and young people.
- Narrow the gap in educational achievement between children from lower income and disadvantaged backgrounds and their peers.
- Increase the number of young people on the path to success.

25. There has been some debate about how far the demands on Whitehall departments, local authorities and public bodies will actually be reduced. Under the 2004 Spending Review, the DfES had five headline objectives, and 14 indicators in total which were used to assess progress towards those objectives. Under the 2007 Spending review, the DCSF again has five headline objectives, but 26 indicators. For the DCSF at least it appears that the pressure to achieve targets will not be reduced.

26. The new PSAs where DCSF is lead department are concerned with issues which include: breastfeeding, childhood obesity, bullying, social care assessments, preventable child deaths, examination performance, drug misuse, teenage pregnancy and youth crime. The width of this set of concerns implies the need for both specialist expertise within the Department, but also a need for consistency between different sets of officials and institutions. Overall, however, the PSA process is all about delivering key government objectives.

27. We will want to examine in some detail the basis of calculation of the new targets in the indicators. Previous targets—such as 50% participation in higher education—were often not justified using evidence.

28. We asked the Secretary of State about the way in which one of the “Goals for 2020” in the Children's Plan had been calculated; “every child ready for success in school, with at least 90% developing well across all areas of the Early Years Foundation Stage Profile by age 5”.¹⁸ He told us:

“When we set this at 90%, we looked in detail at the way in which early years foundation stage progress had been moving in recent years [...]. We thought that this was a reasonable but stretching way to frame the long-term target for early years. But we will want to discuss with experts, including the Committee, how exactly we should measure it over the next few months.”¹⁹

29. In the example we quote above, while 90% is a high target there clearly is some analysis lying behind the goal. For some of the new PSA indicators, the basis is not clear. For example, one of the indicators for the target ‘Raise the educational achievement of all children and young people’ is “Increase the proportion achieving 5A*–C GCSEs (and equivalent), including GCSEs in both English and maths, at Key Stage 4 to 53% by 2011”. The current level is 48.5%. This may be a perfectly reasonable target, but even though the

18 Children's Plan, p 14

19 Q 61

document introducing this and the target on narrowing the gap in educational achievement runs to 56 pages,²⁰ the basis for choosing 53% as the target is not explained.

30. In order for there to be confidence in targets and goals, the basis on which they have been formulated must be made clear. **If targets are to be respected, the way in which they are decided must be more transparent. For that reason we ask the Department to set out in its annual report or in the response to this report the basis on which the targets for indicators under the new PSA objectives have been determined.**

31. The Government has a number of differently-originated expectations in relation to public services for young people. 'Choice' and 'personalisation of services' have been important themes in recent government thought in relation to public services and remain so in the Children's Plan. 'Choice' implies that an individual or family have the information available to choose between different service providers or kinds of provision. 'Personalisation' generally involves a dialogue between an individual who needs a service and those who are charged with delivering that service. The service will then adapt to the requirements of the recipient.

32. Approaches embodying choice, personalisation and other favoured government methods to drive improvements for children and families must work alongside PSA-driven mechanisms. **The new Department needs to be explicit how it intends to drive improvements in services for children and families. In particular, Ministers will need to spell out how their desired outcomes will be hastened and delivered by the various different performance drivers currently in use. In some cases, there may be conflicts between 'choice' as exercised by parents and the demands of PSAs.**

33. **In addition, there are still tensions between the Government's desire to secure collaboration and co-operation between institutions, and financial incentives and performance requirements which stimulate competition. These two policies need to be carefully managed. Where competition is introduced it is important that it does not lead to fragmentation of provision.**

20 *PSA Delivery Agreement 10 and PSA Delivery Agreement 11*, HM Treasury, October 2007: http://www.hm-treasury.gov.uk/media/E/E/pbr_csr07_psa10-11.pdf

3 Schools' funding

34. The schools' funding system was reviewed in the run-up to CSR 2007. However, it was decided that no reform was to be made in the immediate future: it is proposed to continue with the "spend plus" method of allocating Dedicated Schools Grant (DSG) for the three years from 2008–09 to 2010–11. During this period, there will be a further examination of the subject with a view to possibly developing a new formula for allocating DSG between authorities from 2011–12 onwards.

35. In the 2008–09 to 2010–11 settlement, the Government will hold back a margin of funding to distribute in line with ministerial priorities. Thus, for example, there may be a new allocation of DSG so as to provide additional resources for pockets of deprivation and to allow schools in previously 'under-spending' areas to catch up with others. The Minimum Funding Guarantee is to remain in place in 2008–09, but with the minimum increase in resources per pupil set at 2.1%, compared with 3.7 % in 2007–08.

36. The DCSF has recently announced allocations of DSG for 2008–09 to 2010–11. Basic per pupil allocations of DSG will rise by 3.1% in 2008–09, 2.9% in 2009–10 and 2.9% in 2010–11. Funding for ministerial priorities (allocated outside the DSG) will add 1.5%, 0.8% and 1.4% respectively to these figures, leading to an overall year-to-year rise per pupil of 4.6% in 2008–09, 3.7% in 2009–10 and 4.3% in 2010–11.

37. We asked the Secretary of State how the review of schools funding was progressing. He told us:

"We expect to do the substantial work on the schools funding review over the summer, and we have not yet published detailed terms of reference for that review²¹. The idea is to be able to inform decisions for three-year budgets following this spending review period, so we still have a number of years to prepare. We will need to look carefully at the underlying assumptions underpinning the current "spend plus" formula [...] and how far they have changed, how far we need to make adjustments to the formula, whether we are getting the right balance between stability and deprivation and whether we need to do more to focus on pockets of deprivation within more affluent areas."²²

38. The issue of the extent to which the schools funding formula takes account of deprivation and how it might be more targeted is one that our predecessors discussed on a number of occasions. The Secretary of State said:

"At the moment, within the overall dedicated schools grant, about 10%—slightly more than £3 billion; about £3.5 billion of that £36 billion DSG—goes on deprivation spend, so there is already a substantial chunk of expenditure there. However, that is within the context of an historical set of arrangements. Clearly, there is a balance to be struck between the pace of change and stability. I am not going to prejudge the review by saying that there is not sufficient focus on deprivation, but I certainly think

21 Since announced to Directors of Children's services on 31 January 2008.

22 Q 47

that looking at whether there is a sufficient focus on deprivation is an important part of our work.”²³

39. Since we met the Secretary of State, further detail has emerged about the organisation of 14–19 education. In its proposals on funding, the Government says that “we do not propose fundamentally to change the current methodology”. However, with the abolition of the Learning and Skills Council, funding for all 16–19 provision will be directed via local authorities and the move towards equal funding for equal work (that is, that the gap in funding between school sixth forms and FE colleges will be removed) will continue. There is also discussion, as in the schools funding consultation, of a move to a 14–19 funding system.²⁴

40. We will want to be kept informed of the review of schools funding as it goes through its different stages. With funding growing more slowly in the current CSR period than in the previous one, decision on calculating and distributing schools funding will be even more critical. The changes in funding to the 16–19 sector, and the implications for 14–19 funding, will also need to be examined carefully.

41. The Secretary of State clarified in evidence the Government’s commitment to improving per pupil funding in the maintained sector compared with the independent sector. The aim is to bring the level of funding in the maintained sector to the level it was in the independent sector in 2005–06. The Government expects to have closed the gap on capital and progressed 30% of the way to the target by 2010–11 (the end of the CSR period).²⁵ The Secretary of State gave no indication of when he expected this level to be reached.²⁶ Without a timescale for achieving the target it is difficult to make a judgement about what progress is being made, but we will aim to monitor how this commitment is addressed in the schools funding review.

23 Q 48

24 DCSF/DIUS, *Raising Expectations: enabling the system to deliver*, Cm 7348, March 2008, pp 47-50.

25 Ev 21

26 Qq 28-31

4 Efficiency and productivity

42. When he was Chancellor, the Prime Minister set efficiency targets for the public sector following the publication of the Gershon Report in 2004. The DfES was expected to achieve a total of £4.3 billion of savings by 31 March 2008. According to Chapter 2 of the previous Department's *Annual Report* for 2007, the former DfES was "on course" to deliver the £4.3 billion total and also to cut 1,960 civil service posts (over the period October 2003 to 2008).

43. The calculation of these savings has been problematic from the beginning, with the NAO reporting that it is difficult to be clear about what is happening, and our predecessors on the Education and Skills Committee expressing concern at the difficulties in assessing the reality of the efficiency savings achieved.²⁷ The Permanent Secretary told us that confirmation about whether the targets had been achieved would not be available until autumn 2008 but that the Department had a green rating (that is to say, it is on course to achieve the targets).²⁸

44. The DCSF's consultation paper on schools' funding for 2008–09 to 2010–11 states: "our assessment of cost pressures includes an assumed efficiency gain of 1% for each of the next three years, reflecting the substantial improvement in efficiency which we expect to be achieved across the schools sector and the public sector as a whole". This is an interesting development, as the Government has not, in the past, confronted schools with direct demands for efficiency savings. On the other hand, local authorities are required to deliver three per cent efficiency savings per annum over the same period.

45. We are keen to see the detailed assessment of the achievement or otherwise of the Gershon targets in order to establish how much more effectively the education and children's services systems are operating. We will also wish to see how the new efficiency targets in schools are monitored and the extent to which they are achieved.

46. There is also the question of what will happen once the Gershon process itself has been completed. In the Budget, the Chancellor announced plans for further efficiency savings, with the establishment of the Public Value Programme. According to the Budget Red Book:

"Major improvements in value for money depend not only on a firm discipline on back-office costs, but also on a continual effort to find smarter ways of doing business and in taking wider policy decisions. The [Public Value] Programme will therefore look at all major areas of public spending to identify where there is scope to improve value for money and value for money incentives. Initial areas already identified for investigation include road-building, commissioning in the health sector, regeneration spending, value for money incentives in public sector budgeting frameworks, and the way in which major public sector IT projects are run and accounted for."²⁹

27 Education and Skills Committee, Second Report of Session 2005-06, *Public Expenditure on Education and Skills*, HC 479, paragraph 34.

28 Qq 13-14

29 *Budget 2008*, HC (2007-08) 388, 12 March 2008, Box 5.1 (p 79).

47. As with the Gershon efficiency programme, implementing these kinds of proposals across 23,000 schools, for example, will be a major undertaking. More information is promised in the 2009 Budget, but we presume that Departments will begin planning well before then. **We ask the DCSF to set out what it anticipates the new Public Value Programme will require of the Department, and of schools and other children's services providers.**

Conclusions and recommendations

The new Department

1. While joint working across Government is of course not new, the extent to which the DCSF is involved with other departments is possibly unique. There are two areas where it has sole responsibility for policy and funding—early years and 5 to 13 schooling—but on everything else it has joint responsibility and varying degrees of control. On 14–19 education it has joint responsibility with DIUS, but sole responsibility for funding. On matters such as child poverty and health the funding and policy levers are largely in other people's hands. (Paragraph 5)
2. We welcome the new Department's focus on children. The problem with joint responsibility is that it might mean no effective responsibility, with each part of the system doing its own work but with no-one ensuring that it does all add up to coherent policy and actions. The DCSF has been given the leading role, which appears to be an acknowledgement that ultimately someone does have to take decisions. The challenge for the Department and for the Secretary of State will be to ensure that they are able to lead and to require decisions to be made. (Paragraph 9)
3. This issue of how well education, health and other services work together at the local level is one that we will want to monitor, as it is crucial to the success or otherwise of the government's plans. The mechanism for achieving effective joint working at the local level is the Children's Trust, and we plan to undertake an inquiry into Children's Trusts later in the year. (Paragraph 11)
4. Given the importance of Diplomas, clarity over who is responsible is vital. We ask the DCSF to set out each department's specific responsibilities towards Diplomas. The success of the Diplomas is vital to improve levels of attainment. We shall be taking further evidence on progress in implementing Diplomas later in the year. (Paragraph 13)
5. The key issue for the Department is to make joint working a reality at both national and local level, and the extent to which it is able to achieve effective joint working will be the main determinant of whether the aims of these policy initiatives will be achieved. (Paragraph 14)
6. It will clearly be our main task to hold the Secretary of State accountable for how well these new arrangements work, given his key leadership and co-ordinating role. We have decided to invite the Secretary of State, his opposite number at the Department for Work and Pensions and a Treasury minister to give evidence jointly later this year on the issue of child poverty. We hope that this will both provide an opportunity to see how well these different departments work together to achieve one of the Government's most challenging policy objectives, the halving of child poverty by 2010, and demonstrate our determination to pursue scrutiny of children's issues across Government. (Paragraph 15)

The Children's Plan

7. The lack of priority amongst objectives and the absence of a timetable for implementation are weaknesses which need to be rectified, otherwise the Children's Plan runs the risk of being simply a wish list rather than the mission for the Department of which the Secretary of State spoke. If it does not do so before, it should use the progress report later in the year to set out in greater clarity when it hopes to achieve some of its main policy proposals. In order to keep track of progress on the Children's Plan, we intend to take evidence for the Secretary of State again when the progress report is published. (Paragraph 18)
8. If there is to be long term planning it is important to stick to objectives. The way in which the DCSF sees the ECM outcomes being linked to the objectives in the Children's Plan needs to be clarified as soon as possible, and the new strategic objectives need to be maintained for the long run. The fact that there are now three sets of indicators that the Department is using—five Every Child Matters outcomes, six strategic objectives and five PSA objectives—is unsatisfactory. The Department needs to be clear both for the sake of its own work and that of the wider children and families workforce which objectives it is primarily working towards. (Paragraph 22)

Public Service Agreements

9. If targets are to be respected, the way in which they are decided must be more transparent. For that reason we ask the Department to set out in its annual report or in the response to this report the basis on which the targets for indicators under the new PSA objectives have been determined. (Paragraph 30)
10. The new Department needs to be explicit how it intends to drive improvements in services for children and families. In particular, Ministers will need to spell out how their desired outcomes will be hastened and delivered by the various different performance drivers currently in use. In some cases, there may be conflicts between 'choice' as exercised by parents and the demands of PSAs. (Paragraph 32)
11. There are still tensions between the Government's desire to secure collaboration and co-operation between institutions, and financial incentives and performance requirements which stimulate competition. These two policies need to be carefully managed. Where competition is introduced it is important that it does not lead to fragmentation of provision. (Paragraph 33)

Schools' Funding

12. We will want to be kept informed of the review of schools funding as it goes through its different stages. With funding growing more slowly in the current CSR period than in the previous one, decision on calculating and distributing schools funding will be even more critical. The changes in funding to the 16–19 sector, and the implications for 14–19 funding, will also need to be examined carefully. (Paragraph 40)

Efficiency and productivity

13. We are keen to see the detailed assessment of the achievement or otherwise of the Gershon targets in order to establish how much more effectively the education and children's services systems are operating. We will also wish to see how the new efficiency targets in schools are monitored and the extent to which they are achieved. (Paragraph 45)
14. We ask the DCSF to set out what it anticipates the new Public Value Programme will require of the Department, and of schools and other children's services providers. (Paragraph 47)

Formal Minutes

Monday 31st March 2008

Members present:

Mr Barry Sheerman, in the Chair

Mr Douglas Carswell
Mr David Chaytor
Mr John Heppell
Mrs Sharon Hodgson

Fiona Mactaggart
Mr Graham Stuart
Lynda Waltho

The Department for Children, Schools and Families and the Children's Plan

The Committee considered this matter.

Draft Report, proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 47 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That embargoed copies of the report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 2 April at 9.15 am

Witnesses

Wednesday 9 January 2008

Page

Rt Hon Ed Balls MP, Secretary of State, **David Bell**, Permanent Secretary, and **Stephen Meek**, Director of Strategy, Performance and Analysis, Department for Children, Schools and Families (DCSF)

Ev 1

List of written evidence

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| 1 | Rt Hon Ed Balls MP, Secretary of State for Children, Schools and Families | Ev 20 |
| 2 | Association of Colleges (AoC) | Ev 22 |

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2007–08

First Special Report	Creative Partnerships and the Curriculum: Government Response to the Eleventh Report from the Education and Skills Committee, Session 2006–07	HC 266
Second Special Report	Special Educational Needs: Assessment and Funding: Government Response to the Tenth Report from the Education and Skills Committee, Session 2006–07	HC 298
First Report	Children and Young Persons Bill [Lords]	HC 359

Oral evidence

Taken before the Children, Schools and Families Committee

on Wednesday 9 January 2008

Members present:

Mr Barry Sheerman, in the Chair

Adam Afriyie
Annette Brooke
Ms Dawn Butler
Mr David Chaytor
Mr John Heppell

Mrs Sharon Hodgson
Fiona Mactaggart
Mr Graham Stuart
Lynda Waltho
Stephen Williams

Witnesses: **Rt Hon Ed Balls MP**, Secretary of State, **David Bell**, Permanent Secretary, and **Stephen Meek**, Director of Strategy, Performance and Analysis, Department for Children, Schools and Families, gave evidence.

Q1 Chairman: Secretary of State, it is a pleasure to see you. We have been limbering up, exercising, jogging—the whole team has been out jogging in the morning—and doing all sorts of interesting and zen exercises to limber up for this day, so we are really on our mettle. I am sure that you have been doing the same. We are ready to go. I did say that I would give you a chance to introduce today's discussion, as long as you are reasonably brief.

Ed Balls: I will be very brief. May I say that it is a great honour to appear for the first time before the Select Committee, and to be the first Secretary of State in the new Department for Children, Schools and Families to appear before this new Committee? I know that there are a number of new Committee members, but that a number of members have served for years. Given your length of experience and knowledge, Chairman, I have no doubt that you will know far more about pretty much every subject that we discuss today than me. That might be true of some other members of the Committee.

Q2 Chairman: Are you trying to stop me asking hard questions?

Ed Balls: May I introduce David Bell, my Permanent Secretary, and Stephen Meek, who is the Director of Strategy and Performance at the Department. He has been responsible for the co-ordination of the Children's Plan and for our discussions on the spending round and spending review over the past year. There are two things that I want to say very briefly. First, our discussions today are around the Children's Plan, which was published just before Christmas, and related issues. When I made the statement, Chair, you asked me how we would be reporting on the Children's Plan, and I made a commitment that we would make a formal report back on progress in a year's time. Within the Children's Plan there are some areas where we have set out very clear and detailed actions, with money to start from this April. For example, there is the roll-out of our youth services investment, children's play and investment in

children's playgrounds, nursery places for two-year-olds, and a number of investments in work force development. There are some areas where we have said that because of the consultation that we have done on the Children's Plan, we now need detailed reviews. One area, obviously, is the review that I am now doing jointly with Alan Johnson into children's mental health services—into CAMHS—which is very much a product of the consultation. The Byron and Bercow reviews are going ahead. There is a third area of policies that I would highlight to the Committee where we have set out in the Plan a detailed direction of travel, but where there is still a lot of work to be done and consultation to take place. I would, for example, cite the ways in which we want to engage parents in more detail and more systematically in schools. There are plans for masters degree qualifications for teachers. We could also add to that list our direction of travel on exclusions policy. I know that this Committee has had a tradition of scrutiny and also, in some ways, of pushing forward the policy debate and the policy agenda. Those areas, and also the co-location of children's services in the 21st century school, could be areas in which the Committee might want to do work or make inquiries that can actually contribute to the development of that policy. That is obviously a matter for yourselves, but I think it would be very positive if we could have future dialogue in more detail on some of those areas. One particular review that we announced in the Children's Plan is the Rose review into the primary curriculum, and this morning I have taken the opportunity to put a Written Ministerial Statement before the House. I have also put in the Library a detailed letter to Jim Rose, which I believe was circulated to the Committee in advance, setting out in more detail the terms of reference for the Rose review: the importance of more space in the primary curriculum for reading, maths and writing—for the basics—the requirement for a modern language to be taught, and the ways in which there can be greater continuity in and out of primary schools from early years and then into secondary schools. Another issue that I

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have highlighted for Jim to look at is summer-born children, because evidence from the work of the Institute for Fiscal Studies and other areas shows that summer-born children can be set back because of starting school late, or because of their age when they start school, and those effects can last through their school life. I have asked Jim to look at how the primary curriculum can be tailored to meet the needs of summer-born children and also to respond to the views of a number of parents in our consultation who said they would like more flexibility so that their children would be able to start in September, even though they are summer-born, to start mid-year, or even to have the opportunity to start a year later. I have asked Jim to look at that issue of flexibility in entry as well as the curriculum with regard to summer-born children. That is one example of a review that will take place over the next year. We are hoping to have an interim report by October 2008 and a final report by March 2009. I am sure that the primary curriculum will also be an area on which the Committee will take a particular interest as we implement the Children's Plan over the next year.

Q3 Chairman: Thank you for that, Secretary of State. May I ask how long you think you are going to be in the Department?

Ed Balls: I have no idea. I know there were a number of Secretaries of State in the previous Department. Obviously, I am the longest-standing Secretary of State for Children, Schools and Families that there has ever been. I have always believed that a good rule in politics is to ensure that you plan your strategy five to 10 years ahead and never assume that your security of tenure will last the day. It is important to be conscious about not making mistakes. You always need to have a short-term awareness of the importance of being on your mettle and also plan ahead. Today, my ambition is to get through this morning.

Q4 Chairman: When I describe the situation in the Department, some of us are worried. If you describe the Department, there is a constant churn of leadership, middle management and all those elements that we have seen over the last few years. If it were a school, it would be put on special measures—David Bell is smiling there—but the Department is not on special measures. David Blunkett was in education for a full four years and one month and was followed by someone who was there for one year and two months. They were followed by Charles Clarke, who was there for just over two years, and then by two others for one and a half years. There is instability in the education job. Does that instability allow the Department to build and develop itself and to deliver on its strategy?

Ed Balls: In some ways, the broad range of responsibilities that we have, and the fact that I am working closely with, and in some areas have joint responsibilities with, a number of other Departments is helpful to me. In the area of children's health, I am working with a Health Secretary who was Education Secretary last year, and in the case of the Home Office, I am working

with a Home Secretary who was recently Minister for Schools. On transport and school travel, I am working with a previous Education Secretary. The fact that there is a range of expertise in schools and children's policy across other Departments is a help to me. When I started this job, I said that I thought that it was the best job in the Government. Nobody would want to give up the best job in the Government quickly, and I would like to see through the implementation of the Children's Plan and the Rose review, and there are a number of different things that I want to do over the next few years. I am not agitating for any change of job but, as you know, these things are above my pay grade. Whether I stay in any particular job, or indeed whether I stay in any job at all, is not my decision.

Q5 Chairman: What I was trying to get at was the situation for the staff—the people who actually deliver in the Department, out in the schools and colleges, and across the educational sector. This instability in leadership would not go on in the private sector, or in a college or school. I was suggesting that a period of stability might be quite a good thing in the new Department.

Ed Balls: It was an advantage to me that the two Ministers of State for children's policy and for schools policy stayed in the same job following the last reshuffle. Having spent 10 years at the Treasury preaching the message of stability, I am happy to say now that stability in education, schools and children's policy would be a good thing.

Q6 Chairman: Okay, let us get started on the real questions. Ten years ago, a Labour Government were elected and said that education was their great priority—remember the reiteration of the education theme? In subsequent general elections, education was again of the greatest importance. Is that still the case, even when we know that the money that will flow into education will start to plateau and not be as much as it was over the last number of years? Is education still the top priority of the Government?

Ed Balls: I would say undoubtedly yes.

Q7 Chairman: What evidence can you give us that that is the case, if the budgets flowing to education are declining?

Ed Balls: We have two Education Secretaries in the Cabinet instead of one. A landmark piece of legislation is being introduced on Monday with the Second Reading of the education-to-18 Bill. The Children's Plan is involving other Departments in the education of children agenda in a much more intensive way than has been the case until now. Even though the overall profile of public spending has slowed for all Departments in this spending round compared with the last one, this Department has one of the fastest growth rates of spending. It is rising not only in real terms, but as a percentage of gross domestic product in the economy. When, in the pre-Budget report, extra resources were being found for public spending, they were found for health and for education. Any Prime Minister who wants a strong economy and a fairer and more socially cohesive

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society must tackle issues such as crime, but if he also wants to ensure that there is opportunity for all and not just some, he knows that education and schools and children's policy must be at the centre of the Government. That is reflected in the new Department.

Q8 Chairman: How do you react to the statistics from the Office for National Statistics that seem to suggest that the most productive years for education spending were the last couple of years of the previous Conservative Administration and the first two or three years of our own Administration? Those were days of less resources, rather than more. Those statistics seem to be saying, or some people interpret them as saying, that, in terms of measuring productivity, as enormous amounts of money started to flow through education, the management capacity to deliver on that investment was not there. Do you share that concern?

Ed Balls: I do not. I think that measuring productivity is difficult in an area such as education. In the case of manufacturing or the productive part of the economy, because of technological change and new innovations that can save labour and allow more efficiency, there is an assumption that productivity should accelerate through time and that productivity growth can be faster. In the case of a public service such as education, it is not clear that you expect a similar kind of thing to occur. Going back to the period around 1997, if we are honest, we had had quite a few decades in which spending had been quite low and we had also made very little improvements in standards in test results. Therefore, in the early years of the Government, the fruit was relatively easy to pick. I think that we have raised standards over the past 10 years and that we have gone from being below average to above average, with still some way to go. As you raise standards, it becomes harder, not easier, to make progress because you are either dealing with more entrenched disadvantage, or having to tackle children with learning difficulties. For those children to make progress, they are going to need more intensive support, smaller class sizes and more teaching assistants in the classroom. When measured by the rather simplistic view of productivity, if you have smaller class sizes or more teaching assistants, it means that productivity has gone down. That would mean that you would have less output per person employed or less output per pound spent, but actually, in terms of the results and the progress for children, you are achieving much more by helping those children to make progress than if you are simply helping the average child to make progress. It is perfectly natural in education for measured productivity to fall as standards rise. That is because you have to have more intensive effort on the hardest-to-help children so that they can benefit from excellence.

Q9 Chairman: We will drill down on productivity a little later. In terms of the balance of the Department and its delivery on its mission, the schools side of the Department looks reasonably well organised. You

have inherited that bit—it is there and a solid foundation. The children's side is much more difficult. We on this Committee are finding that side more difficult because you are not the only Department involved. If you go back to Work and Pensions questions on Monday, the first question was on child poverty. If you want to know about obesity, children's mental health and teenage pregnancy, you go to the Department of Health. Then you go across to the Ministry of Justice if you are looking at young offenders, the conditions of young offenders institutions, and the lack of education and skills of young people who come out of those institutions and of a real programme for them. So, it is a very disparate and different role compared with the schools side. How are you going to get a handle on it?

Ed Balls: What you describe is the reality on the ground for head teachers and directors of children's services as well. If you, as a head teacher, want to drive up standards for all children, you must rely on what influence parents are having on children's learning at home, and you need the support of children's mental health services or social services. The quality of housing also makes a difference to children's ability to learn. The best head teachers are working in partnership with different public services with different budget lines. Every Child Matters at the local level—the idea of a children's trust—is an attempt to bring together that range of different services and different budgets and to make them work together. At the national level, we have tried different ways to make that work in the past 10 years. We have tried children's Ministers and children's committees. What we are doing here is by far the most radical attempt to make this work, through having a set of overt joint responsibilities. I am jointly accountable to Parliament and this Committee, with Jack Straw, for every aspect of youth justice and youth justice policy, even though most of the budget for youth justice is in either the Ministry of Justice or the Home Office, rather than my own Department. I am jointly responsible for children's health, even though most of the budget spend is with the Department of Health. That means that we need to use our influence in every way that we can to try to drive performance. We have invested a huge amount of time and effort, through the Children's Plan, in putting together our new Public Service Agreements via the Machinery of Government in Whitehall to make a reality of those joint responsibilities. There is much more intensive, cohesive working between different Departments on children's outcomes than I think that we have had before in Britain. I think that we are also leading other countries in trying to do this. As you say, it is about influence and leverage, rather than simply the allocation of your own departmental budget.

Q10 Chairman: When the previous Committee conducted a major inquiry into Building Schools for the Future—*Sustainable Schools*—we drew some significant lessons about how important the visioning process was in every local authority in England. It is absolutely crucial because this is one

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opportunity for a local authority area to say, “This is the kind of educational provision for our people into the middle, and perhaps even to the end, of the 21st century”. Certainly, the Committee got the feeling that that was of the utmost importance. Very rarely do you get the opportunity to say, “We applaud the fact that local authority areas were given that chance.” Would you agree that if every partner in that delivery of education in a local authority area is not part of that process, it is a much weaker one?

Ed Balls: I would, and I think that that is the conclusion of the Children’s Plan. I spoke to the Association of Directors of Adult Social Services and Association of Directors of Children’s Services annual conference a few months ago—early on in the job—and said that I thought that sometimes in the past the Government had not sent a clear enough message to local government about its role. I think that local government has an important strategic role in the delivery of education and children’s services, and in driving performance. One very important part of that is planning school and wider services’ infrastructure. When we talk about the co-location of services, it is not about only schools and education. We are saying in the report that we want Building Schools for the Future to create expectations and to remove any barriers that get in the way, in local areas, of being able to plan schools and wider children’s services in a more co-located way. That could only be done from the local area, based around a director of children’s services working closely with schools.

Q11 Chairman: Does it worry you that a very important part of the faith community—the Roman Catholic Church—seems to have taken a very different view from that at the time when we visited the Academy of St Francis of Assisi in Liverpool? We saw a successful Academy—a joint Anglican and Catholic Academy—and many of us thought that it was a model to be looked at and perhaps used in other parts of the country. Is it not disturbing that we are told—certainly I have been told—by many of the leading Catholic educationalists that that experience will not be repeated and, secondly, that in certain areas of the country, the local authorities are finding it difficult to engage with the educational hierarchy of the Catholic Church in their diocese?

Ed Balls: When I arrived in the job, I inherited an advanced piece of work called *Faith in the system*, which was about the role of faith education in our country. My experience, from the work that I did with all faiths in the final preparation of that document, including the Catholic faith with Cardinal Cormac Murphy-O’Connor and also the Archbishop of Birmingham, was that there was a commitment in the Catholic faith, as in other faiths, for those schools to play their proper role as part of the wider community. That can be through individual multi-faith Academies, which I have supported myself, or more generally through faith schools playing their part in the wider community and the delivery of children’s services. If messages

are being sent, within any faith, that individual schools should go it alone, I would certainly be concerned.

Q12 Chairman: Thank you for that. Lastly, have you seen the Runnymede research? It is not complete yet, but you have certainly had the first draft. It suggests looking at a school system that includes faith schools successfully and prepares young people for living in a multicultural society. However, the initial research suggests that faith schools can have a negative effect on community cohesion. How do you react to that research?

Ed Balls: I have not studied the details of that research, although my officials will have done. I know that a year ago there was substantial concern about whether faith schools were playing their proper part in promoting community cohesion, and my predecessor had discussions on that. As a result, alongside *Faith in the system*, we made a commitment to produce guidance for all schools on how they should promote community cohesion. One thing that came out of that work was many examples of faith schools that were leading efforts to promote community cohesion in their areas. There are therefore some very good examples in both the non-faith and faith systems of schools that are promoting community cohesion. I want that best practice to apply to all schools, and that must mean all faith schools as well as all non-faith schools. The obligations regarding community cohesion should also be mirrored in, for example, fair admissions. In my discussions with faith leaders, they all agree that the admissions code has an important role to play and that they have an important role to play in ensuring that admissions policy is fair across all schools, including all faith schools. I know that in recent weeks you have expressed concerns about sex and relationship education, and that is also an area where I think it is important that, consistent with the views of individual faiths, all children in all schools, including all faith schools, are being given the proper support and guidance.

Chairman: Thank you for that.

Ed Balls: May I say, to be absolutely clear—there is sometimes confusion about this—that it is not the policy of the Government or my Department to promote more faith schools? We have no policy to expand their numbers. That should be a matter for local communities. In some local communities, there is support for faith schools and in some there is support for schools moving from the independent sector into the state sector. In other areas, from contact that I have had with both faith leaders and local Members of Parliament, I understand that faith communities are clear that faith schools are not the right thing for their communities. We want to support those communities to make their own decisions, but we are not leading a drive for more faith schools.

Chairman: Thank you for those opening answers.

Q13 Mr Chaytor: Secretary of State, in the 2004 Comprehensive Spending Review, the Department was required to make £4.3 billion of savings by the end of this financial year. Is the Department on track to make those savings?

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Ed Balls: In some areas, as I understand it—David is more of an expert in the detail than myself—we have actually exceeded our expectations. For example, we have used the expansion of support staff as a way of enabling schools to do more within their budgets and that has helped us. Next week is the five-year anniversary of the partnership agreement between the Department and the unions and employers. That partnership is a very striking example of effective work between Government, employees and employers. It is a very strong asset for our Department and a major reason we have been able to make progress on efficiency over the last four years. The partnership has enabled workforce reform that has released substantial resources to be applied within schools. In use of technology, we have made significantly faster progress in introducing efficiencies in technology in schools than we expected in 2004. Also, a number of schools have been using specialist leadership, for example school bursars, as a way of releasing substantial amounts of money. One by-product of the reforms around trust schools has been a number of small schools or primary schools seeing that one reason to come together in clusters or to have trusts around a pyramid is because you can make substantial efficiency savings in non-teaching expenditure, rather than duplicating across a range of small schools in an area. So I think the answer is that we have exceeded our expectations.

David Bell: Yes, we are ahead of trajectory at this point in the programme. Because of the change in departmental arrangements, we have split the responsibility for the £4.3 billion between ourselves and the Department for Innovation, Universities and Skills, although the bulk of it remains with our Department. We are ahead of trajectory and the examples the Secretary of State gave are good examples of the progress we have made. There are two other elements of the efficiency programme. One is in relation to staff numbers within the Department and Ofsted and we have now achieved that target ahead of the end of the year. The other is a relocation target of 800 posts outside of London and the South East by 2010 and we are well ahead of trajectory. We will hit the 2010 target because of relocation of organisations like the Training and Development Agency and the Qualifications and Curriculum Authority.

Q14 Mr Chaytor: May I ask another point of detail on the trajectory? The Autumn Performance Report said that by September 2007 you would have achieved £2.8 billion of savings. It then said that £1 billion of that is cash savings and £2.6 billion is recyclable savings. Surely £1 billion plus £2.6 billion equals £3.6 billion. How does that square with the claim that you have saved £2.8 billion?

David Bell: I will have to check the detail of that, but we know the efficiency programme is put together as a combination of real cash savings and non-cash savings. The restructuring of the teachers' pension scheme involves real cash savings. The technology programmes the Secretary of State mentioned or the use of teaching assistants to give teachers more time

involve non-cashable savings. But I can assure you we are ahead of the trajectory. What we will not be able to do, because of the time lag involved in gathering the data, is to say on 1 April 2008 that everything is secure, because we need the data returns into the Autumn of 2008 before we are able to confirm the programme. However, I understand that the report from the Treasury to the Chancellor and the Prime Minister has given our programme an “amber green” rating; in other words, we are expected to achieve the programme.

Ed Balls: Shall I write you a letter setting out the latest position in terms of progress on efficiency on the 2004 and 2006 commitments? I would be happy to do that.¹

Q15 Mr Chaytor: Perhaps you could clarify it, because to the casual reader £1 billion plus £2.6 billion does not equal £2.8 billion—I refer to page 48 of the Autumn Performance Report.

Ed Balls: It is a moot point how many casual readers would have seen that page. For the expert reader it has obviously left a question, which we will answer for you.

Q16 Mr Chaytor: May I ask a more general question? You are now going to require schools in the next CSR period to achieve 1% efficiency gains. It is the first time that schools have been asked to do this. Will the definition of efficiency for schools be the same as that applied to the Department? That is, will the 1% be partly cashable and partly recyclable?

Ed Balls: We are saying that within the overall funding supplement for schools we think that they can meet all their needs and all our priorities on the basis that within that overall sum they release resources equivalent to around a 1% rise in the budget a year.

Q17 Mr Chaytor: Is that all cashable?

Ed Balls: They are all recyclable within the school. It is a matter for the schools to decide the balance of cashable versus recyclable. It is not something we are dictating from the centre. Obviously, if they do not make any efficiency savings at all they will have less money to spend, but that can either be through money that they cash and then spend or recycle. Is that right?

David Bell: Yes.

Q18 Mr Chaytor: As we move forward into the next CSR period, what is the balance between spending on schools as against spending on post-16 or post-19 likely to be? In the last couple of years we have seen a tilting away from schools and children towards adult skills and the university sector. Will that trend continue, or do you envisage that the balance will now move back towards children, schools and families?

Ed Balls: We have split our budgets between the new Department for Children, Schools and Families, which spends up to 19, and the new Department that spends post-19. In a sense, for the next three years

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the money to spend is as set out in the pre-Budget report, which set out those numbers. I am sure you have them, but we can easily give you the breakdown of exactly how those budgets were split. I am not sure that I have the precise split in front of me.

Chairman: We do not need that.

Ed Balls: For me, the issue is more how we choose to allocate expenditure within the 0–19 group; the split between pre and post-19 will be a matter for the next spending review post-2011, but up to 2011 it is now determined by the split between the two Departments.

Q19 Mr Chaytor: In terms of projection up to the age of 19, what is the relationship between the spending plans and the allocation over the next three years and beyond and demographics? Does the Department have projections of the likely number of children in our schools over the next 10 years—that is, the period of the Children’s Plan?

Ed Balls: Yes.

Q20 Mr Chaytor: Are the projections a matter of public record?

David Bell: There is no reason why they cannot be given to you, because we ask local authorities for projections in relation to primary-age pupils and secondary-age pupils. Of course, within the CSR that has just been agreed for the coming three years an assumption was made around change in the demographics because of some reduction in pupil numbers that it projected. We have to do that kind of projection for all sorts of reasons; it is not just to do with budgets but with other kinds of planning where you need to have a longer-term assumption in the assessment of pupil numbers.

Ed Balls: For example, the spring Green Paper set out the policy on education to 18 for consultation and projected the numbers of young people that we expect to be in the 16–18 category over the next decade and then split them between likely projections for school, college and apprenticeships. On education to 18, in the period 2013 to 2015 when the policy kicks in, we are envisaging needing perhaps 20,000 to 30,000 more school or college places but 100,000 more apprenticeships, because we think that is where the take-up is likely to come. So there, clearly, we have been publicly projecting and I am sure that we have done that in other places too, but I do not think that we necessarily publish the figures systematically. I am happy to provide a note on that as well.²

Q21 Mr Chaytor: On productivity, you mentioned earlier that rising standards are not necessarily equated with rising productivity in education. Is there a need to redefine the nature of productivity in public services, or are you just reconciled to the fact that conventional measures of productivity are not as relevant to public services as they are to industry?

Ed Balls: As I understand it, and I should know more of the detail on this area, the Treasury conducted some work, which I think was carried out

by Professor Atkinson from Oxford University two or three years ago and was commissioned by the Office for National Statistics to try to update the way in which we measure public sector productivity. The old saw, or the old joke, was that in the old ONS numbers the productivity of the fire service was measured by the number of fires that it put out. Therefore, there was no incentive for the fire service to spend any money on fire prevention, because if it prevented fires it did not put them out and consequently it appeared to be less productive. That is the kind of old-style way of doing things that, hopefully, we have changed. I am not saying that the ONS is measuring productivity in the wrong way for education; what I am talking about is the conclusions that you draw from those measurements. It seems to me that you would expect it to be harder, more expensive and more intensive to raise standards as performance improves, because the 20% of children who are not getting to Level 4 at Key Stage 2 now in primary schools will need more intensive support to get to that level than the first 20% or the average needed. As a society, we have to decide whether we think that that is a priority and whether we will spend the money. I think that it is a priority, but you would expect productivity to be lower, in the sense that it will cost you more to get the next person up to standard. However, that is, in a sense, obvious.

Q22 Mr Chaytor: Is the Department working on a new model of productivity?

Stephen Meek: The Atkinson review involves an ongoing process of refining definitions of productivity, capturing the benefits and outcomes and I think that papers on this subject come out reasonably regularly, as I am sure that the Committee is aware. There is a kind of moving picture on the definition of productivity. The issues about low-hanging fruit and how much harder it becomes as you go on are all relevant, but it is a moving picture on the definition of productivity.

Q23 Mr Heppell: Can I move on to targets? In the Annual Report, there is an awful lot on targets. Some of them have been achieved, but an awful lot have not been, with no real explanation as to why those particular targets were not achieved. I am wondering how meaningful targets are. What are the new Department’s key targets? How do they fit in, or how do they evolve, with the Children’s Plan? Also, how will that process fit in with the local area agreement process?

Ed Balls: If you look at the last set of PSAs, the area where I think that we have struggled to make progress compared to our expectations when the targets were set is, in particular, Key Stage 3, in the group aged 11–14. For us as a Department, the progress that children make in the early years of secondary school is a real challenge, because too many children do not seem to make progress in the way that you would expect them to make in that period. I must say that I also think that the targets that we set for Key Stage 3 were quite ambitious targets. They were based upon an expectation that

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we would make really quite rapid progress, which we have not managed to sustain. At the same time, for Key Stage 4 we have clearly met the targets for GCSE results and we have continued to make progress. From memory, in Key Stage 2 we have made progress, but we have not gone as fast as we would like. There is an underpinning assumption; if you look at the Children's Plan, it essentially says that we have continued to make progress year-by-year on standards over the past 10 years, but the pace has slowed in recent years, and we would like to see that pace reaccelerate. Part of the reason why we have not met some of our PSAs is because that pace has slowed. The Children's Plan attempts to address some of the reasons why the pace of progress has slowed, which is partly around the primary curriculum review. We have already reviewed Key Stage 3. It is also around the broader point that schools need the wider community and need to focus on barriers to learning outside the school, if we are to sustain the pace of progress we would like and, as I have said, to reach those children for whom progress is tougher and more challenging.

Q24 Mr Heppell: Can I press you on that? My authority has made massive progress in the past few years. Although it has made massive progress, everybody else is making progress and it never seems to move up in the league table. It is frustrating to see things obviously getting better, but still having, if you like, a bad reputation. One of the areas where there is "slippage" in the target, is in equalities.

Ed Balls: Inequalities?

Q25 Mr Heppell: Inequalities—whatever you call them: the super outputs against the average or targets to narrow the gap. It does not seem that that is one of the areas we are moving in. What can we do to make the target effective?

Ed Balls: As you know, because we discussed that in the House, when we published the school-by-school GCSE results in the Autumn, for the first time we also published the list of local authorities that have seen the biggest improvement across all of their schools and areas over the past year and past 10 years. I think that Nottingham came fifth in the country in progress in the past year. We are talking about the role that local government should play in education, I think that it should, within their areas, be holding schools to account for whether they are making progress, including whether they are doing okay but coasting. We ought to be holding local authorities to account for whether they, in individual schools and areas, are making progress. We praise some of the areas that have made particularly fast progress: Tower Hamlets is the fastest improving authority over the past 10 years, and Halton, followed by Salford and Wakefield have made progress in the past year. We also need to highlight those local authorities that have not been making progress. On inequalities, for the first time in the new PSAs, which we publish for the next spending round, we have an objective, both for progress in raising standards for all, but also for narrowing the gap in achievement. That will be a

very important part of our performance management with schools in the next few years. As I have said, one of the critical things in the Children's Plan is that narrowing the gap is sometimes about progress in schools for individual pupils. The agenda on personalisation and catch-up is about making sure that children who start to fall behind early are helped to catch up—often children from more disadvantaged backgrounds. It is partly about highlighting the fact that some schools with similar catchment areas seem to make much less progress than other schools, and about asking local authorities, with us, to highlight that. It is also about recognising that many of the issues that hold back children from more disadvantaged backgrounds are issues outside the school: culture of expectations, parental engagement, special needs, and diet and health. If we are going to raise standards and tackle inequalities, as a Department we need to think about the needs of children rather than the simply the performance of schools. That is why the coming together of Every Child Matters in local areas and the role of the Children's Trust in identifying barriers to progress is important.

Q26 Chairman: But it is in the super output areas—the most deprived children in the most deprived backgrounds—where you have missed the target. That should be seared on the soul of the Department. You did mention that in your answer on targets. Meeting new targets and bringing the most deprived children towards the average is where you have really fallen down.

Ed Balls: That was because we set ambitious objectives. If you look at the past four or five years, progress in standards has been faster for children on free school meals than for the average child. The case can be made that a number of things that we have been doing to try to focus on tackling that disadvantage gap have started to work. There has been a narrowing of the gap, but at much too slow a pace in my view. Therefore, it is still the case that children's educational chances are being affected by where they live and the income of their parents rather than their abilities. That is something that we really need to address. I am not in any way trying to duck the issue or walk away from our responsibility. We have been making progress, but there is a lot more do to.

Chairman: We will be coming back to that, Secretary of State. We will now move on to spending plans, on which Sharon will open.

Q27 Mrs Hodgson: I have a very quick question and then I think that Graham Stuart will come in on some more detailed matters. Over the years since 2000 there has been a large increase in public expenditure on education, but I believe that that will level off from the years 2008 to 2010. How is your Department preparing schools for the lower rate of annual growth? The Comprehensive Spending Review was published before the Children's Plan so was expenditure for the plan included in the Comprehensive Spending Review?

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Ed Balls: On the first point, it is important to put that matter in its proper context. The rate of growth of spending over the next three years will be slower than that over the last 10 years, but it will still be rising in real terms. In real terms, it will rise across the UK by 3% a year and by 2.8% for England, which means that the percentage of GDP spent on education will be rising for the next three years. We will have considerably faster growth. There will be well over twice the rate of growth in education spending in the next three years than over the 18 years of the previous Government. To put this in its proper context, we will still have substantial real-terms increases in resources, which are historically above average. Although over the previous 20 years educationalists have shown that GDP was falling consistently, it will keep rising over the next three years. We will have less of an increase, but the numbers will still be going up. Secondly, it is important to say that a number of the things that we want to do go beyond simply the quantum of resources. There are a number of schools that are not doing as well as they should, despite having the same resources as schools that for the same catchment deliver much higher results. Our drive on standards and performance is substantially about tackling some of the non-spending barriers to progress. On your final question, we allocated around £1 billion over three years—a cumulative figure over three years—in the Children’s Plan for Children’s Plan priorities. All of that was money that I managed to find and release from within the overall spending settlement that I inherited, with the exception of, I think, an additional £200 million³ added into our budgets in the pre-Budget report. We managed to find in other areas savings or money that we could release to allocate to the Children’s Plan. This was money for new priorities, but I never claimed that it was additional money over and above the spending of the new settlement.

Q28 Mr Stuart: Welcome, Secretary of State. The Prime Minister made a commitment to eradicate the spending gap between state schools and private schools. Could you reaffirm that commitment today?

Ed Balls: Yes.

Q29 Mr Stuart: Can you tell us what it means, when it will be achieved and what milestones we can measure on the way?

Ed Balls: I cannot tell you the date on which we will get there because—

Q30 Mr Stuart: Do you have an aspiration date? When would you like to get there?

Ed Balls: That is asking me to pre-empt our application for resources in the next spending round. I am not in a position to do that today. Even if I were, I could not tell you whether I would be successful because there might be other Departments which thought they had an equal claim on resources. It will clearly depend upon—

Q31 Mr Stuart: It is a promise made by the Prime Minister. We have long-term Comprehensive Spending Review periods. To ask you, as Secretary of State, to give us some idea when this firm commitment should be met is not unreasonable. It is not asking you to divulge positions that cannot properly be divulged ahead of any spending rounds.

Ed Balls: I was answering the question in the most honest and open way that I can. There is a clearly a difference between the two parties. We are committed to raising the level of spending per pupil in state schools to the level of private school spending. The Opposition parties are not willing to make that commitment. That gives you a clear difference of view. That pace at which we can deliver that commitment will depend upon resources post-2011. We are closing the gap over the next three years as we have done over the last decade. We have clearly been going in that direction, but we have not got there yet. I cannot give you a date after 2011 because I do not know.

Q32 Mr Stuart: When would you like to do it? I am not asking you to give us a date by which you categorically promise to do so, but it does not seem unreasonable to members of this Committee that, having made the commitment, you should be able to give us some idea of when you would hope to do it. I accept that there may be other priorities. Maybe there will be an economic downturn. Who knows? But give us an idea.

Ed Balls: I would like to do it as fast as I can, obviously.

Q33 Mr Stuart: And what does it mean?

Ed Balls: As I understand it, there was around a £3,000 per head gap in state *versus* private school spending when the commitment was made. The Prime Minister said that he did not see why children who were going to state schools should have fewer teachers, less resource and therefore less opportunity than the minority going to private schools. Therefore he thought that our ambition over years should be to try to get state school spending up to private school levels, because that is the way to have fairness and excellence for all, rather than to have a two-tier education system. Of course it takes time because money does not grow on trees, but some of us want to get rid of a two-tier education system and other parties are quite happy to continue with a two-tier education system. That is where the dividing line is. Obviously I should like to make progress to end a two-tier education system faster rather than more slowly. Unfortunately, I cannot pre-empt the next spending review yet.

Q34 Mr Stuart: Just to confirm, the gap is what we should look at. If we want to map the milestones along the way, this Committee can look at the gap between average expenditure per pupil in the private sector and average expenditure per pupil in the maintained sector. We can map that and draw our trajectory from that to see when the Government will achieve this firm and fixed commitment which you reaffirmed today.

³ *Correction from witness:* The Department received £250 million extra, not £200 million.

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Ed Balls: Having a debate between the parties—

Mr Stuart: It is not a party debate.

Ed Balls: Having a debate between the parties as to which parties are and are not committed to ending two-tier education seems to be a very good debate to have. If in order to inform that debate we can make some projections, I am happy to study your projections and to tell you whether they are right or—

Q35 Mr Stuart: I am not here as a party spokesman, Secretary of State, I am here as a member of this Committee. All of us on this Committee are interested in that commitment. Our job is to scrutinise your performance and we want to find out how you are going to get on in that regard. Trying to drag in party politics is irrelevant to this. I am not a Front-Bench spokesman of any kind.

Ed Balls: Far be it from me to drag us into party politics, but I was simply pointing out that there are different ways in which you can measure the credibility of an aspiration to end a two-tier education system. One is whether you are willing to set ambitions and a second is the pace at which you then meet them. We have clearly been willing to set as an ambition the goal of getting state spending up to the level in that year of private school spending.

Q36 Mr Stuart: Of the year when the promise was made?

Ed Balls: I think that it is in the year when the promise was made.

Q37 Mr Stuart: So it is a fixed target, and not a moving target depending on how much is spent in the independent sector. It is about that particular year and the time when the promise was made. That is what you are measuring it by. Nobody seems to know quite what the promise means, and it would be really useful for you to set it out specifically today.

Ed Balls: I will very happily write a letter to the Committee setting out the commitment that was made, the progress that we have made and the progress that we shall make in the next three years. It will show clearly that we are narrowing the gap, but we need to continue to prioritise education spending over other spending or tax cuts to continue to make progress.⁴

Q38 Mr Stuart: I am sorry, but it is so important to settle this. Are we talking about what happened to be spent in that year, on average, by the independent sector, or about closing the gap between the independent sector, wherever it is at any given time, and the state sector? That is what we would like to know.

Ed Balls: The thing that is interesting is that you are criticising me both for not making sufficient progress to meet the objective and for not making the objective sufficiently ambitious.

Q39 Mr Stuart: I was not aware that I was making any criticism whatever. I have merely been trying to find out the terms of the promise that you made and how we can measure whether you are meeting it. There is no criticism at all.

Ed Balls: It is already a very ambitious goal to raise state spending up to the level of private school spending in the year in which the commitment was made. It would be even more ambitious to try to keep pace with the subsequent rise in private school spending.

Q40 Mr Stuart: So which is it, the first or the second? Is it the less ambitious, or—

Ed Balls: As I understand it, it is the first.

Mr Stuart: It is the first. Okay, so we can measure it against that fixed point in time.

Q41 Chairman: I think that the last time the previous Committee met David Bell, we asked similar questions. I think that you have some knowledge of this. Do you want to add to that?

David Bell: No, I think that the Secretary of State has made the point and position clear.

Q42 Chairman: You were a bit iffy about whether that was about capital expenditure or current expenditure.

Ed Balls: The answer is that on the capital side, we will meet the commitment within this spending round. It is on the current side, on revenue, that we will take it more or less—

Q43 Chairman: Do you remember that that is what the discussion was about?

David Bell: Yes.

Q44 Mr Stuart: Why have the Government decided to reduce the minimum funding guarantee for 2008–09, given that that will lead some schools to face reductions in their resources?

Ed Balls: The minimum funding guarantee is set to reflect the quantum of resources available to us as a Department, the cost pressures that we believe schools will face and the efficiency gains that we think it is sensible for us to expect schools to deliver. On that basis, I do not think that we would expect any local authority to have to impose cuts on individual schools. Obviously that will depend on the decisions made in local authority areas within the overall quantum of their budgets. They will take into account a number of factors, including what is happening to schools rolls. If a school roll is falling substantially, I guess a local authority has to take that into account, but those are local decisions rather than central ones. I am not going to hide from you the fact that this is a tougher settlement than previous ones, but at the same time we think it is entirely deliverable, not just to meet the basic needs of schools but to deliver our priorities, particularly in special educational needs and the personalisation agenda.

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Q45 Mr Stuart: What specific efforts have been made to prepare schools to be able to deal in the tougher funding environment?

Ed Balls: We announce the detail of the budgets to local authorities at the end of October or early November, and it is then a matter for local authorities to work with their schools through the schools forums in the following months to work out how they will prepare.

Q46 Mr Stuart: So there is no specific central help to deal with what is quite a big change in the funding environment for schools.

David Bell: In some ways your question links to Mrs Hodgson's question. Part of the work that the Department has been doing with local authorities is to enable them to work with schools. Do not forget that that is in the context of three-year budgets, so it is extremely important that schools do not look only at the next financial year, but plan their programmes over three years. One virtue of three-year settlements is that schools might have to manage. That might be difficult in the first year because of falling rolls, but they can look at it with some certainty in years two and three. Our Government office network is working with local authorities. Both the National College for School Leadership and the Training and Development Agency for Schools are putting together programmes to enable head teachers to be even more acutely aware of the efficiency effects of the sorts of things that they do. There is a lot of support. One reason for getting the settlement out in the Autumn is to give schools that kind of time to prepare.

Q47 Mr Stuart: When will the review of schools funding commence, and what will its terms of reference be?

Ed Balls: We expect to do the substantial work on the schools funding review over the Summer, and we have not yet published detailed terms of reference for that review. The idea is to be able to inform decisions for three-year budgets following this spending review period, so we still have a number of years to prepare. We will need to look carefully at the underlying assumptions underpinning the current "spend plus" formula—I know that the Committee has discussed this before—and how far they have changed, how far we need to make adjustments to the formula, whether we are getting the right balance between stability and deprivation and whether we need to do more to focus on pockets of deprivation within more affluent areas. That is an area for which we have allocated £40.9 million in this three-year budget round. There are a number of issues that we want to look at, and we will be doing that later in the year.

Q48 Mr Stuart: Can we take it that you will be considering having a more targeted funding system in terms of targeting disadvantage in areas where it may not otherwise show up so easily, statistically?

Ed Balls: At the moment, within the overall dedicated schools grant, about 10%—slightly more than £3 billion; about £3.5 billion of that £36 billion

DSG—goes on deprivation spend, so there is already a substantial chunk of expenditure there. However, that is within the context of an historical set of arrangements. Clearly, there is a balance to be struck between the pace of change and stability. I am not going to prejudge the review by saying that there is not sufficient focus on deprivation, but I certainly think that looking at whether there is a sufficient focus on deprivation is an important part of our work. As the Schools Minister would want to jump in and say, if he were here, this is not simply deprivation measured across an area, but also taking a proper account of the deprivation that can occur within areas that are sometimes categorised as being more affluent.

Q49 Mr Stuart: That is an important point. If that is to be included—if it is to be targeted as closely to individual people as possible in order to tackle their individual needs—it will be welcomed. What reassurance can you give the F40 group, for example, about what it considers to be an unfair funding allocation? In terms of the current spending period, quite a lot of money has been held back from ministerial priorities; will tackling disadvantage in rural areas be a ministerial priority? Can you allay fears that there are just too few Labour votes in rural areas for you to bother?

Ed Balls: As a Member of Parliament for an F40 member authority, I very much understand the concerns that you raise from a constituency point of view. However, my authority was one of the top three local authorities for improvements in GCSE performance in the past year, which shows that you have to be a little careful about making too tight a link between performance and the quantum of resources, but I understand your point. In the debates that occurred, we ended up with a shift to the minimum funding guarantee. At that time, the pace of change was perceived as destabilising for individual schools, and that was why we ended up with the system we did. At the same time, if there is too much stability, history can end up dominating the reality on the ground, and that is why it is right for us to have a review.

Mr Stuart: We have a young radical as Secretary of State, we have high hopes.

Chairman: Graham, you have not had a bad innings on that, it is time to move on. I will ask Dawn to take us into the questions on the Children's Plan.

Q50 Ms Butler: First, I would like to congratulate the Department on the Children's Plan. It has been warmly received locally by head teachers and by parents. Some are talking about how the Children's Plan relates to the Every Child Matters five outcomes, and I wondered if there are plans to re-categorise some of the content, to make it easier for people to refer to.

Ed Balls: In some ways, I would personally see the Children's Plan as being the mission for our Department. Many of the issues that we have discussed so far are integral to the Children's Plan: how we focus on narrowing gaps in school attainment—that is really what it is about. I do not

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want the Children's Plan to be seen as only the spending announcements made in the document—the measures that we are taking on school improvement are also very important. I say that to make clear that we see schools, and driving up standards, as central to the achievement of the Children's Plan. We decided to structure the document around our five Public Service Agreement objectives rather than around the five Every Child Matters objectives, although we could have done it the other way round. The document, and in a way the entire Department, is informed by the reality of Every Child Matters on the ground in local areas. We have been trying to learn lessons from what happens locally. If I say that in the Chamber, colleagues opposite sometimes roll their eyes, but we see ourselves very much as a Department that at the national level is taking forward the Every Child Matters agenda. If it would help for us to produce a breakdown of things that we are planning or doing in the Children's Plan around the five Every Child Matters outcomes, I would be happy to do that.⁵ One of the important commitments in the Plan, in chapter 7, is for us to produce indicators of child wellbeing, which are measurable and comparable and cross all the five Every Child Matters outcomes. Sometimes, when we look at performance, we end up making school tests a measure of output because they are easy to measure whereas, from the Department's point of view, we need to look right across the piece.

Q51 Ms Butler: I will come on to some of the details of the Children's Plan, but in terms of the Department, how many functions does the Department for Children, Schools and Families have that the Department for Education and Skills was not performing?

Ed Balls: The truthful answer to that is a large number, but a large number of joint responsibilities. If you take youth justice, for example, we have joint responsibility for the management of the Youth Justice Board, for ministerial oversight of day to day operations, for appointments. Every policy decision is made jointly by myself and Jack Straw or by Beverley Hughes and David Hanson. We now have, located in our Department but led by a senior official from the Ministry of Justice, a 30-plus strong team of officials who jointly, across the two Departments, prepare all advice on Youth Justice issues. That is a set of responsibilities and expertise that the Department did not have in DFES days. You will not see that reflected in our departmental expenditure limit, because our departmental expenditure has a small amount of resources for the prevention of crime. Most of the expenditure is happily in the Home Office or the Ministry of Justice. In terms of intensity of effort, the allocation of civil service resource and ministerial accountability, youth justice is a substantial addition for us, but I think that you could say the same thing about children's health and school sports. We now have joint responsibility for

children's play, drugs policy, youth and alcohol policy and child poverty. Those are all areas where we have taken on new responsibilities and had dedicated resource and ministerial time allocated to them within the Department.

Q52 Ms Butler: The report highlights that there is close cross-departmental working, which has made the report and the 10-year plan quite strong. I was not a member of the previous Committee, but I have been informed that it was told that it would be difficult to involve health services in wider children's service planning. It seems in the Plan that the problem has been addressed, but it would be good if you informed the Committee of what consultations took place and how the problem has been addressed on health issues such as obesity and teenage pregnancy.

Ed Balls: In general, it would be much too early to say that the problem has been solved. It is a problem that we are now addressing. It is a regular refrain from school heads and directors of children's services on the ground that there is sometimes a gap in working and not enough intensity of joint engagement, for example on children's mental health or children's health more generally. That is something that I know that Alan Johnson, as Secretary of State for Education, was very focused on. He has gone into the Department with a big desire to improve the prevention side of children's health and to have much greater working locally. You can see that in the fact that we have announced a joint review of child and adolescent mental health services and the fact that Alan and I, through John Bercow, are doing a joint review of speech and language therapy. You can also see it in the operating framework for the NHS for the next year, which was published just before Christmas. It had children's health as one of its top five priorities and was seen in the children's community as a very substantial step forward for children's health and its prioritisation within the overall NHS. All of those things are a reflection of what has been happening at the national level over the last six months and of our joint working. We now need to see that reflected in the way in which primary care trusts around the country are allocating their budgets and working with children's services locally. That is not perfect today, but we think that this is a big step forward.

Q53 Ms Butler: It will be important that all of these services are easily accessible under one roof if possible. Going back to teenage pregnancies, they are at their lowest rate for the last 20 years, but in constituencies such as mine in Brent South, the figure is 11% higher than the national average. You talked earlier about local authorities and making them accountable. How will we monitor local authorities and ensure that we make them accountable and that we spread good practices, to ensure that the Children's Plan actually works?

Ed Balls: We still have an above average rate of teenage pregnancies, but we have the lowest level for 20 years and we have had quite substantial falls. The degree of variation across local authority areas is

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very wide; quite strikingly so. The evidence shows that those authorities that have had an intensive drive with schools on that issue have made real progress and authorities for whom it has not been a priority have not made progress. I cannot find the figures in front of me for one comparison I could make, but variations across areas are quite striking. That is something that we will want to do more to highlight. It is important that local authorities and schools together take responsibility for this issue.

David Bell: I visited a project elsewhere in London, where they had made greater progress with the reduction in teenage pregnancy rates. One of the most striking reasons was the close working relationship between the director of public health and people working in schools. It is a good illustration of the fact that you cannot tackle such problems if you leave them with just one agency. More generally, the new Public Service Agreements that begin this April are all cross-Government. We have deliberately moved away from the agreements that, in the previous round, tended largely to be the responsibility of one Department. For example, we cannot address the well-being of children and their health on our own as the Department for Children, Schools and Families; we must work with other Departments. When we put together the delivery agreements, the mechanisms by which we will achieve what we expect to achieve, there must be close working between Departments. The Children's Plan was in many ways an early illustration of such cross-departmental working, which must be translated into what happens in local authorities and in wider local areas.

Ed Balls: You could make the same point about, for example, looked-after children, where there is wide variation—authority by authority—in looked-after children's progress in school and the stability of their care. You could make the same comparisons on the education or re-entry of youth offenders, where some local authorities have been much more effective than others at locating offenders close to home and then managing their re-entry into mainstream education or work. Other authorities are not making anywhere near the same progress. One thing that we must do, which goes back to Mr Heppell's comment about the national indicator set, is use data to show clearly the local authorities that do well throughout the range of issues—you can make the same point about missing children. The best practice of such local authorities should be highlighted, and the local authorities that do not take seriously their responsibilities for co-ordinating support for disadvantaged groups need to do more. You can say the same thing about Gypsy and Traveller education, in which there is a wide variation in performance.

Chairman: Dawn, a last point.

Q54 Ms Butler: In 12 months' time, when you produce a report about how far the Children's Plan has been implemented and its success rate, will it also include a dossier of good practice to help local authorities and other areas that are perhaps not achieving or progressing as much as you would like?

Ed Balls: That is a good idea. For the Department to achieve its objectives, this is as much about using informal, arm's-length levers or cultural change as it is about direct expenditure. We decided that we needed the first round of consultation on the Children's Plan to be intensive, and we will now undertake much public consultation on, and discussion with teachers in local areas about, the Plan's implementation. We thought that there could, potentially, be a national conference in the Summer to highlight examples of policies that are working, so the right thing may be for us to produce, more systematically, performance measures, comparisons and examples. I shall take that point away and reflect on how best we can do it. If we can do it in order to contribute to your work over the next year, we will be very happy to do so.

Q55 Annette Brooke: Ed, I can see only six colours on what I presume to be a rainbow, so my questions will be about whether things are missing from the Children's Plan. I shall start with reference to the UN convention on the rights of the child. We just raised the question why we are not examining the five outcomes from Every Child Matters, but many people felt that Every Child Matters did not give sufficient weight to the convention. Clearly, the Government will be assessed on their progress in implementing the convention later this year. I am sure that you will agree that they will not get top marks in every section. How is the DCSF planning to put in place the institutional frameworks necessary to promote and protect children's rights under the convention?

Ed Balls: The absence of pink from the front page of the document is notable.

Annette Brooke: Indigo.

Ed Balls: Isn't it, "Red and yellow and pink and green, orange and purple and blue"?

Mr Chaytor: Surely it is: red, orange, yellow, green, blue, indigo and violet.

Ed Balls: I was thinking of the song as a way of remembering.

Chairman: Now we all agree that it is indigo, perhaps we can return to the question.

Ed Balls: I would not want Members to think that that was a diversionary tactic. In Annex B, we published a full breakdown of the UNRC articles and examples, area by area, of how we envisage that the new Department's Children's Plan will take forward aspects of the UNRC convention. We think that we get pretty close to implementation, but we have not made a formal commitment to do so. As you know, there are a number of reasons that that would be complicated.

Q56 Annette Brooke: I feel rather sad about that. I am aware of Annex B, but I still do not think that you are making a real commitment to putting in a framework that would deliver on this commitment, which was made way back in 1991. I believe that we are rather lagging behind our European counterparts on this.

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Ed Balls: We have made substantial progress in the past 10 years. The new Department is a further step towards implementing or matching a number of the commitments made in that convention.

Q57 Chairman: What was the most difficult bit, Secretary of State?

Ed Balls: As you know, we set out our view on smacking in the Autumn. Different parts of the Community have different views on what the UNRC requires, and a number of UNRC signed-up countries have the same policy as us. However, there is also a view that we would need to go further to meet the obligations of the UNRC, as I understand it.

Q58 Annette Brooke: May I come in on a related issue? Joint working is a very big issue now. You have identified joint responsibilities, but there are conflicts—this relates back to the convention—such as over the rights of separated asylum-seeking and trafficked children. I assume that your Department has to be fully signed up to safeguarding the welfare of all children in this country. How closely are you working with the immigration authorities, given that they do not have such a commitment? We know that not all children are getting as much protection as they might.

Ed Balls: My colleague the Minister for Children, Young People and Families, Beverley Hughes, has been in close contact with Ministers in the Home Office over that. Obviously, consistent with the Government's wider approach to immigration and asylum, we want to ensure that the education and welfare of children are properly protected. We monitor that and are in discussions with our colleagues about it. However, the overall framework for that policy is a matter for the Home Secretary. We do not have a joint responsibility on immigration and asylum.

Q59 Annette Brooke: You do not have a joint responsibility for every child in this country?

Ed Balls: The areas where we have a dual key policy responsibility are set out clearly in the Machinery of Government document. However, in areas that fall outside those responsibilities, but where the welfare of children is affected, clearly we have an interest and we take an interest. I do not have joint responsibility for immigration policy as it affects the children of asylum seekers.

Q60 Annette Brooke: Do you think that it is something you should be seeking?

Ed Balls: I should be very happy to listen to the views of the Committee on that.

Q61 Annette Brooke: Right, thank you for that. Can I perhaps return to mainstream education for a moment? Within the Children's Plan there is the phrase "stage not age" in relation to the new test. I want to pick up a specific point, but to relate it more generally across the Department. *Goals for 2020* on page 16 include: "every child ready for success in school, with at least 90% developing well across all

areas of the Early Years Foundation Stage Profile by age 5". I appreciate that there is a conflict between being ambitious for our children and, on the other hand, particularly in the early years, taking on board child development. I should like to ask you about that dilemma generally in the Department and how you set targets, particularly in the early years when we know that there are variations in child development in terms of hearing and all sorts of things that are not necessarily fully developed. So how can you just come up with a figure of 90%? Is there any scientific evidence to say that by the age of five, 90% of children will be at stage X in the child development process? They never would be, because there are so many aspects of child development. How do you face up to that real dilemma to be ambitious but to remember that every child is so individual, but particularly up to age five and six?

Ed Balls: We have thought very carefully about how to frame this goal and the goal for Key Stage 2 for secondary children. There is a balance to be struck between ambition and realism. There is also a balance to be struck between being ambitious for every child and recognising that some children will not be able to reach this standard at any age. Then there is the third point which you raise. There will be some children who will be able to reach a standard, but at a slower pace. When we set this at 90%, we looked in detail at the way in which Early Years Foundation Stage progress had been moving in recent years. We were conscious that some people would say that 90% in 10 years' time or 12 years' time is insufficiently ambitious and that it should be 100% of children. But we also recognise the very important point that you make and your expertise. There are things that we will be doing as part of the follow up for the Children's Plan. We have not specified the details of some goals yet, for example, around youth offending. There are others where we need to make more progress in terms of measurability and children's wellbeing, as I said earlier, is one of those. It would be a good thing for us to produce a more detailed document or statement of how we arrived at those numbers or those areas where we are still continuing to consult. We will consult widely over the next year on whether these goals represent the right national ambitions. This was our starting point. We thought that this was a reasonable but stretching way to frame the long-term target for early years. But we will want to discuss with experts, including the Committee, how exactly we should measure it over the next few months.

David Bell: Can I come in here?

Chairman: Briefly, because we have two more sections.

David Bell: Quickly, the letter that has gone to Sir Jim Rose this morning, which the Committee has seen, makes the point specifically about that transition from the Early Years Foundation Stage into the primary curriculum. It is another good opportunity to consider quite how youngsters make the move from early years into the more formal primary curriculum.

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Chairman: We try to make this look like a seamless process, but we have sections that we try to cover. So we will now move on. We will focus a bit more on the Children's Plan, led by Fiona.

Q62 Fiona Mactaggart: The Children's Plan states that, "The Government is committed to halving child poverty by 2010 and eradicating it by 2020." Do you stick by that?

Ed Balls: Yes.

Q63 Fiona Mactaggart: How will you do it?

Ed Balls: The 2020 goal will be affected by the income, the work chances, and the progress that today's teenagers make over the next few years. They will be the parents of the generation of children being born by the end of the next decade. Looking to the 2020 goal, that is a very broad set of policy levers and something which the Children's Plan is an important contributor to. The 2010 goal will be affected much more by the level of income going into families' household budgets, plus the percentage of families who are working or non-working. The reforms being taken forward by the Secretary of State for Work and Pensions on employment and support for employment for families and single parents, plus the decisions made by the Chancellor in the next couple of Budgets, will be much more important to the 2010 goal than any lever that our Department can pull.

Q64 Fiona Mactaggart: I am a fan of the Children's Plan, but there is a risk of it sounding a bit like some other 10-year plans that were promoted by Comrade Stalin and others, in that, if you go on after the commitment—[*Interruption.*] Sorry, that was a joke. If you continue from that statement, the Plan states that, "The number of children in relative poverty fell by 600,000 between 1998 and 2006." A true statement, but it does not acknowledge that last year's figures were the first in which there was a relative increase. You said in reply to an earlier question that the lowest-hanging fruits, the first steps in making progress, are the easiest bit. We are in the situation of being one third of the way to the 2010 target, but we have used up four fifths of the time. So, we have got two thirds of the way in two years. Are we going to get there?

Ed Balls: As I said, that is a matter for subsequent decisions which will have been made over the next few months and the next couple of years. I made a speech the day before the publication of the Children's Plan to a conference organised by the End Child Poverty coalition, in which I talked in detail about what had happened to the child poverty numbers in recent years, and acknowledged the rise in child poverty. So, I apologise if we did not make that particular point in that paragraph, but it is something which we have been open about and happy to discuss. The reality is that we have made substantial progress on reducing child poverty. In the 18 years to 1997, we had the fastest rise in child poverty of any European country. Since 1997 we have had the fastest fall in child poverty of any European country. That is pretty good, but it is not

good enough to get to 2010. Therefore, if we are going to get there, and I believe that we can, we will have to do more. As I have said, that is not something that can be delivered from the resources or with the levers of our Department, but it is something for which I have joint responsibility with Peter Hain and Alistair Darling. There was a debate at some time in 2005 as to whether we had failed to meet the quarter target in 2004. At the time of the 2003 pre-Budget report, when I think £1.2 billion went into the child tax credit, and on the basis of Institute for Fiscal Studies figures at that time, we thought that that would be sufficient to more than meet the objective before and after housing costs. Changes subsequently happened, which involved a faster rise in the incomes of the non-poor than we expected. That is a good thing. It is good that the average went up, but it made it harder for us to meet our child poverty objective. What has happened over the past couple of years is a similar story—even though absolute child poverty has come down the relative numbers have been more difficult for us, partly because of the better performance of the economy. Those are explanations, not excuses, and I think it is important for us to stick to our guns.

Q65 Fiona Mactaggart: I do, too. But I also think that it is important to describe an ambition—and a plan to get there—which is real. I am anxious that this has become a kind of shibboleth that we are repeating and that there is risk that it could become unreal. You say in the Plan that there is the joint unit between your Department and the Department for Work and Pensions and so on, and you point out in your response to me, quite rightly, that in the short term the things that your Department can do will not make the difference, although they will in the longer term. However, can you give a hint of what you think is needed in the next two years to get to the 2010 target, because we want to get there?

Ed Balls: To get to the 2010 target we would need a combination of a rise in employment rates for single parents, which have been rising steadily over the past 10 years but have not yet got to the level of a number of our European counterparts; a further reduction in workless households; and resources allocated to families in future Budgets. Since I have had a lot of experience of sitting here as an adviser at the Treasury, I can say that the one thing the Treasury would not take kindly to is my coming to a Select Committee and telling the Treasury how it should write the next Budget, but that is clearly something that will be in the Chancellor's mind in his Budget preparations. The child poverty goal is a very ambitious goal for a government to set, and setting down quarter-point and halfway milestones was the right thing to do, although ambitious. If it had not been for those objectives, we would never have made the progress that we have, even though sometimes we have not gone as fast as we would have liked. As I have said many times to child poverty campaigners, you can either say, "You failed to meet the target to reduce by a quarter by 2004, therefore it is a betrayal; it was not worth the candle," or you can say, "You got a substantial part of the way there

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but you needed to go the extra mile—redouble your efforts.” The easiest way for governments to meet targets and objectives is to set unambitious ones and then tick the box every year. You get better outcomes, but it is politically harder, if you set more ambitious goals and strive to get there. In the case of the Millennium Development Goals, at the moment we are not going to meet the goals for the reduction of international poverty by 2015, but it would be wrong to say, “Well, in that case, let’s back off them.” We need to find ways to redouble our efforts.

Q66 Fiona Mactaggart: I absolutely agree, but how are we going to hold you accountable? You are saying at the moment—on this bit of it right now—“It is not me, it is someone else.” Sorry, I am being mean.

Ed Balls: That is slightly unfair.

Q67 Fiona Mactaggart: You were saying that the things that can happen at the moment—

Ed Balls: In the short term.

Q68 Fiona Mactaggart: Can you advise us, as Members of Parliament, whether we hold you, as the Secretary of State for Children, accountable? Do we hold the Secretary of State for Welfare accountable? Do we hold the Chancellor accountable? How do we hold the Government accountable for the detail of this target? It is worth arguing about the detail; that is why I made the crack about Stalinism. You need to dig beneath these sorts of statements and look at progress and other things, for example whether the IFS and others were surprised when the child tax credit did not deliver the changes that everybody had expected. I completely concur with you, but Committees like ours need to be able to dig underneath and that is difficult when responsibility is moving.

Ed Balls: There is a question for the Committee—and for Parliament—about how it chooses to manage its process of scrutiny and accountability, which is not for me to dictate. It is for us, as the Executive, to be clear about how we will manage our process for driving change. The Chancellor, the Secretary of State for Work and Pensions and I now have much clearer joint responsibilities for child poverty—they are clearly set out in the delivery arrangements—and we meet on a regular basis in government. It is a matter for you to decide how to scrutinise that. Clearly, that is more complex for this Committee than pretty much any other Committee in Parliament because I have a range of joint responsibilities in a number of areas. Whether I can deliver depends on my leverage and the co-operation of other Cabinet colleagues. Obviously, from my point of view, the more you scrutinise them and ask them whether they are doing what we need to do to meet these objectives, the better, but it would be quite wrong for me to start dictating how to do that. This is a 10-year plan because I thought that it was right for us to set the ambitions for our new Department, to be ambitious and to look to the long term. The reason why it is not Stalinist is that I do not think Stalin ever really believed in joint working

or dual keys, or that he saw cultural change and indirect leverage as the way you went about it. We are absolutely clear on youth justice, health, obesity and immigration that we will achieve in promoting the welfare of children only if we do it through the support and co-operation of other colleagues.

Q69 Chairman: We are all on a learning curve, because the more I hear your responses, the more I understand that you are on a learning curve in the Department. Certainly, in respect of children’s responsibilities, we will have to learn to do a much more difficult task in terms of scrutiny than on the other side—on schools.

Ed Balls: If we do not do it, we will not succeed.

Fiona Mactaggart: Our challenge, therefore, is to see whether we can get the Chancellor and two Secretaries of State together in front of us on this issue.

Chairman: I am sure that the Secretary of State for Children, Schools and Families will help us. Can we now have quick questions and quick answers?

Q70 Stephen Williams: I will be as quick as I can, Chairman. Next, I come to staying on. Two big things are going to happen this year: your first flagship Bill to raise the education participation age starts on Tuesday; and the roll-out of Diplomas will start in September. Taking Diplomas first, is everything on track for their successful introduction?

Ed Balls: We have made substantially more progress than any of us thought possible when I arrived in the job in July and substantially more progress than the Permanent Secretary advised me that he thought was possible when he greeted me on the first day.

Q71 Stephen Williams: So you were worried, but now you are less so?

Ed Balls: How can I say this? When a senior civil servant greets you by informing you of challenging objectives, there is part of you that thinks, “This sounds like it’s going to be tough.” But, actually, I think we have done very, very well. The announcement before Christmas of the Universities and Colleges Admissions Service point score for Diplomas was a very positive fillip indeed. Many universities in the Russell and 1994 Groups and the new universities are coming forward and saying that they will want to attract Diploma students. A report coming out in the next week or so from the 1994 Group will be a very powerful signal to heads and students. In the end, it will take some time to get things bedded down, but at the moment I am honestly feeling quite upbeat about it.

Q72 Stephen Williams: We touched on resources at the start of this sitting. Are enough resources, especially capital resources, committed to ensuring that this is a success? You can have more people participating in education and training if you can raise the education leaving age, but clearly more provision means that more capital resources will be needed. Is there a big enough capital budget in your CSR settlement to deliver them?

Ed Balls: Are you asking about Diplomas in particular?

Q73 Stephen Williams: They are linked, are they not? If you raise the leaving age, more people will participate, but, hopefully, Diplomas will attract more people as well.

Ed Balls: In the Green Paper and the documents that we produced in November, we see a substantial rise in training at work and apprenticeships as being much more significant in terms of increasing numbers than a rise in the number of full-time students in school or college post-16 between 2013 and 2015. Given what is happening demographically, we need not a big capital expansion, but a substantial number of apprenticeships. That is why we are legislating for a right to apprenticeships and, therefore, a duty on local areas to work out how they are going to deliver them. At the moment, we do not think that resources are our most significant constraint.

Q74 Stephen Williams: We are obviously going to have a more in-depth look at the Bill in its Committee stage. Is there not a significant problem if you see the answer to more people attaining higher education levels as making them stay on longer than they wish to? Currently, in year 11, nearly 68,000 children are persistently absent under the existing compulsory staying-on age. What gives you confidence that raising the legal barrier is going to attract more people into education?

Ed Balls: One of the things that we need to do for 13, 14, 15 and 16-year-olds—and we are doing with the Steer work, following up his exclusions report and more broadly through studio schools and other things—is to find more motivating and compelling ways to keep certain kinds of young people in pre-16 education, rather than sticking them in a classroom of 30 or 25 to learn a certain curriculum. Clearly, the same applies after 16. If the policy was to raise the legal age at which children could leave school, it would be the wrong policy, but that is not what we are proposing. We are proposing finding ways in which the 50,000 young people currently in full-time work who are not receiving any training can receive training for a qualification. We want the substantial numbers of young people who would like, but cannot access, an apprenticeship to be able to get one. We want to address the issue of young people aged 16 and 17 who do not have the qualifications or the basic learning to access an apprenticeship through entry to employment to be helped to catch up. The reason why we have a six-year planning process is that we want to make sure that by 2013, when the obligation kicks in, the cohort that today are 10 and 11 in primary schools are better prepared to stay in education until 18.

Q75 Stephen Williams: A couple of last questions in this section, because we are running out of time and there is more to do. The predecessor Department, in post-16 areas, was keen on contestability and competition among colleges, sixth form providers

and so on. We do not hear much about that now. Is there waning enthusiasm for competition in that area?

Ed Balls: I do not think so. There is a distinction between pre and post-19. In driving Diplomas and delivering our ambitions in the 14–19 age range, we need to make sure that we have the collaboration between colleges and schools in the areas that is needed to make sure that you can have a comprehensive offer for young people. That requires a focus on collaboration and performance management. Clearly, as with schools, those colleges that are not attracting people, because no one wants to go there, are going to struggle and we need to take action on that. For post-19, as we move more in the direction of a demand-driven system as Train to Gain expands, a market incentive is going to bite increasingly over time on that kind of provision in the FE sector.

Q76 Stephen Williams: Your two predecessors as Secretary of State who we questioned here always had a presumption in favour of sixth forms as well. There is the roll-out of Academies, and they usually have a sixth form attached. Is that presumption still there?

Ed Balls: The interesting thing—in a way this is a reflection of the influence that the Committee had a couple of years ago—is that if you look at the first 30 schools that set up as trusts in September, 23 of them are in collaborative trusts. My instinct politically is that parents want the option of their children staying on in school into a sixth form, and many head teachers whom I speak to who do not have sixth forms would like to have one. In many areas, collaboration between secondary schools, through trusts and other means, is a way to share sixth form resources without every school necessarily needing a separate sixth form. My guess is that as the Diploma programme expands, we will see more of that collaboration and therefore more young people moving around their area to different institutions for different courses, rather than staying in one sixth form for all their courses.

Chairman: Lynda gets a gold star for patience today. You want to talk about teachers.

Q77 Lynda Waltho: I would like to talk about teaching. I am very pleased that it is acknowledged in the Plan that teaching is a highly skilled occupation. The best teachers constantly seek to improve their skills. You go on to say that to achieve the ambitions for children and to boost the status of teaching, you would like the profession to become masters-led. Do you think that this will make the profession more attractive? Importantly, would achievement of the masters attract a higher salary? What would the time frame be—how long do you see this taking?

Ed Balls: We are learning from a number of countries that have used post-graduate training of teachers as part of career development, as a way of continuing to drive excellence in the teaching profession. We have, Ofsted says, the best generation of teachers that we have ever had and lots

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of people today want to come and be teachers, but we need to make sure we continue to support every teacher to improve through their career. One of the things that we are doing within the range of things in the Children's Plan is saying that in order to make teaching a masters-level profession, we will start with a presumption that every teacher coming into the profession should be studying for a masters qualification in the early years of their teaching. That does not mean a continuation of initial teacher training or going away from the classroom to do full-time study, but it does mean having structured masters-level professional development through those early years. We would also like to make that an offer that would be available for existing teachers. I praised the partnership earlier. One of its successes has been that we have made much more progress on work force development, professional development and reform than we might have expected—that has happened because of the partnership. It is important to discuss the details with the teaching unions and employers before we jump to hard conclusions. This is a process for discussion.

Q78 Lynda Waltho: I really would like you to consider the idea of the achievement attracting a higher salary as well. Would you see it as being comparable to other masters degrees?

Ed Balls: It needs to be comparable. We have made real progress in the last few years on pay structures and incentives for progress and rewards for attainment. If I suddenly lob into the Children's Plan a new expectation with a clear link between that and pay without discussing that in detail with our partners, people would think that that was the wrong thing to do. I understand the point you are making—they understand it as well—and it is something we will need to talk about in detail. This is about continuing to bring the best talent into teaching, allowing talent to develop through time, giving support for that, and rewarding it.

Chairman: We will have just a few rapid-fire questions before we finish. Stephen, you can go first.

Ed Balls: This is my starter for ten.

Q79 Stephen Williams: I would like to ask about the international data that have come out recently: the Progress in International Reading and Literacy Study on 10-year-olds; and the Programme for International Student Assessment on 15-year-olds. As I am allowed only two questions, I will look at reading first, and then at maths and science. The reading analysis shows that although England does well at the top level of achievement, we are only average overall. However, there is a significant tail of underachievement compared with other countries. What concerns do you have about that and how will you address the problem? In particular, some of the detail shows that English children disproportionately spend their time watching television or playing video and other games at home, rather than reading for pleasure. How are you going to tackle that?

Ed Balls: As I understand it, the PIRLS data, compared with the previous study, show that the biggest change in enjoyment of, and performance in, reading actually happened for the highest achieving children rather than the lowest achieving children. The point that you are rightly making, which is that we do not have enough reading outside school, is not only a low-achieving-children issue. It goes across the ability range, with the biggest fall among the highest achievers. PIRLS makes it clear that we have more children playing computer games and fewer children reading for pleasure than some other countries and compared with five years ago. That is an issue for our society. While this is partly about responsibility for schools—the Rose review will look at reading within the curriculum—PIRLS makes it clear that compared with five years ago, teachers are setting less reading homework and have less time for reading in the school day. That is an issue that we need to look at, but it is also a responsibility for parents and our wider society. I do not think that it is my job to tell parents what to do, but I do think that all parents have to find a way to strike the right balance for their children between reading, watching TV and playing computer games. The evidence says that we are not all getting that balance right at the moment.

Q80 Stephen Williams: On maths and science, quickly. The studies show that we have fewer high-achieving pupils at maths compared with other countries, although on average we are okay. However, in science we do comparatively well. How do you account for that difference and can you reassure me that it is not because science was the main focus of the international study last year?

Ed Balls: I know that in maths and science we are above average and I know that in science we do particularly well. I do not look at these PISA results and feel that there is any reason for complacency. What they tell me is that we are above average, but not yet world class, and that there is a lot more to do in maths and science. To be honest, I could not give you a detailed answer today about why there is a differential between maths and science, or even whether those results are comparable, because in the Organisation for Economic Co-operation and Development PISA numbers, there are lots of reasons why these things are hard to compare. I would be happy to write you a letter to give you more detail on that point.⁶

Q81 Stephen Williams: But are you worried that at high levels in maths we are not achieving, whereas in reading we are?

Ed Balls: If that is what the study shows, it is something that we will need to look at. We obviously have the ongoing Williams review looking at maths teaching in primary schools because I think that there is more that we can do, but I do not want to accept the premise of your question, although that is not because I am doubting it.

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Chairman: You should not have even got that question.

Q82 Mrs Hodgson: I want to come in on the back of Lynda's questions about teachers, particularly—you will be able to guess, I am sure—with regard to SEN and teacher training. I know that we have spoken about that before. Along with the masters level of qualification, will you be looking at more specialist training in SEN—specifically dyslexia and things like that—and at working smarter, but not necessarily harder.

Ed Balls: The answer to that is yes. We have allocated £18 million over the next three years, for SEN training amongst other things. We will be responding shortly to your report on SEN and accountabilities.⁷ We are committed to reviewing SEN through the Ofsted report in a year's time. On the issues around dyslexia, we allocated £3 million a couple of weeks ago to have a tailored Every Child a Reader pilot, which particularly focuses on dyslexia. What we want to see is how far specialist dyslexia teaching within reading recovery makes a difference. That is something that we are explicitly examining at the moment. I know that there is some evidence that it works, but at the same time I think that we should not rush to judgment until we have looked at the evidence more closely.

Q83 Ms Butler: Some £144 million has been allocated to Every Child a Reader. Does the Department have any plans to conduct further research on the use of information and communications technology in helping children to read, such as the accelerated reader programme?

Ed Balls: I cannot answer that question, I am afraid. I do not have the detail on that, but I am happy to drop you a note.⁸

David Bell: Many schools use those programmes, and the Specialist Schools and Academies Trust, particularly in its work with secondary schools, has done a lot of work to use ICT programmes to help children to read, so this is not something that is new to the system. I think that schools have been doing this over a number of years.

Q84 Mr Chaytor: In assessing the performance of a secondary school, is the value added score more important than the five A to Cs score?

Ed Balls: Both are important. The value added score gives you one way of measuring progress, but another way to measure progress is to examine it over time on the raw scores, taking into account the degree of deprivation and other factors in the area. I would say that we examine both measures rather than just one, although in the tables that I have published about Nottingham, which I referred to when I was talking to Mr Heppell, those comparisons were made using the value added score.

Q85 Mr Chaytor: From the parent's point of view, why is the value added score not as simple and clear-cut to understand as the five A to Cs score?

Ed Balls: Because it is more complicated.

Q86 Mr Chaytor: Why does the Government not make it simpler? From a parent's point of view, they see a whole range of numbers, marginally either side of 100—what does that mean? They understand 68% five A to Cs; they do not understand 98.73% on the value added score.

Ed Balls: My guess is because the simpler you make it, the closer it takes you back to the raw number. If there is an issue about how we present those numbers, I am very happy to examine that issue, because I absolutely agree with you that the value added is a very important part of tracking performance.

Q87 Chairman: Someone in the Department must be able to make the measurement simpler, surely. Special advisers—they could do it for you.

Ed Balls: Have you at any point advised us on how we should do it?

Chairman: I am sorry; we can do that for you.

Ed Balls: If you wanted to do that, that would be helpful, but I am happy to make a commitment to examine how we can make that measurement easier to use.

Chairman: We can do it together. David, have you finished?

Q88 Mr Chaytor: The other question was, should the colours of the rainbow be in the national curriculum?

Ed Balls: It would be too late for me.

Q89 Chairman: Secretary of State, before you fold up your papers, we have a few minutes left and I want to ask a quick question. What on earth is happening in the Academies Programme? I see that Andrew Adonis gave a speech yesterday that seemed to chart a totally new course for Academies. I thought that they were going to be specific Academies tackling deprivation in areas of underachievement, where they would be wonderful new buildings and would offer a new impetus in underperforming areas. First, there were going to be 200, now 400. However, that is what they were to be about. From the report that I read of Andrew's speech yesterday, it seems that you are on course to have all schools becoming Academies, almost like a specialist schools run-out right across the country. What is going on in Academies?

Ed Balls: I have not read any report that suggested that, but I might have missed the report that you read. I do not think that anything that was said yesterday was different from what we have been saying consistently in recent months. We want every school to be a trust, an Academy or a specialist school. We think that we can get to 230 Academies by the end of the decade—on track to 400. Clearly, though, Academies will be the minority of secondary schools. Academies are focusing on turning round low-performing schools in disadvantaged areas and

⁷ *Special Educational Needs: Assessment and Funding: Government Response to the Tenth Report from the Education and Skills Committee, Session 2006-07*, Second Special Report of Session 2007-08, HC 298, published 4 February 2008

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they are, in fact, delivering faster increases in results, not just with catchment areas that are more disadvantaged, and they are also taking a greater proportion of free-school-meal pupils than the catchment area contains. That is what the Academies Programme is about.

Q90 Chairman: So it is not changing its basis?

Ed Balls: No, not at all.

Q91 Chairman: But yesterday Andrew was quoted as saying there would be 50 a year onward. Is that right?

Ed Balls: Two hundred and thirty by 2010; our goal is to get to 400 at some point. With apologies to Mr Stuart, I cannot give you a timetable for that either, but we will definitely try to do it.

Q92 Chairman: What are you doing about runaway children? There has been a fantastic campaign on runaway children for some time, led by Helen Southworth. Are you ever going to respond positively to her campaign and her private Member's initiative?

Ed Balls: Tomorrow afternoon.

Q93 Chairman: Positively?

Ed Balls: Very positively. She has done a very good parliamentary report, and we will respond to it and make a series of announcements tomorrow afternoon.

Q94 Chairman: Some of us have been involved in the Education and Skills Select Committee, in its different guises, for some time. Probably the one lesson that we learn going through that process is that if you want to improve schools, the one factor that is more important than anything else is the quality of teaching. Are you still happy that you are on course for improving the quality of teaching across schools?

Ed Balls: The answer to that is contained in the Children's Plan. We intend to do more to bring in more graduates who might not otherwise come into teaching and to encourage more mid-career people into teaching. We can do more to support the professional development of teachers, and we should do more to tackle poor performance. That is highlighted in the report. We need to look at whether or not head teachers have the powers to tackle poor performance, if it occurs, and whether they can use them. We must do all those three things if we are to be world class, but we have the best generation of teachers that we have ever had.

Q95 Chairman: But some of the good pilot schemes that you have introduced seem very slow to roll out and stay only in places like London. Some of us who are Yorkshire or provincial Members of Parliament would like to see Fast Track in our area—it is a programme that has worked well over this first tranche of four or five years. We would also like to see Teach First in our areas. When is that going to happen?

Ed Balls: You and I have a common interest in taking forward the agenda, and I will have a word with Lord Adonis to find out what his timetables are.⁹

Chairman: Graham, to show that I am a very balanced Chair, you can have a quick question.

Q96 Mr Stuart: That is very welcome, Chairman. It is very welcome that primary schools are going to teach foreign languages, but there has been a drop from 77% of 15-year-olds who studied languages for GCSE 10 years ago to about 50% now. Will you look again at the decision to stop it being mandatory to study languages to GCSE, if not now then in a year or two's time, if the collapse in the numbers studying languages at GCSE continues?

Ed Balls: I am not saying that we will never look at this again, but at the moment it is not our intention to do so because the Dearing report made clear recommendations, which were implemented. We now have 70% of children who do some form of foreign language learning in primary school. Two thousand teachers are already trained, and we are trying to train 6,000 more to teach foreign languages in primary schools. The Rose review will embed modern language learning in the primary curriculum. Getting children to start learning modern languages early is the best way to persuade them to sustain modern language learning through secondary school. The Dearing conclusion was that when children are not motivated and not doing well in learning a foreign language, forcing them to continue to do so in Years 10 and 11 is the wrong thing to do. At the moment, I have not seen any compelling evidence to persuade me that we should change our minds on that.

Chairman: Secretary of State, this train has arrived three minutes late, but we are not bad—we can still make Prime Minister's questions. This has been a very enjoyable experience for us. We have learned a lot. We are going to learn how to keep on your tail, which will be difficult but we will enjoy the challenge. I hope that you have enjoyed this session.

Ed Balls: May I say that the scrutiny and also the policy advice that the Committee can give us over the next year on the implementation of the Children's Plan will be very valuable? I hope that you will take up the challenge.

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Written evidence

Supplementary memorandum submitted by Rt Hon Ed Balls MP, Secretary of State for Children, Schools and Families

Questions 14 and 15 (David Chaytor): *Autumn Performance Report savings*

The numbers given in the Autumn Performance Report are accurate. In the Report, what we actually say is that of the £2.8 billion of efficiency gains reported by the end of September 2007, over £1 billion is cashable and over £2.6 billion is recyclable. Recyclable gains and cashable gains are not mutually exclusive—indeed if a gain is cashable, it is also recyclable—so they can't be added together to come up with a final sum.

To clarify; cashable means that the efficiency frees up money that can be reallocated; recyclable means that the efficiency frees up non-cash resource, for example, teacher time that can be reallocated to other tasks within the system.

We report against both categories to show that while we may not be generating a large proportion of cashable gains, the majority of our gains are freeing up resource that can be moved around the system. We will make this clearer in our next published document.

Questions 19 and 20 (David Chaytor): *Projection of likely number of children in our schools over next 10 years*

The table below shows the projected number of children in maintained schools, City Technology Colleges (CTCs) and Academies in England for the academic years 2007–08 to 2016–17. These projections are subject to change—the next pupil projections, which will be published in the 2008 Departmental Annual Report (DAR), will be based on 2006 ONS population projections which include increased assumptions about fertility rates and migration. There is an increasing degree of uncertainty over time, particularly beyond 2011.

PROJECTED NUMBER OF PUPILS (THOUSANDS)¹ IN SCHOOLS IN ENGLAND

	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2016–17
Total number of pupils in maintained schools, CTCs and Academies	7,385	7,345	7,322	7,300	7,285	7,272	7,267	7,272	7,303

NOTES

- 1) Full-time equivalents aged 0–19 and over, counting each part-time pupil as 0.5. The numbers have been rounded to the nearest one thousand.
- 2) Pupil numbers in maintained schools includes those in maintained nursery, maintained primary and maintained secondary, City Technology Colleges (CTCs), Academies, maintained Pupil Referral Units (PRUs) and maintained special schools.
- 3) Projections use 2006 School Census Data and mid 2004 based ONS population projections.
- 4) The data are consistent with the pre-16 projections published in the 2007 DAR and with the post-16 projections published in the Green Paper *Raising Expectations: staying in education and training post-16* (March 2007). The post-16 projections have since been superseded by the Learning and Skills Council's Statement of Priorities (October 2007) which contained planned 16–18 School figures, but only up to 2010–11. The long-term post-16 projections will be revised over the coming months to take into account the outcomes of the Apprenticeship Review and the expected response of young people to the proposed changes to raise the education and training participation age to 18.
- 5) These projections are based on 200 Academies by 2011. Projections which will be published in the 2008 DAR will be based on 400 Academies by 2011.
- 6) Data includes dually registered pupils.
- 7) These projections include those aged over 16 and it should be noted that school is only one of several routes available to post-16 learners. Whilst these figures reflect the Department's projections of where learners will participate, they are subject to the choice that will be made by the young people themselves.

Questions 28–37 (Graham Stuart): *Commitment to eradicate the spending gap between independent and state schools, progress made and progress that will be made in the next three years*

In Budget 2006, Gordon Brown, then Chancellor of the Exchequer, set out the Government's ambition that all pupils should have access to the levels of support and opportunity available to pupils in the independent sector. The Government would aim, over time and adjusting for inflation, to increase levels of maintained school funding to average private sector day school levels in that year, 2005–06.

Total revenue and capital funding per pupil in the maintained sector in 2005–06 was £4,750 compared with our estimate of £8,000 per pupil in the independent sector. We have so far increased maintained sector funding to £5,550 per pupil this year, which is £5,300 in real terms at 2005–06 prices.

The Comprehensive Spending Review settlement for education allows the Government to take a significant further step towards achieving its ambition. Total per pupil revenue and capital funding will rise to £6,600 in 2010–11, or £5,750 per pupil in real terms at 2005–06 prices. So between 2005–06 and the end of the CSR period we will have raised maintained sector funding by £1,000 per pupil in real terms, equivalent to closing the gap with the private sector target by 30%.

Progress over future spending reviews will depend on the Government's fiscal position; demographic change; and progress by schools in continuing to deliver improvements in results and wider support for parents and pupils.

Budget 2006 also announced a separate commitment to close the gap between the state sector and private sector levels of per pupil capital investment. The schools capital settlement for 2008–11 fully closes this gap by providing for maintained sector capital investment to rise to £1,110 per pupil by 2010–11 which is in line with 2005–06 private sector levels, adjusted for inflation.

Question 50 (Dawn Butler): *The Children's Plan and how it relates to Every Child Matters Outcomes*

The Children's Plan sets out our plans for decade ahead under each of our Departmental Strategic Objectives. Our Departmental Strategic Objectives and Public Service Agreements reflect, and are critical for, the five Every Child Matters Outcomes. We recognise the need to set this out clearly for frontline practitioners, and will be publishing a refreshed outcomes framework soon in light of the 2007 Comprehensive Spending Review and the Children's Plan.

Question 80 (Stephen Williams): *PISA Study Findings*

PISA

Actually results for maths and science are not widely different, although England's place in the overall rankings is much higher for science than for maths, with England placed well above the OECD average for science, and around average for mathematics.

In science, three per cent of England's students achieved PISA level 6, or the highest level of attainment, compared to 2.5% for mathematics.

Fourteen per cent of England's students achieved the top two levels of attainment (PISA levels 5 and 6). This compares with 11.2% for mathematics.

PISA 2006 is an in-depth study of a sample of pupils on their science performance and their attitudes to learning science. It is necessarily a much briefer study of mathematical performance. However, it gives a reasonable indication of how England performs at the higher levels.

The Trends in International Mathematics and Science Study (TIMSS 2003)

England's better performance in science than in mathematics in the PISA study is consistent with the findings of another major study. The TIMSS 2003 study assessed the performance of 14-year-olds (International Grade 8 or England Year 9) in mathematics and science in 47 countries. The ranking of pupils in England for science was 7th out of 47 countries, whilst for mathematics the ranking was 18th out of 47. Proportions of higher performing pupils in TIMSS for mathematics and science were also similar to those of PISA with 15% of pupils reaching the highest level of attainment for science but only 5% for mathematics. Taking the top two levels of attainment together (out of a possible four levels of attainment) England had 63% of pupils reaching these levels in science, well above the international average of 37%. For mathematics, 31% of pupils in England were in the top two levels, around the international average of 30%. The proportions reaching the highest levels in both subjects remained fairly constant between 1995 and 2003 in both science and mathematics.

Raising attainment in mathematics

The Government has got a strong programme of action to raise attainment in mathematics, including:

- We have asked Sir Peter Williams to undertake a review of mathematics teaching in primary schools and early years settings. The interim report will be submitted in March 2008 and a final report in June 2008.
- We are developing an "Every Child Counts" programme to offer intensive one-to-one tuition to those young children who struggle with numeracy. This will consist of:
 - 300,000 pupils a year across the school system receiving one-to-one support in mathematics. This will be delivered by expanding the Making Good Progress pilot into a national programme.
 - A more intensive programme of one-to-one support for six-year-old children who are struggling with early numeracy.
- We are funding a network of further mathematics centres with a view to increasing the number of young people taking further mathematics A-level.
- We have increased the value of the teacher training bursary and "golden hellos" for mathematics teachers. The bursary rose to £9,000 from September 2006. The "golden hello" for new teachers rose to £5,000 for trainees entering PGCE and equivalent courses in September 2005.

- We have established a National Centre for Excellence in the Teaching of Mathematics to develop a continuing professional development framework for mathematics teachers and quality assure mathematics continuing professional development programmes.
- There are 262 schools with mathematics and computing as their first specialism.

Question 83 (Dawn Butler): *Plans to conduct further research on the use of ICT in helping children to read*

The Every Child A Reader (ECAR) programme delivers a range of early literacy interventions to support children who are struggling to learn to read. The £144 million investment covers both Every Child A Reader and Every Child Counts which focuses on early maths. National roll out of ECAR over the next three years—to reach 30,000 children a year by 2010–11—follows on from a three year pilot and evaluation.

The ECAR approach is based on three waves of intervention with those children most in need receiving intensive one to one support (using the proven Reading Recovery programme) whilst other children, with less severe literacy learning difficulties, receiving small group support.

Research, funded by the Department, has found some positive impacts of using information and communications technology in supporting children to read. This can include, for instance, children reading and re-reading a sentence from a card until they are able to type it into the computer from memory with high levels of accuracy. Where studies have demonstrated positive effects of ICT based interventions, these effects were no greater than would be expected from pupils taught by an experienced teacher without the use of ICT. It is the quality of the teaching that really makes a difference in supporting children to read, and not the use of specific technologies.

The Committee cited the specific example of the Accelerated Reader programme, which has been trailed in a number of schools that are members of the Specialist Schools and Academies Trust. Accelerated Reader requires pupils to self test by completing a computer-based, multiple-choice quiz after reading a book, providing pupils and their teachers with information about their level of comprehension. The Department is not aware of any evaluation of this, although anecdotally some schools mention they have found it helpful in assessing pupil's level of reading ability.

Unlike the Every Child a Reader programme, Accelerated Reader does not teach non-readers to read. While it can be useful in helping children who can already read to self assess their level of understanding, we do not believe that it is a viable substitute for intensive literacy interventions. It is, therefore, on this basis that we remain committed to our existing suite of support and intervention and do not have any plans for changing that approach. We do, of course, remain committed to learning from the latest research findings as they emerge.

Question 95 (Chairman): *Teacher Recruitment Pilot Schemes*

The Fast Track teaching programme has been a national programme since its inception in 2000. For example there are currently 144 Fast Track teachers teaching in the Yorkshire and the Humber Government Office Region (GOR).

Teach First was launched in London in September 2003 and extended to Manchester in September 2006 and the Midlands in September 2007. The Manchester programme will be expanded to a NW region including Liverpool from 2008. Further expansion to Yorkshire and the Humber is planned for 2009.

January 2008

Memorandum submitted by the Association of Colleges (AoC)

1. *The DCSF and 16–19-year-olds*

The Department for Children, Schools and Families (DCSF) is responsible for the education of all young people aged 0–19.

The division of the Department for Education and Skills (DfES) has allowed DCSF to focus on issues in schools and children's services but there is a possibility that some important issues in the education and training of young people aged 14–19 might be receiving less attention than they merit.

Colleges are the leading institutions in the education and training of this age group as the following figures illustrate:

- 727,000 16–18-year-olds study in colleges (compared to 447,000 in school sixth forms).
- 50% of all 16–19-year-olds in education or training are studying in colleges.
- 120,000 14–16-year-olds choose to study vocational courses in colleges.
- Colleges deliver one-third of A-levels.

- 64% of 16–18-year-olds in receipt of an Education Maintenance Allowance study in colleges.
- 50% of college funding is for their 16–19 provision therefore DCSF is as important to the FE sector as the Department for Innovation, Universities and Skills.

2. *The Children's Plan*

The Plan covers all areas of Department of Children, Schools and Families (DCSF)'s work, from a child's first year to their 19th year.

The Plan summarises various initiatives relating to 16–19-year-olds (for example the Diploma or youth strategy) but fails to mention various significant initiatives for 16–19-year-olds launched by the DfES in recent years. For example:

- there is no mention of the policies to stimulate competition in 16–18 education (16–19 competitions or the school sixth form presumption)
- no mention of strategies to raise quality (for example the quality improvement strategy or minimum levels of performance); and
- no mention of the common funding system for 16–18-year-olds being introduced in 2008–09.

Possible question to the Secretary of State:

- Is he committed to the policies and initiatives launched by the Department for Education and Skills (DfES) before June 2007 or the systems operated by the Learning and Skills Council? Is the Department starting from a blank piece of paper in post-16 provision?

3. *The Diploma*

The Diploma has been described by Ministers as the biggest education revolution since the second world war.

AoC supports the development of the Diplomas as an opportunity for the value of skills, technical expertise and sector competence to be recognised as equally valuable as traditional routes such as A-levels and Apprenticeships. We were pleased to see the Secretary of State further widen the Diploma offer to include science, languages and humanities and the announcement before Christmas of the UCAS value of the Diploma. Colleges are heavily involved in the consortia which will be delivering the Diploma. We see Diplomas as offering an alternative route through which young people can mature between the ages of 14 and 19 however, we believe that the present set of qualifications should remain in place until the first set of learners has progressed through the system.

To achieve success it will be crucial for young people to identify with the Diplomas and that the same career paths and progression routes are open to those young people taking the Diploma as are currently available for other qualifications. It is especially important that higher education and employers provide overt and positive commitment. Next steps include staff training and development to ensure the consortia are confident in their ability to manage and deliver the new qualifications.

Potential questions to the Secretary of State:

- Is he confident that the encouragement of competition between education and training providers of 16–18-year-olds is compatible with the need for schools and colleges to work together to provide the Diploma?
- What financial assistance will be offered to 14–19 partnerships in particular for capital projects?

4. *Machinery of Government changes and transfer to local authorities of funding for 16–19 education (DCSF/DIUS responsibility)*

The plan to route all funding for 16–19 education via local authorities by 2010 is a technical change with wide ramifications. The two Secretaries of State (for DCSF and DIUS) set out some principles for the changes in a letter circulated in November 2007. They will be publishing a consultation paper in Spring 2008 and there will be legislation in Autumn 2008.

AoC welcomes the emphasis in the November letter on respecting learner choice, on maintaining national entitlements and on acting to minimise bureaucracy but we are concerned that the reform could make it more difficult for colleges and schools to meet the needs of young people. Our particular concerns are:

- Young people often cross local authority boundaries to study (more than 50% do so in London). This could result in some logistical confusion about whom is responsible for what.
- There is a risk that the new system will involve a longer delivery chain from the Minister to the young person at a time when the Government should be focusing on cutting management and administrative costs.
- Different Departments are now responsible for 16-18 education and apprenticeships. This could make services for young people less coherent.

- Uncertainty about the impact of the reforms could reduce the confidence of institutions about longer-term plans.

The Prime Minister added a further twist in a speech to the CBI on 26 November:

“In the old world you had colleges for everything that happened after school. Now we need a new focus on 16–19-year-olds in sixth form centres—and a similar focus on community colleges with state of the art training facilities that increasingly specialise in adult vocational excellence.”

<http://www.number10.gov.uk/output/Page13851.asp>

Potential questions to the Secretary of State:

- What is the Secretary of State’s vision for the future of 16–18 education? Does he envisage an end to distinct college/school post-16 provision?
- What level of bureaucracy currently managed by the Learning and Skills Council does he envisage transferring to local authorities to provide education and training to 16–18-year-olds?

5. *Education and Skills Bill*

The Education and Skills Bill is a major piece of legislation with more than 150 clauses which covers the raising of the participation age, changes to careers guidance for young people and the changes to the regulation of private schools.

AoC strongly supports the key proposal which is to ensure all young people continue in education and training until they are 18. Colleges will be the essential component to the success of this policy. To ensure success, we believe that the following issues need to be taken into account:

- Public funding needs to be available to develop programmes for those who are currently completely outside the system.
- The education and training needs to meet acceptable quality standards and be delivered flexibly.
- Young people will need financial support, for example through Education Maintenance Allowances.
- Good advice and guidance is needed about the options available—AoC welcomes the clause in the bill to make this a requirement.

Potential questions to the Secretary of State:

- Is he satisfied that local authorities have the necessary IT systems to ensure they can accurately monitor the level of participation in education and training among 16–18-year-olds?
- Affordable and convenient transport for 16–18-year-olds is vital for the success of this policy and of the Diploma. Is he satisfied that local authorities, particularly in rural areas, will provide such transport to ensure all young people can participate in education and training of their choice?

January 2008

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