

General Election 2019

An analysis of manifesto plans for education

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Research Area:
Election Analysis



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Executive summary

High quality education is consistently a public priority in opinion polls. The quality of education is also a key driver of productivity and economic success, as well as social mobility and inclusion.

It is to be welcomed that all of the main parties make aspirational statements to improve education in their manifestos.

The Conservative manifesto notes that: “Talent and genius are uniformly distributed throughout the country. Opportunity is not. Now is the time to close that gap... Every child should have the same opportunity to express their talents and make the most of their lives...”

The Labour manifesto promises a National Education Service to “nurture every child and adult to find a path that’s right for them”. The Liberal Democrats pledge to “give every child the best start in life, no matter their ability or background”.

This analysis of the manifesto promises of the five main parties (Conservative, Labour, Liberal Democrat, Green and Brexit parties) seeks to assess the likely impact of each of their education policies, considers how far these seem to be based on the best research available and judges whether the stated aspirations are likely to be met in practice.

While there are some notable differences in the policies of each main party, all are promising a more generous funding settlement for education than has been the case since 2010. But the parties are proposing to spend different amounts of money on different phases of education and targeted in different ways. There are some important differences in both the likely cost pressures arising from each party’s plans as well as the impact they will have on pupil outcomes and equity.

None of the parties make reference to how they plan to secure value for money from the additional investment in schools or to support schools to make efficiency savings where needed.

In the case of each party, spending commitments are contingent on higher taxes, savings or other revenue sources. The Conservative plans assume that the growth impact of Brexit will be moderate; the Labour plans assume the same, and also rely upon large tax revenues from a limited number of sources; meanwhile, the Liberal Democrats are banking on a ‘remain bonus’, and revenues from uncertain sources such as tax avoidance. With all parties, it is unclear how education spending plans would be altered if revenues prove less robust than planned.

The Conservative Party

The Conservative Party’s manifesto section on education is notably shorter than in 2017. We assume that this indicates that much of current government policy will continue. The manifesto contains some key policies which could support improved education standards – including a commitment to retain the current framework of accountability (although there are no commitments to address the flaws in the current system) and the introduction of higher pay for newly qualified teachers, to boost recruitment and retention. A new National Skills Fund aims to improve skills and training in the workplace.

There are, however, a number of areas where the proposed policy agenda is unlikely to support the very boldly stated aspirations which the Conservative government has set out for raising attainment and ensuring greater equality of opportunity.

Despite around 40 per cent of the disadvantage gap at age 16 already being present at age 5, the Conservative manifesto has little to say about improved early years education. Policy in this area seems largely focused on childcare, to help parents who want to return to or remain in employment. England has a relatively low funded, poorly paid and under-qualified early years workforce, and some of the existing entitlement policy (such as the 30 hour policy) excludes many poorer children. The Conservative manifesto does nothing to address these issues, and it is therefore difficult to see any significant reduction in the early years gap under the Conservative approach.

On school funding, the planned rise in real terms funding could help make teacher pay more competitive (particularly for newly qualified teachers) and so improve retention. But the extent of these gains will be limited, as the planned real terms rise (of 7.4 per cent) is modest and will leave per pupil funding in 2022-23 at the same level in real terms as in 2009-10 – and with schools needing to bear the cost of increases in pay and pensions.

A major concern is that under the Conservative plans the additional funding for schools will be skewed towards those schools serving less disadvantaged communities. Our analysis finds that, under current government plans, over a third of the most disadvantaged primary schools and half of the most disadvantaged secondary schools outside London would receive inflation-only increases in their budgets.

There is also no Conservative commitment to uprate the Pupil Premium for inflation – this would mean that, over the period from 2014-15 to 2022-23, the Pupil Premium would decline by 15 per cent in real terms. The risk is that the Conservative commitment to ‘level-up’ funding could, combined with real terms cuts to the Pupil Premium, actually widen the attainment gap.

There is also no commitment to further increases in funding for pupils with SEND after 2020-21, suggesting that this will continue to be an area that will suffer from funding pressures and where funding will fall significantly short of the £1bn recommended by the Education Select Committee.

Funding for 16-19 education will increase under Conservative plans but there is only a commitment for one year and it is unclear whether funding for this phase will be increased or held steady over the rest of the Parliament. The 16-19 per-pupil funding rate proposed by the Conservative party is lower than that proposed by Labour and the Liberal Democrats.

The Conservative manifesto makes a commitment to “ensure that parents can choose the schools that best suit their children”. It is not clear what this means in practice but it does leave open the option to expand places in selective schools (or create new selective schools) – a measure which, as EPI research shows, could have a detrimental effect on disadvantaged pupils. Current Conservative policy to increase grammar schools capacity in areas where these schools already exist has been shown by EPI research to potentially have negative attainment impacts on those not admitted into selective schools.

There are some major policy challenges which the Conservative manifesto appears to have no proposals to address, including the large number of unexplained exits from school (disproportionately affecting more vulnerable pupils), the uneven access to top performing state

schools across the country and the relative shortage of subject qualified teachers in more disadvantaged schools.

Finally, the manifesto section on higher education is surprisingly short of new policies, given that the government commissioned an independent review into the issue in February 2018 and received a detailed set of proposals from the review team earlier this year. On funding, the only pledge appears to be to reduce the interest rate on student loans. While popular with students, the gains from this policy would go disproportionately to higher earning graduates and would have little or no impact on educational attainment or the disadvantage gap.

In spite of the strong statement Conservative commitment to closing the gap and giving “each child the same opportunity”, our assessment is that the Conservative manifesto proposals are unlikely to deliver on these aspirations.

In the last few years the reduction in the disadvantage gap appears to be stalling and while the Conservatives now plan an end to real terms school cuts, the measures set out in the Conservative manifesto are unlikely to have a significant impact on closing the disadvantage gap over the coming years.

The Labour Party

The Labour Party has also made a large commitment to additional education funding. Its manifesto costing document sets out that by 2023-24, it is promising £5.2bn extra for improved early years education, £5.1bn extra for schools, £4.4bn for improved skills training and lifelong learning, £6.7bn more (net) for higher education, and £1.0bn for its National Youth Service.¹

Labour proposals on early years education would lead to a large increase in the funding for 2-4 year-olds. Additional hours of education, improved staff pay and qualifications, and other support to parents could help to reduce the large disadvantage gap by age 5. However, it may take time to recruit and train additional staff and it will be important to ensure that very large rises in funding are used effectively. Since research suggests that early years education needs to be high quality to have an impact on longer-term outcomes, there is a risk that this very rapid increase in spending may not deliver value for money in the short term.

Labour also plans a significant rise in school spending – an additional 14.6 per cent per pupil by 2022-23. This would mean that per pupil funding is materially higher than in 2009-10. Labour has also indicated that it will protect the Pupil Premium in real terms, and provide additional special needs funding, both of which could be expected to help with efforts to narrow the attainment gap.²

Labour also promises larger increases in teacher pay than any other party (5 per cent in the first year) but does not address the challenge of attracting more of the best qualified teachers to the most challenging schools, nor does it set out a convincing strategy for improved school quality in parts of the country where there are few high performing schools.

In addition, Labour’s policies on private education could lead to additional costs from pupils being diverted into the state-funded sector by higher private fees. It is not clear whether policies such as a

¹ In 2019-20 prices. The Labour Party’s costing document presents cash amounts in 2023-24.

² The commitment to protect the Pupil Premium was confirmed in correspondence from the Labour Party on 27 November 2019.

maximum class sizes of 30 in primary schools offer value for money. Labour also propose to extend free school meals to all primary aged pupils. We estimate that Labour costings on this are around £140m lower than is needed due to increases in staffing costs. If the National Living Wage is increased to £10 per hour (as per Labour's plans), this shortfall could double.

Labour also plans significant changes in policy on assessment, testing, inspection and accountability. These plans to dismantle the key aspects of the current accountability system are counter to evidence that strong systems of accountability can help deliver improvements in attainment and a narrowing of the gap.

On how schools will be governed, and held to account, it is clear that the Labour manifesto envisages a return to a system with far more local authority oversight and involvement – but it is not clear how this would work in practice and what impact it would have on school standards. There is little evidence to suggest that, at a system level, structural reform makes much difference to educational standards.

Labour does, however, acknowledge the issue of increasing unexplained pupil exits from schools, although its proposed solution could come with unintended consequences.

The Labour manifesto also proposes a number of measures to improve out-of-school services which are important to more vulnerable young people, and where action could improve learning outcomes. For example, Labour propose to double the annual spending on children and adolescent mental health services. If well targeted and delivered, this could help improve outcomes for many vulnerable children.

Labour has made a strong commitment to improved 16-19 funding, which seems to be rational when looking at international experience, and some of the recent trends in funding and curriculum in this sector.

Labour proposes additional spending on lifelong learning and improved access to Level 4-6 training, which could help address the current skills gap.

Labour's largest education spending pledge is on higher education, where it proposes to spend £6.7bn abolishing tuition fees and restoring maintenance grants. Transferring more of the HE funding burden from students to taxpayers can be expected to be popular with students, but there is little evidence that it will improve education outcomes, including participation. The policy also comes with some long-term risks to universities – that in competition with other public spending, a Labour government might seek to reduce overall funding, which could impact on unit funding or participation, or both.

Labour's manifesto includes no proposals to address the challenge of attracting the most qualified teachers to the most challenging schools and does not set out a convincing strategy for tackling poor performing schools.

In conclusion, Labour's manifesto proposals on early years education, children's mental health, school and college funding, and teacher pay, could all help boost attainment and narrow the disadvantaged gap. But Labour proposals on accountability and structural reform could impact negatively on value for money and could offset gains from these other policies.

Labour's largest education pledge – to spend £6.7bn on abolishing university tuition fees and restoring maintenance grants – has little to commend it in terms of education outcomes. This money could be better targeted at those phases of education and particular challenges, where a large impact on attainment and disadvantage gaps might be expected.

Finally, it should be noted that while Labour's commitment to spend a large additional amount on education should be welcomed, this is in the context of a manifesto with large pledges on resource spending which require big increases in tax revenues, which come with some risks and uncertainties. It is unclear how Labour would respond to its planned revenue coming in under budget and whether the financial commitments to education would then be at risk.

The Liberal Democrats

The Liberal Democrats have also made a large financial commitment to additional education spending. Its manifesto costing document sets out that by 2024-25, £9.6bn extra is proposed for schools, £12.7bn for early years education and childcare, £1.1bn for extending free school meals, £1.5bn for further education and youth services, £0.9bn for restoring maintenance grants, and £1.5bn for introducing a new 'Skills Wallet' for all adults.³

The Liberal Democrats have proposed the largest spending package on early years education and childcare and propose significant increases in the annual hours of free childcare for all 2-4 year olds – including more than trebling average funding for children in non-working families. Much of the money would be focused on childcare support to enable employment, but the emphasis on a higher Early Years Pupil Premium, improved entitlements for disadvantaged pupils, and improved staff qualifications could all help to reduce the gap and improve child development. The scale of the Liberal Democrat commitment would mean that "early investment" would move from rhetoric to reality and would be higher per student than in the primary and secondary education phases. However, the speed and scale of change raises risks that the plans will prove too ambitious, or that there would need to be an over-reliance on less skilled staff. This could, in turn, considerably moderate any favourable impacts on child development. A more carefully phased plan would be of benefit, and one with a clearer focus on quality early years education rather than childcare.

On schools, the Liberal Democrat funding proposals are less than Labour and would leave per pupil funding little changed from the 2009-2010 level by 2022-23. Their pledge on school funding is not materially different from the Conservative proposals – by 2022-23, they would have increased the schools budget by only around 1 per cent more than the Conservatives.

Surprisingly, for a party that proposed the Pupil Premium, the Liberal Democrats assume that it will not be uprated for inflation – which means it will decline by 15 per cent in real terms by 2022-23 (versus 2014-15). The Liberal Democrats also say they "will increase teacher numbers by 20,000", but this is misleading – teacher numbers aren't controlled by government but by the schools which are given the budgets.

The Liberal Democrats have also pledged to extend free school meals to all children in primary education and to all secondary school children whose families receive Universal Credit which they

³ In 2019-20 prices. The Liberal Democrat's costing document presents cash amounts in 2024-25.

estimate would cost £1,160m in 2024-25. Again, once we account for increases in staffing costs, we estimate that the likely cost would be £180m more than the Liberal Democrats have budgeted.

Like Labour, the Liberal Democrats propose to end national tests in primary schools and to replace Ofsted – though the purpose of the latter reform is far from clear. Evidence suggests that robust accountability can help improve attainment, and there are risks that these steps could lead to worse value for money and a reduced focus on improved attainment and tackling poorly performing schools. Vulnerable children’s interests might not be served by such changes.

More positively, the Liberal Democrats propose a series of policies to improve mental health and wellbeing, as well as out of school support. There is growing evidence that such policies, if effectively delivered, can have an important impact on well being.

On higher education, the Liberal Democrats have few proposals. A new ‘Skills Wallet’ for lifelong learning is proposed, but with limited policy detail. This could have a useful impact on skills, but there could also be high deadweight costs. In contrast to the Labour package, the Liberal Democrats appear to be proposing to spend relatively little on higher education and have committed instead to a review of funding in this area, despite an independent review having only just taken place.

The Liberal Democrats make a large commitment on extra education spending. But some of this comes from an assumed ‘remain bonus’ from staying in the EU and from uncertain revenue sources such as measures to counter tax avoidance. There are therefore some risks in relation to these revenue sources.

In conclusion, there are some Liberal Democrat pledges that could positively impact on attainment and the disadvantaged gap – particularly on early years education and wider child support e.g. mental health services. But on schools and colleges, there are few policies which would impact materially on attainment and the gap, and the proposals to reduce accountability and allow real cuts in the pupil premium are likely to have a negative impact. While the Liberal Democrat pledge to spend more on the early years is significant and potentially very beneficial, a more carefully phased plan is needed, along with more action to build on this in the later phases of education.

The Green Party

The Green Party’s manifesto sets out a series of aspirational policies, some of which lack sufficient detail to properly analyse.

The party has committed to providing 35 hours of free early education from nine months onwards. It is not, however, clear how this will be funded and whether universal childcare from as early as nine months will help to improve child outcomes or narrow the disadvantage gap.

As with Labour and the Liberal Democrats, the Green Party proposes significant reforms to school accountability and inspection. Again, these reforms risk lowering rather than raising standards.

Like Labour, the Green Party would abolish tuition fees, a policy which would be unlikely to improve participation amongst disadvantaged students and would have little or no impact on educational outcomes.

The Green Party’s manifesto, overall, is not rooted in the best available evidence of what works to improve overall attainment and narrow the disadvantage gap.

The Brexit Party

The Brexit Party manifesto has very few proposals relating to education. These include an expansion of the academies and free schools programme, abolishing student loan interest and scrapping the apprenticeship levy. Assuming that the party maintains current government policy in all other areas, there is no evidence that their policies will either improve attainment or narrow the disadvantage gap.

Introduction

The 2019 General Election has been driven by the United Kingdom's departure from the European Union. Polling carried out immediately prior to the campaign showed it as the top-issue of the electorate by some margin – over two-thirds of people placed it amongst their top three issues.⁴

Domestic policy areas such as education, housing, welfare, and the economy each polled under 30 per cent. But education is still a high public priority, and it is crucially important that policy-makers and the public do not lose sight of these important domestic issues.

We have a school system that has been facing challenges in teacher recruitment and retention, as well as funding pressures that have seen schools facing real terms falls in per pupil funding of around 8 per cent over the last decade. The government has promised significant extra investment – equivalent to an additional £7bn a year in today's prices by 2022-23 – this would return funding to 2010 levels. But this still means the school system in England has faced a 13-year funding squeeze.

Our annual report, published in July 2019, highlighted just how far we are from an equitable education system. By the time they complete secondary school, pupils from low income backgrounds are 18 months behind their more affluent peers. Progress in closing that gap has stalled, and there are some indications that it might be about to go into reverse. Forty per cent of this gap is evident before children even start school.

International comparisons show that England's high attaining pupils are on a par with some of the highest performing countries in the world. Our biggest challenge is therefore a long tail of low attainment that is correlated with economic disadvantage, special educational needs, and particular ethnic groups.

This project aims to increase public understanding of the key challenges in education – framed in particular around the inequitable nature of education in England – and provide an independent, evidence-based assessment of the extent to which each of the main parties have committed to meeting those challenges.

Report structure

The report is structured around eight priority areas for education in England:

1. **Early years:** improving access, quality and funding, particularly for the most disadvantaged.
2. **School accountability:** including the role of Ofsted and performance measures and addressing the impact of accountability measures on inclusion, exclusion and curriculum breadth and choices.
3. **Distribution of school funding:** ensuring that the distribution of school funding reflects the challenging contexts of schools.
4. **Teachers:** addressing the challenges of recruitment, retention, workload and distribution of teachers.
5. **Access to good schools:** delivering good school places and fair admissions processes.

⁴ YouGov, 'Which issues will decide the general election', (November 2019).

6. **Post-16 education (including technical and vocational education):** ensuring sufficient funding, quality and access, and reducing segregation.
7. **Post-18 education:** recognising the diversity of options and funding between bachelor and sub-bachelor degrees, changes to tuition fees and maintenance loans.
8. **Children and young people's mental health:** Ensuring that young people have the necessary access to children and adolescent mental health services (CAMHS) and support in schools.

Each priority area includes a summary of the challenge, a discussion of the latest relevant analysis, research, and policy developments and then highlights what government needs to consider and objectives for any incoming government. We then go on to assess party proposals against these objectives and the extent to which they are likely to meet them.

Coverage

As education is a devolved issue, and the UK Parliament only has control over education in England, this project considers policy implications for England only. As such we have restricted our analysis to parties seeking election for constituencies in England.

The uncertainty around the make-up of the next parliament, coupled with a large number of independent candidates and smaller parties, has meant that we have had to set conditions for which parties are included. We have worked to the principle of including any party that might reasonably have a direct influence, either as a governing party or as part of an alliance, over government policy in the next parliament. We include any party which:

- was polling at least 10 per cent in the Britain Elects poll tracker at the point of dissolution;⁵ or
- had at least one seat (in England) in parliament at the point of dissolution and has at least 10 candidates (in England) standing in this election.

The parties included are therefore: Conservative; Labour, Liberal Democrat, Green, and Brexit. We assess policies where the party has made a clear public statement either through a manifesto or through its official website or social media accounts. In the absence of a clear policy statement, we have assumed a continuation of existing policy.

⁵ Britain Elects polling, Wednesday 6th November 2019.

Priority 1: The early years

Our research has found that around 40 per cent of the disadvantage gap at age 16 is already evident by age 5, with disadvantaged children being, on average, over 4 months behind their more affluent peers. For more vulnerable children the gap is even more stark: children with SEND without a statement or Education and Health Care Plan (EHCP), and therefore likely considered as having less acute needs, are almost 10 months behind their peers by age 5.⁶

The biggest single influence on a child’s development is their parental background and associated home environment, one of the areas of education policy hardest to impact directly. A high-quality early years education is a vital tool in starting to close the gap.

The current landscape

Subsidies and entitlements

The UK spends a comparatively small proportion of its GDP on early years education, spending 0.5 per cent compared to an OECD average of 0.8 per cent. UK spending is skewed towards private funding, with public spending accounting for 66 per cent of total spend, compared to an OECD average of 83 per cent, making it one of the most privately funded systems within the OECD.⁷

Considering the importance of early years, it is essential that there is equitable access to provision and that any subsidies are appropriately targeted. Currently the entitlement to free early years provision is dependent on the age of the child and the household circumstances.

Figure 1.1: Existing childcare entitlements by age group

Age Group	Entitlement
Two-year-olds	Children whose parents are on certain income-related benefits or children who are currently or have been looked after or have special educational needs 15 hours a week (38 weeks a year or equivalent) Otherwise No entitlement
Three and four-year-olds	Children where both parents (or only parent if they are in a single parent household) earn above the equivalent to 16 hours work at minimum wage but below £100,000 a year 30 hours a week (38 weeks a year or equivalent) Otherwise 15 hours a week (38 weeks a year)

Combined with other childcare subsidies, including tax free childcare, government support for early years provision is more beneficial to higher income families.⁸ It is also possible that the larger total funding associated with a child on the 30-hour entitlement means that these children are more

⁶ Jo Hutchinson et al, 'Education in England: Annual Report 2019', (July 2019)

⁷ OECD, 'Starting Strong 2017', (June 2017)

⁸ Kitty Stewart and Jane Waldfogel, 'CLOSING GAPS EARLY: The Role of Early Years Policy in Promoting Social Mobility in England', (September 2017)

‘popular’ with providers and so ‘crowd out’ those on the 15-hour entitlement who are likely to be from less well-off households.⁹

The 30-hour entitlement was intended to increase work incentives and reduce financial burdens on working parents, by lowering the cost to parents of entering full time work. A Department for Education evaluation found, however, that only 26 per cent of mothers reported working more hours after the roll out of the 30-hour entitlement, and only two per cent reported having entered work.¹⁰

Though varying by geographic area, many providers find government funding rates to be insufficient, leading them to pursue a cross-subsidisation model. Here they charge higher rates for hours not covered by the government or charge for extras such as lunch at above cost price.¹¹ This reduces how much the entitlement incentivises work and may result in shifting the cost burden between parents with different working patterns or with children of different ages. Financial viability is particularly important with 180 nurseries and pre-schools closing per month.¹²

Workforce and settings

For children who do access early years provision, we know that a qualified and skilled workforce is a key component of high quality provision.¹³ Despite this, the early years workforce is poorly qualified and low-paid. While 93 per cent of school teachers have a degree, this figure falls to 25 per cent for early years workers.¹⁴ In addition, the proportion of early years nurses and assistants that have a Level 3 qualification has fluctuated in recent years and currently stands at 68 per cent.¹⁴

As maintained nursery schools and nursery classes in maintained schools have a requirement for degrees among their workers, and private, voluntary and independent (PVI) nursery schools do not, degree-educated EY workers are heavily concentrated within maintained providers.

A qualified and skilled workforce is vital in ensuring early years provision is of high quality, with formal degree education and content specific to an early years environment being useful, though there is likely to be some variation in the quality of early years degrees. Furthermore, upskilling can professionalise the workforce, increasing salary and social status.

As well as being low-qualified, the early years workforce is also ageing and faces an increasingly uncertain future. In 2018, around 90,000 early years workers were 55 years old or above. This means a significant number are likely to exit the workforce in the next decade and little indication that there are sufficient numbers of younger workers to replace them.¹⁴

The sector also employs more than 37,000 EU nationals, totalling 5.1 per cent of all workers. This is a similar contribution to EU nationals in the NHS (63,000 workers and 5.6 per cent of staff).¹⁴ With net EU migration levels dropping, this could be an additional squeeze upon the sector.

⁹ Avinash Akhal, *‘The Impact of Recent Government Policies on Early Years Provision’*, (January 2019)

¹⁰ Department for Education, *‘30 Hours Free Childcare: Evaluation of the National Rollout’*, (September 2018)

¹¹ Hannah Richardson, *‘Parents Subsidise “free” Nursery Scheme BBC News’*, (January 2018)

¹² HMCI Letter to Tracy Brabin MP, 23rd October 2019. Based on data from 2018-19. In addition, an average of 390 childminders leave each month.

¹³ Sara Bonetti, *‘What Does Quality Early Years Provision Look Like?’*, (August 2018)

¹⁴ Sara Bonetti, *‘The Early Years Workforce in England’*, (January 2019)

There are no signs that this lack of qualified staff will be addressed soon. The sector has suffered a pay reduction of nearly 5 per cent in real terms in the years 2013 – 2018 (despite working women overall seeing rises of 2.5 per cent) and pay is now virtually the same as that of hairdressers and beauticians. Early years workers are now experiencing high financial insecurity, with 44.5 per cent claiming state benefits or tax credits.¹⁴ Around one in four early years workers cited ‘unsatisfactory pay’ as the main reason for leaving the sector.¹⁵

The lack of parity between PVIs and the maintained sector further reduces the incentive for workers to stay within the PVI sector. This is both for degree-educated workers, who are incentivised to work within a graduate workforce in the maintained sector and for non-degree educated workers who could be earning more outside of the early years sector entirely.¹⁵

What should a new government do?

Education research suggests that policies should:

- **include an appropriately funded long-term workforce strategy**, which addresses recruitment and retention issues, and provides incentives and opportunities for current and new staff to increase qualification and skill levels;
- **focus on addressing the regressive elements of the current funding system and entitlements**, to ensure that additional resources help to close the disadvantage gap already present by age 5; and
- **recognise the existing financial strain** on the early years sector and commit to ensuring that any expansion in the provision do not increase this further.

Manifesto commitments

Manifesto commitments for the early years focus heavily on extending free hours for 2, 3 and 4-year olds and investing in upskilling the workforce – but only amongst some of the parties. There is a clear distinction in the eligibility criteria and provision levels of offers between the Conservative and Brexit Parties and the Labour, Liberal Democrat and Green Parties.

Workforce

The Conservative manifesto makes only one suggestion in this area; that its new £1bn childcare fund will create more “high quality and affordable childcare”, but does not give any detail about qualification levels or training offers within the sector.

Labour’s manifesto states a commitment to a transition towards a “qualified graduate-led workforce”, while maintaining efforts to allow current staff to upskill on the job. It also has a significant recruitment target of nearly 150,000 new workers. Labour has also committed to introducing a national pay scale in the early years, which is designed to drive up pay amongst the predominantly female workforce. There remains, however, a lack of detail about what such a pay scale would look like, including whether it would differentiate between maintained providers and PVIs, and between qualified teacher status and early years teacher status qualified staff.

The Liberal Democrat manifesto commits to upskilling current staff in early years-specific qualifications. There is a lack of detail around how this will be funded, however, especially when the

¹⁵ Avinash Akhal, *The Early Years Workforce: A Comparison with Retail Workers*, (April 2019)

party is committing to a large increase in the number of hours of provision. They also set a long-term goal of having at least one graduate in each setting, although little reference is made to timescales, funding or how this policy will be implemented, considering this is likely to be an ambitious target for PVI providers.

Neither the Green Party nor the Brexit Party make reference to the quality or qualifications of the early years workforce.

Children's centres

The Labour manifesto commits to reversing cuts to Sure Start and creating an expanded service 'Sure Start Plus'. This new universal service will be aimed at children under two and located throughout the country. The Liberal Democrat manifesto commits to a £1bn investment in Children's Centres, which aim to "support families and tackle inequalities in children's health, development and life chances".

Both proposals represent an attempt to reduce the health and educational inequalities which begin at an early age and then widen throughout the lifetime of a child. Their effectiveness is likely to depend on their ability to provide high-quality services and ensure that they have high rates of use, particularly among disadvantaged children and those with SEND.

Entitlements

As the table below shows, Labour, the Liberal Democrats and the Green Party have set out specific changes to early years entitlements spanning from 9 months to age 5.

The Conservative Party has not made any specific commitment in relation to increased hours or age groups, but has committed to creating a £1bn fund which would be used to expand both early years provision and school-aged childcare.

The Brexit Party has made no reference to the early years.

Figure 1.2: Early years entitlements by age and party

Supply side subsidies only (does not include policies or commitments relating to tax incentives or maternity, paternity or shared parental leave)				
Age Group	Under one years old	One year olds	Two year olds	Three and four year olds
Current policy			15 hours a week for 38 weeks (or equivalent) free for children whose parents are on certain income-related benefits or children who are currently or have been looked after or have special educational needs.	15 hours free for 38 weeks per year for all children. 30 hours free for those whose parents meet certain working requirements.
Conservative	An additional £1bn fund to create more high quality and affordable childcare, including before and after school and during the school holidays			
Labour		Work towards extending childcare provision for one-year-olds	Provide 30 hours a week free for all children aged two to four. No mention of changing number of weeks from 38. Additional hours to be provided at rates staggered by household income.	
Liberal Democrat	Provide 35 hours free for 48 weeks per year from 9 months to 2 years for children whose parents are in work.		Provide 35 hours free for 48 weeks per year for all children aged two to four.	
Green	Provide 35 hours free per week for all children from age 9 months. No mention of changing number of weeks from 38.			
Brexit	No mention in manifesto.			

Funding rates

Changes are also proposed to the hourly rates paid by government for publicly funded early years places, an area of importance for the long-term sustainability of the early years sector in light of the increasing financial strain under which some providers currently operate.¹⁶

Without an increase in funding rates, there are several possible outcomes. Quality may fall if providers are forced to further reduce the resources directed at hiring and retaining qualified staff and in delivering continuous professional development. Alternatively, providers may pursue increased cross-subsidisation, which in turn could lead to increasing variation in the quality of

¹⁶ CEEDA, 'About Early Years: summer snapshot', (September 2017)

provision, particularly between settings with a higher proportion of disadvantaged children and those with a lower proportion. Finally, an increasing numbers of early years providers could face closure.

Increasing funding rates is likely to be an expensive policy, especially when combined with increases in the number of hours which are government funded. However, a revision of the funding rates or some other changes to the current funding system is likely to be necessary if current concerns around the sector's financial viability are to be addressed. This is especially important when parties are committing to increase the qualification levels within the sector or increasing the proportion of hours provided at government rates by changing the entitlements system.

The Conservative, Green and Brexit parties make no reference to changing the early years funding rates.

The Labour and Liberal Democrat manifestos state they will increase funding. The IFS estimate this increase in funding is an increase in average funding rates for two-year-olds to £7.22 per hour under the Liberal Democrats and £9 under Labour by 2023-24 (in 2023-24 prices), from a current average of £5.44 in 2019-20. The IFS also estimate the increase in minimum hourly rates in 2023-24 for three and four-year-olds to £5.60 under Labour and £5.36 under the Liberal Democrats (again both in 2023-24 prices) compared to the current funding of £4.30 per hour in current prices.

Combining the information on proposed changes to hourly rates with changes to the entitlements, it is possible to model the effect of each party's policies, in terms of the change in funding amount each eligible child would receive in the year 2023-24 having accounted for take-up rates (note, this does not include funding for the Early Years Pupil Premium). For parties that have not suggested a change in rates, we consider a range of costings, representing the cases where they rise with inflation and where they remain constant (and so lose value in real terms).¹⁷ A full description of our methodology is in Appendix 1.

¹⁷ For the two-year-old entitlement, 'disadvantaged' refers to children whose parents are in certain forms of income support benefit and children who are or have been looked after or have special educational needs and disabilities. For three and four-year olds, and for the new under-two entitlement, 'disadvantaged' refers to children whose parents do not pass threshold relating to being in work. Whilst this not passing the threshold for being in work does not exactly correspond to disadvantage, it does confirm that at least one parent is earning a low salary of less than approximately £7,000 a year (it is reasonable to exclude children in households where one parent earns over £100,000 as this is a very small number of children).

Figure 1.3: Average funding amount each eligible child would receive through the entitlement in 2023-24 having accounted for take-up rates. We have assumed that the rates payable for those under two years old are the same as the two year old rates¹⁸ This considers only supply side spending (not benefits and tax incentives, etc)

Average annual expenditure per eligible child in 2023-24 (2019-20 prices)	Current/Conservative	Labour	Liberal Democrats	Green
9 months to 2 years	NA	NA	Working: £7,730 Non-working: £0	Working: £4,611 - £4,978 Non-working: £4,611 - £4,978
Two years	Disadvantaged: £1,717 - £1,854 Non-disadvantaged: £0	Disadvantaged: £6,539 Non-disadvantaged: £6,539	Disadvantaged: £7,730 Non-disadvantaged: £7,730	Disadvantaged: £4,611 - £4,978 Non-disadvantaged: £4,611 - £4,978

As IFS data gives minimum funding commitments made by parties, in Figure 1.4 we consider the minimum amount of spending per eligible child.

Figure 1.4: Minimum funding amount each eligible child would receive through the entitlement in 2023-24 having accounted for take-up rates.¹⁸ This considers only supply-side spending (not benefits and tax incentives, etc)

Average annual expenditure per eligible child in 2023-24 (2019-20 prices)	Conservative/Current Policy	Labour	Liberal Democrats	Green
	Working: £3,563 - £3,846 Non-working: £1,781 - £1,923	Working: £4,640 Non-working: £4,640	Working: £6,545 Non-working: £6,545	Working: £4,157 - £4,487 Non-working: £4,157 - £4,487

As shown in the table, the increase to early years funding under Labour and the Liberal Democrats is significant both in absolute terms and relative to the Conservative proposals. If delivered, a spending of this scale has the potential to improve significantly the quality and pay of the early years workforce and put early years per-pupil spending higher than school spending. However, building the workforce capacity and quality will take time and there is therefore a risk that while spending can rise quickly, improving overall quality will take much longer.

Overall assessment

The Conservative party policy is notable for its lack of detail on any of the priorities facing the early years. Unlike any of the other parties, it commits to an expansion of school-aged childcare. The Conservative party's approach appears to be driven largely by childcare and cost of living

¹⁸ In other words, it is the average across all of the eligible child population not just those who take up the entitlement. Excludes the Early Years Pupil Premium.

motivations, although as the government's own evaluation of the 30 hour entitlement pilot found, a childcare-based approach to provision for under-fives appears to have an impact on increasing working hours but only a small effect on overall unemployment rates.¹⁹ The Conservative Party's lack of reference to building a high-quality workforce, introducing a more progressive entitlement system and increasing funding rates raises questions over the stability and sustainability of the early years sector and suggests that their policies in this area will do little to close the existing gaps.

Both Labour and the Liberal Democrats propose significant reform to both early years entitlements and funding, and would bring early years spending per child close to (or higher than, in the case of the Liberal Democrats) school spending.

Labour and the Liberal Democrat parties also recognise the importance of upskilling the early years workforce. However, both parties have very ambitious and expensive plans which rely not only on securing the resource, but also the capacity of the sector, to build and sustain a better qualified workforce. If delivered, plans to upskill the workforce and to make entitlements universal and not contingent on work status are likely to help to narrow the disadvantage gap at age 5. Making provision for three and four-year olds universal could also reduce the regressive nature of the current system; making the two-year-old entitlement universal may increase take-up rates among disadvantaged children.²⁰ The Liberal Democrat policy to deliver only free provision for children under two years to those in families where both parents work may provide some help as a cost of living policy, but it is unlikely to target spending towards children who have the greatest development need.

The Green Party's only proposal in this area is to increase the free entitlement to 35 hours from the age of nine months. Without further detail of how this would be delivered, the impact of this policy is unclear.

The Brexit Party has made no commitment to changing policies in the early years.

¹⁹ Department for Education, *'Evaluation of the first year of the national rollout of 30 hours free childcare'*, (September 2018)

²⁰ W. Steven Barnett *'Universal and Targeted Approaches to Preschool Education in the United States'*, (February 2015)

Priority 2: School accountability

The school system in England is underpinned by a system of accountability in which schools are compared through performance tables and Ofsted inspections. By international standards, England's system is defined as one of high autonomy, with high accountability (OECD, 2015).

The accountability system that we have today is not simply a vehicle by which the public (primarily parents) are able to judge the performance of individual schools. It also: provides the key data on which the government can identify poorly performing schools which are then subject to direct intervention including, if a maintained school, forced academisation; provides the mechanism by which the government of the day can shape the qualification and subject choices of schools and pupils; and gives one way in which the success of overall government policy is measured (for example, the proportion of pupils in good and outstanding schools).

We therefore have an accountability system with multiple different users, with multiple different purposes. But the system can also have unintended consequences on schools, being associated with issues around teacher recruitment and retention, and potentially acting as a disincentive to inclusive education.

The current landscape

Importance for school standards

International evidence suggests that school accountability which allows the direct comparison of schools has a positive impact on pupil outcomes, with standardised testing achieving better results than localised or subjective information.²¹ The removal of formalised testing also risks introducing biased assessments – by gender, ethnicity, special educational needs, and socio-economic factors.²²

Research suggests that the removal of published information about individual schools – such as through the school performance tables – could lead to a fall in school standards. The abolition of performance tables in Wales led to a “marked reduction in school effectiveness”.²³ This was particularly the case for schools at the lower end of the performance distribution and so is likely to be felt disproportionately by pupils from disadvantaged backgrounds.

Use of accountability by parents

One of the key reasons for the system of public accountability for schools is its role in school choice, allowing parents to compare the performance of schools. Less than half of parents nominate their nearest secondary school as their first preference, and families for whom the nearest school has low

²¹ Annika B. Bergbauer, Eric Hanushek, Ludger Woessmann, *‘Testing with accountability improves student achievement’*, (September 2018)

²² Tammy Campbell, *‘Stereotyped at Seven? Biases in Teacher Judgement of Pupils’ Ability and Attainment’*, (July 2015)

²³ Simon Burgess et al, *‘A natural experiment in school accountability: the impact of school performance information on pupil progress and sorting’*, (October 2013)

attainment as reported in school performance tables are the least likely to nominate their nearest school as their first preference.²⁴

Ofsted's most recent Parental Annual Survey found that 68 per cent of parents believed that Ofsted provided a valuable source of information of education standards in their area.²⁵ More broadly, the vast majority (84 per cent) had read an Ofsted report at some stage.

However, some felt that the report was redundant as they would send their child to their preferred school anyway. In fact, despite their long-standing status as a key indicator of school performance for parents, there is surprisingly little evidence on the impact of inspection outcomes on parental choice. The perceived performance of a school does appear to affect the extent to which parents involve themselves with their child's education. For example, if school performance increases, parents become less likely to help with homework (though the converse is not true).²⁶

Relationship with teacher retention

A poor Ofsted judgement can have serious implications for schools, not only in terms of direct intervention in the school, but also amongst the teaching workforce. Lower Ofsted ratings in schools are associated with higher rates of teachers moving to other schools, or leaving the profession altogether.²⁷ For example, in 2015, around 10 per cent of teachers in primary schools rated as outstanding left the profession, in schools rated as inadequate it was over 15 per cent. Whilst not necessarily causal, a school being downgraded to inadequate is associated with a 3.4 percentage point increase in teacher turnover.²⁸ Of course, such staff restructuring may be part of trying to improve standards in the school.

Fairness

The fact that there are high stakes associated with Ofsted means that it is important that their judgements are fair. However, schools with more disadvantaged pupils have been less likely to be rated "outstanding" while schools with low disadvantage and high prior attainment are more likely to receive positive judgements from Ofsted.²⁹ This holds even when controlling for the progress pupils in the school made relative to pupils with similar prior attainment.

While the government has signalled its intention to remove the exemption for outstanding schools, no significant action has been taken to address the apparent bias against schools with disadvantaged cohorts.³⁰ Ofsted has recently implemented its new inspection framework which will focus more on curriculum intention and breadth, than attainment outcomes. However, the new framework does

²⁴ Simon Burgess, Ellen Greaves, & Anna Vignoles, *'Understanding parental choices of secondary school in England using national administrative data'*, (October 2017)

²⁵ YouGov, *'Annual parents survey 2018, parents awareness and perceptions of Ofsted'*, (April 2019)

²⁶ Iftikhar Hussein et al, *'How do parents respond to Ofsted reports?'*, (2019)

²⁷ Jack Worth et al., *'Teacher Workforce Dynamics in England: Nurturing, Supporting and Valuing Teachers'*, (March 2018)

²⁸ Sam Sims, *'High-Stakes Accountability and Teacher Turnover: How do Different School Inspection Judgements Affect Teachers' Decisions to Leave Their School?'* (October 2016)

²⁹ Jo Hutchinson, *'School inspection in England: is there room to improve?'*, (November 2017)

³⁰ Department for Education, *'New drive to continue boosting standards in schools'*, (September 2019)

not fully acknowledge the multi-faceted causes of poor behaviour amongst disadvantaged and vulnerable pupils.³¹

“Progress 8” is the government’s headline measure for assessing performance in secondary schools. Progress 8 measures the progress that pupils make between the end of Key Stage 2 and the end of Key Stage 4 and benchmarks schools against the national average. While this is a better measure than the previous 5+ A*-C threshold measure, it only considers the context of pupils in terms of their Key Stage 2 scores and not other factors that are widely understood to be associated with education performance, including the prevalence of special educational needs, ethnicity and poverty. Because pupils who have one or more characteristics which make them more vulnerable are likely to make less progress than their peers, Progress 8 benefits schools with more affluent intakes.

Implications for subject and qualification choices

Both Progress 8 and the English Baccalaureate (EBacc) require pupils to take certain subjects and can therefore limit their opportunities to take others. While Progress 8 is the measure by which government assesses school performance, the proportion of pupils entering into the EBacc also features on school performance tables. Taken together, Progress 8 and the EBacc have attracted criticism that pupils are being forced into taking more “academic” subjects and dropping more creative subjects, including the arts.³²

Between 2010 and 2014 the proportion of pupils entering at least one arts subject increased from 55.6 per cent to 57.1 per cent, but by 2016 it had fallen to 53.5 – its lowest point in a decade. It is not necessarily accountability alone that led to a fall in the study of the arts, our research suggests that the fall was also associated with financial pressures.³³

Implications for inclusion

There are also concerns amongst the sector and parents that accountability measures are not only affecting the curriculum, but also the inclusion of pupils, particularly the most vulnerable. The practice of ‘off-rolling’, where pupils are moved out of a school without a formal exclusion, has been under scrutiny for some time now though there has been a lack of data to show precisely how often it is happening and where it is taking place.

Once apparently legitimate, family-driven, moves out of a school, are taken into account, around 61,000 pupils from the 2017 GCSE cohort, equivalent to one in ten pupils, experienced an unexplained exit during their time in secondary school.³⁴ Around three quarters of these moves were experienced by vulnerable pupils, predominantly those in social care, those with mental health needs, those with special educational needs and disabilities, those pupils living in poverty, and those from Black ethnic backgrounds (see Figure 2.1).

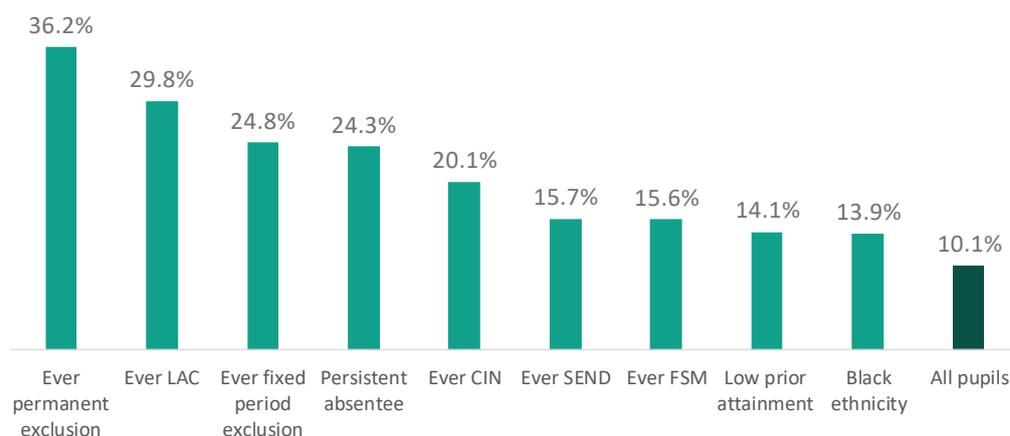
³¹ Jo Hutchinson, *‘Improvements and errors: Ofsted’s new framework is difficult to grade’*, (May 2019)

³² Eleanor Busby, *‘Decline in creative subjects at GCSE prompts fears that arts industry could be damaged’*, (August 2018)

³³ Rebecca Johnes, *‘Entries to arts subjects at Key Stage 4’*, (September 2017)

³⁴ Jo Hutchinson and Whitney Crenna-Jennings, *‘Unexplained Pupil Exits from Schools: Further Analysis and Data by Multi-Academy Trust and Local Authority’* (October 2019)

Figure 2.1: Percentage of the 2017 Key Stage 4 cohort who had at least one unexplained exit by pupil characteristics³⁵



It is important to note, however, that challenges to inclusion do not arise from accountability alone and recent trends could be because of a range of pressures on schools including funding, teacher recruitment and retention and weakened local authority support services.

What should a new government do?

Education research suggests that policies should:

- recognise that an autonomous school system needs robust and intelligent accountability systems to help drive improved outcomes; and
- ensure that accountability systems take the vulnerability of the school's pupil intake into account and do not incentivise the removal of pupils whose attainment might otherwise be poor.

Manifesto commitments

Some of the manifestos include significant changes to the public accountability of schools in England and provide a clear dividing line between the parties. This includes the abolition of Ofsted, after being a feature of the school system for nearly thirty years, and a move away from statutory assessment in primary schools.

Testing and school performance tables

The Labour Party, the Liberal Democrats, and the Green Party propose abolishing statutory end of key stage tests in primary schools. Labour would refocus assessment on pupil progress. The Liberal Democrats would replace tests with a formal, moderated, teacher assessment at the end of each phase and “some lighter-touch testing”. The removal of formalised testing risks introducing biased assessments – by gender, ethnicity, special educational needs, and socio-economic factors.³⁶

Neither the Conservative Party or the Brexit Party propose any changes to assessment.

³⁵ Note that LAC refers to ‘looked after children’, CIN refers to ‘children in need’.

³⁶ Tammy Campbell, ‘Stereotyped at Seven? Biases in Teacher Judgement of Pupils’ Ability and Attainment’, (July 2015)

The Labour Party aim to tackle the practice of “off-rolling” in school performance tables, where pupils are moved out of a school without a formal exclusion. Labour say they will do this by making schools accountable for pupils who leave their rolls. Attempts to address this are welcome, however the proposed approach may also introduce perverse incentives into the accountability system. For example, one option would be to weight pupil outcomes by the length of time that they were in the school.³⁷ But this does risk incentivising schools to remove pupils early during secondary education, or to not admit vulnerable pupils altogether.

The Liberal Democrats would replace performance tables with a broader set of indicators including pupil wellbeing. At this stage there is no indication of how that data would be collected, though it is likely to place additional burdens on schools. Attempts have been made in the past to provide a broader picture for school performance, for example the ‘school profile’ introduced by the Education Act 2005.³⁸ However, this did not appear to be widely used, with nearly three-quarters of schools not updating it in a given year.³⁹

The Liberal Democrats would also end the EBacc as performance measure as part of their support for the arts in schools. However, the relationship between arts entries and reforms to the performance tables is complex.

The Green Party would end the publication of performance tables altogether. Given that the Labour Party have also proposed the end of National Curriculum testing in primary schools this would suggest that primary school performance tables might also end under a Labour government. Research suggests that this could lead to a fall in school standards. Neither the Conservative Party or the Brexit Party make any reference to school performance tables and so we assume that the current arrangements will remain. Overall, where parties have generally implied that performance tables would remain in some form, efforts to address the unfairness of performance tables measures are lacking.

Inspection

Ofsted currently inspects 6,100 schools a year in a combination of short inspections (3,800) that last one day and full inspections (2,300) that last two days.⁴⁰ The Conservative Party manifesto re-stated their support for Ofsted, saying that it is not only important for standards but also behaviour. However, Ofsted themselves have in the past said that they do not necessarily believe inspection outcomes fully reflect standards of behaviour.⁴¹ Since the publication of their manifesto, the Conservative Party have pledged to increase the number of days that Ofsted spends in schools with an increased focus on behaviour and wider wellbeing, at an estimated cost of £10m a year.⁴²

Both the Labour Party and the Liberal Democrats propose abolishing Ofsted and replacing it with a new body – in the case of the Liberal Democrats an HM Inspector of Schools. However, neither is

³⁷ Rebecca Allen, *‘Schools should be accountable for all pupils they teach’*, (March 2017)

³⁸ Education Act 2005, Part 4, Maintained Schools, Section 104

³⁹ Response to a Freedom of Information request published on www.whatdotheyknow.com, (October 2010)

⁴⁰ Ofsted *‘State funded schools inspections and outcomes: monthly management information (2017/18)’*, (December 2018)

⁴¹ Fraser Whieldon, *‘Harford: Ofsted has ‘real issues’ inspecting behaviour’*, (June 2019)

⁴² Richard Adams, *‘Conservative pledge to boost Ofsted’s power to inspect schools’*, (November 2019)

proposing the ending of independent inspection of schools and both seem to be unclear as to what the functions of these new bodies would be and how they would differ from those of Ofsted.

The Liberal Democrats further propose inspection on a three-year cycle, increasing the number of inspections by around one thousand each year. If such inspections were of a similar length to current inspections then they would come at a cost of around £8m a year.⁴³ Neither the Labour Party or the Liberal Democrats have provided an estimate of the cost of closing Ofsted and establishing a new body in its place.

The Green Party would abolish Ofsted and replace it with a collaborative system of assessing and supporting schools locally. A challenge here may be the variation between different areas in terms of high performing schools. The distribution of high performing secondary schools has become more geographically uneven in recent years, with a 2017 study finding that there were some local authority areas that did not have any high performing secondary schools.⁴⁴ In other words, local schools may not necessarily have the capacity themselves to aid school improvement. The Labour Party proposal of peer to peer support sitting at a regional level may go some way to address this.

Curriculum

Both the Conservative Party and the Labour Party propose an arts pupil premium – the former would target this at secondary aged pupils, the former at primary aged pupils. The Liberal Democrats say that they would protect the arts, though no further details are given beyond removing the EBacc from performance measures. The Conservative Party would also provide additional funding for physical education. The Liberal Democrats propose establishing an independent panel for any future changes to curriculum. The Labour Party say that they would carry out a review of the curriculum.

Overall assessment

The manifesto commitments from the opposition parties suggest significant changes to school accountability but they are not necessarily rooted in reforms that would lead to higher standards. The abolition of standardised tests by the Labour Party, the Liberal Democrats, and the Green Party would run counter to evidence that suggests that they are more beneficial to pupil outcomes than locally administered tests or subjective outcomes. This is particularly the case for the Green Party which would abolish school performance tables despite evidence that suggests this would lower standards, particularly in the lowest performing schools.

The Liberal Democrat proposals to move towards teacher assessments do come at the risk of increased bias in pupil outcomes, particularly by ethnicity and for low income groups.

Announcements prior to the election that the Labour Party would abolish Ofsted generated headlines. However, their manifesto commitments, and those of the Liberal Democrats, do not mean an end of school inspection. It is, however, unclear at this stage what those new inspections would look like and how their operation would differ from that currently carried out.

The Labour Party proposes to address the issue of ‘off-rolling’ in school performance tables – though their solution is not without challenges – and the Liberal Democrats would broaden the remit of

⁴³ Based on an average inspection cost of £7,200 as estimated by the National Audit Office, uprated for inflation.

⁴⁴ Jon Andrews and Natalie Perera, *‘Access to high performing secondary schools in England’*, (December 2017)

inspections to include pupil wellbeing and development. But beyond that, the main parties do little to address some of the key challenges in accountability; namely how both the performance tables and inspections could be made fairer to all schools. In fact, the Conservative Party included nothing on accountability beyond their support for Ofsted.

Priority 3: School funding

While school funding has increased, so have the costs faced by schools, with schools reporting increasing financial pressures. As such, school funding has been an important issue, resonating not just with schools but parents and the electorate more widely. During the 2017 election campaign, the issue of school funding rose from the 5th most important issue to voters, to the 3rd most important issue.

In September 2019, the government announced that it would be increasing the schools' budget by an additional £7.1bn per year by 2022-23. If implemented, this would leave school spending per-pupil at around the same level in 2022-23 as it was in 2009-10.

The current landscape

Long term trends in school spending

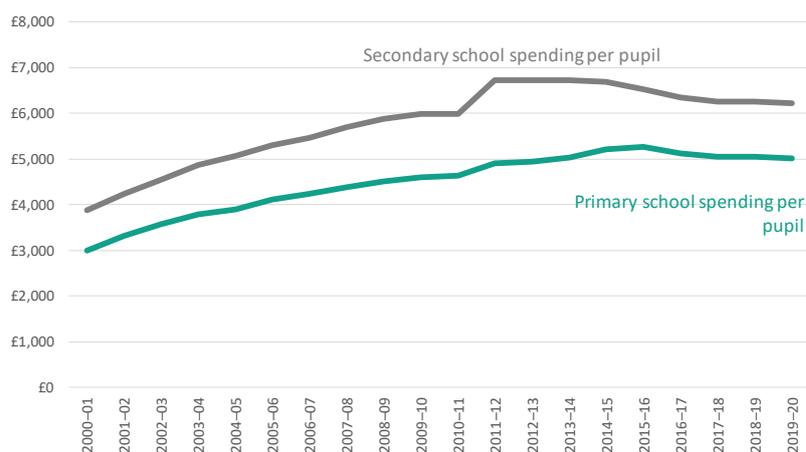
In 2019-20, core funding for schools and high needs totalled just over £40bn, with a further £2.4bn delivered via the Pupil Premium and targeted at pupils from disadvantaged backgrounds.⁴⁵ Figure 3.1 shows the long-term trend in school spending in England. In 2019-20 overall school spending per pupil was about 40 per cent higher in real terms than in 2000-01, this was driven by rapid growth during the 2000s when spending per pupil increased by around 5 per cent per year in real terms. However, between 2009-10 and 2019-20 per pupil expenditure fell by 8 per cent in real terms.

The overall level of funding that a school receives has been shown to have an effect on pupil attainment.⁴⁶ The effects are felt more strongly in schools serving disadvantaged communities, those with low prior attainment, and with high non-white populations.

⁴⁵ DfE, 'National funding formula tables for schools and high needs' and 'Pupil premium: allocations and conditions of grant 2019 to 2020', (October 2019)

⁴⁶ Stephen Gibbons et al, 'Does additional spending help urban schools? An evaluation using boundary discontinuities', (November 2017)

Figure 3.1: Long term trends in per pupil expenditure in state-funded primary and secondary schools⁴⁷



Trends in the number of schools in financial difficulty

These funding pressures have been reflected in the number of schools with end of year deficit balances, which has grown in recent years.⁴⁸ In 2017-18 almost one in three (30.3 per cent) of local authority maintained secondary schools were in deficit at an average of nearly half a million pounds. Significantly, there was a marked contrast between the proportion of secondary schools and primary schools in deficit – only 8.0 per cent of primaries were in deficit in 2017-18. The proportion of special schools in deficit nearly doubled between 2014 and 2018 (to 10.1 per cent), with an average deficit of nearly a quarter of a million pounds (£225,298). Overall, in 2017-18, around half of all schools had expenditure that exceeded their income.

Distribution of school funding

As well as the overall quantum of funding creating pressures in some schools, the distribution of that funding has also come under scrutiny for being out of date and inconsistent. To address this, the government introduced a new national funding formula in April 2018, although the transition arrangements mean that it will take a few years for schools to receive their full allocations under this new formula.

In October 2019, the Department for Education published illustrative schools level allocations for the National Funding Formula (NFF) for 2020-21.⁴⁹ Funding allocated through the NFF will total £35.7bn, representing an increase in per pupil funding of just over 4 per cent between 2019-20 and 2020-21. However, the amount that individual schools will receive is likely to vary considerably. Around one in four schools will only see increases in their pupil led funding that are in line with inflation. In London this increases to nine in ten schools.

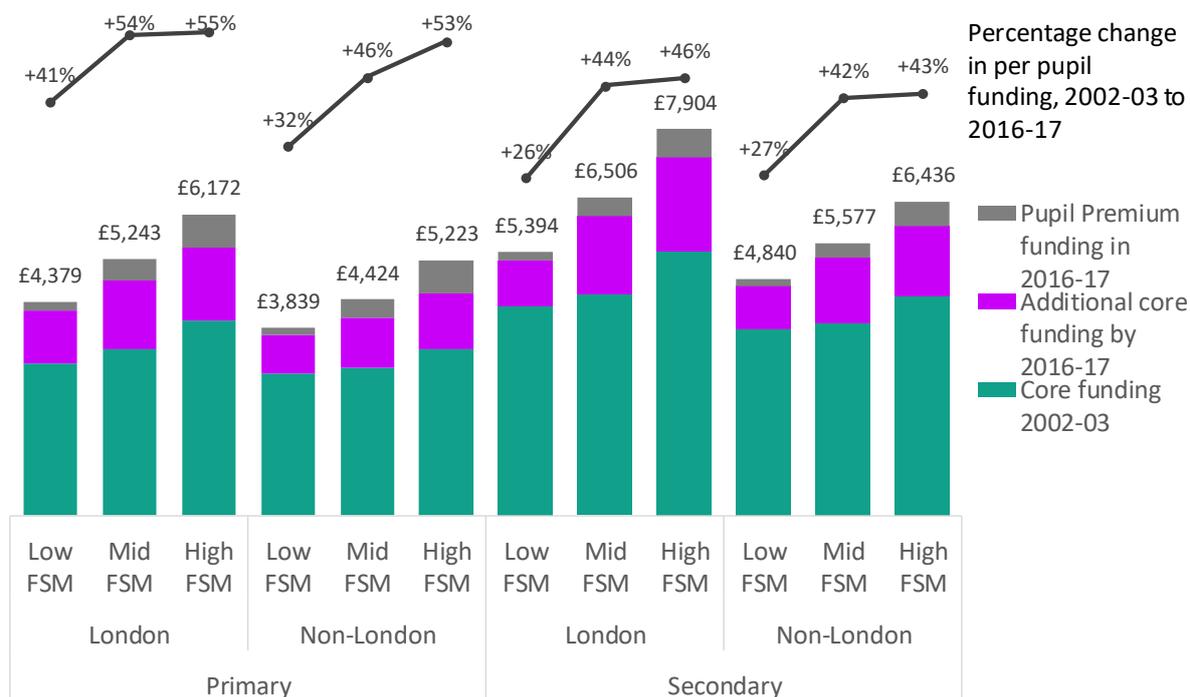
Around £3.2bn of funding will be allocated through formula factors relating to disadvantage, with an additional £2.4bn through the Pupil Premium, targeted towards pupils from low income backgrounds. As shown in Figure 3.2, the long-term trend, since the early 2000s, has seen schools with higher proportions of pupils eligible for free school meals receiving the largest increases.

⁴⁷ Jack Britton, Christine Farquharson, and Luke Sibieta, '2019 Annual Report on Education Spending in England', (September 2019)

⁴⁸ Jon Andrews, 'School Revenue Balances in England' (January 2019)

⁴⁹ DfE, 'National funding formula tables for schools and high needs: 2020 to 2021', (October 2019)

Figure 3.2: Core schools block funding and pupil premium allocations per pupil 2002-03 and 2016-17 with percentage change in per pupil funding between the two years⁵⁰



The Conservative government has confirmed its new approach to ‘levelling-up’ funding so that in 2020-21 all primary aged pupils receive at least £3,750, and all secondary aged pupils receive at least £5,000, in core funding.⁵¹ In order to meet this commitment, the NFF includes funding of £266m to raise schools to this level if they do not reach it through the other factors alone. Schools that are below these minimum levels are disproportionately serving more affluent communities and have less challenging intakes, since they generally attract less funding through the NFF. So, while all schools will see increases in funding, schools serving less disadvantaged communities are likely to see the biggest gains from recent announcements.

School efficiency

Despite being a major source of government expenditure, there are no detailed estimates of the cost of running a school. The government’s NFF for schools is designed to distribute the total pot of money fairly, based on a set of school and pupil characteristics, but that’s quite different from a school being funded ‘correctly’. As such, we have a system whereby there’s wide variation in the amounts of funding that schools are receiving (even under the NFF) and considerable differences in the ways in which they are spending that money.

Staffing costs represent the largest source of expenditure for schools, with the cost of teachers alone accounting for around half of all expenditure.⁵² The Department for Education has argued that there are significant efficiency savings to be made through better staff deployment. As part of a 2016 study by the National Audit Office (NAO), DfE estimated that a total of £3.0bn of efficiencies could

⁵⁰ Jon Andrews, ‘Understanding revenue expenditure – Part 2: which types of schools spend the most?’, (October 2019)

⁵¹ The per pupil minimum for primary age pupils is planned to increase to £4,000 in 2021-22.

⁵² Department for Education, ‘Trends in school expenditure: 2002 to 2016’, (August 2018)

be made, comprising £1.3bn through improved procurement and £1.7bn through changes to staff deployment.⁵³ The NAO noted that at that stage the department's guidance on workforce spending was not available.

Funding for high needs

The adequacy of and system for funding for pupils with special educational needs and disabilities (SEND) – funded through the 'High Needs Block' – has also become more prominent. A significant issue is the ongoing rise in children and young people with SEND, and Education, Health and Care Plans (EHCPs).

The question is not simply the amount of money in the system but how it is distributed. A large proportion of funding allocated through the High Needs Funding Formula is based on historical spending patterns, meaning that if needs go up or down from year to year, this isn't fully reflected in local budgets and pupils in one local authority could attract significantly more or less funding than a pupil in another authority, despite having similar needs. Where local authorities need to deal with rising numbers, they have limited flexibility to transfer money from the schools to the high needs block. Schools are also required to meet the first £10,000 of costs, which can deter schools from taking on pupils with additional needs.

Children with SEND – and their families – are also often reliant on support from other public services, in particular health and social care. Indeed, it was a key aim of the 2014 reforms to drive better joint working between education, health and social care. However, health and social care services for children with SEND have also faced financial pressure. If children and families are not receiving the support they need from other services, it is harder for them to thrive at school; and schools will find it more difficult to meet their needs.

The high needs block also funds pupils in alternative provision (AP), which includes many pupils who have been permanently excluded from school. Permanent exclusions have also been increasing. Current commissioning arrangements for alternative provision schools also risk placing a pressure on local authority budgets. Places in AP free schools are funded centrally from the Education, Skills and Funding Agency (ESFA), but then the ESFA deducts the corresponding funding from the high needs block of the relevant local authority. But local authorities do not have the power to adjust place numbers, meaning that local authorities are facing reductions to their high needs budgets for places which they have no control over.

The government's one year spending round of September 2019 provided an additional £700m for high needs in a one year settlement for 2020-21. If the additional £700m is held flat in real terms it will mean that by 2022-23 the overall high needs budget will be some £600m short of what is required according to the Education Select Committee.

What should a new government do?

Education research suggests that policies should:

- ensure that funding remains progressive and that funding should be targeted where it is needed most to help tackle the disadvantage gap;

⁵³ National Audit Office, *'Financial sustainability of schools'*, (December 2016)

- reform high needs allocations to address inconsistencies between areas in the amounts that pupils with similar needs attract; and
- address funding for high needs in mainstream provision, so that funding pressures on schools do not have an impact on their ability to provide support for, and ultimately retain, pupils with SEND in mainstream provision.

Manifesto commitments

All parties have committed to significant additional revenue expenditure on schools to reverse the real terms reductions in per pupil funding of the last decade. There are however differences in the overall amounts being proposed and the rate at which these increases will be introduced. As well as revenue funding we have seen new commitments to improve the condition of the school estate through additional capital funding. Three parties have also proposed significant additional expenditure on the provision of free school meals.

Overall level of revenue funding

The commitments on school revenue funding are within the context of the recent Spending Round 2019 announcements for funding to 2022-23, in which revenue funding would increase by £7.1bn a year in cash terms or around £4.4bn in 2019-20 prices.

All of the parties have committed to at least this level of expenditure.⁵⁴ Figure 3.3 shows how total revenue expenditure will increase under each of the main parties.

The Conservative Party has largely kept in line with the commitments set out in Spending Review 2019. They have however introduced additional expenditure on an arts premium for secondary schools (around £100m per year) and additional funding for physical education (around £30m per year) meaning that by 2023 total expenditure will be around £4.5bn higher than in 2019-20. After accounting for pupil number growth, per pupil funding would be 7.4 per cent higher in real terms.

The Liberal Democrats go slightly further, with an increase of £4.8bn by 2022-23. After accounting for pupil number growth, per pupil funding would be 8.5 per cent higher in real terms. The key difference is the rate at which increases occur, with the majority of the increase being seen by 2020-21 followed by modest increases after that which amount to £0.5bn a year once inflation has been accounted for.

The Labour Party is proposing much larger increases. They would increase funding by £7.5bn by 2023. After accounting for pupil number growth, per pupil funding would be 14.6 per cent higher in real terms. The increases in 2021 would be faster still than those planned by the Liberal Democrats – an increase of £5.1bn in the first year – with increases of over £1bn in each of the following two years, once inflation has been accounted for.

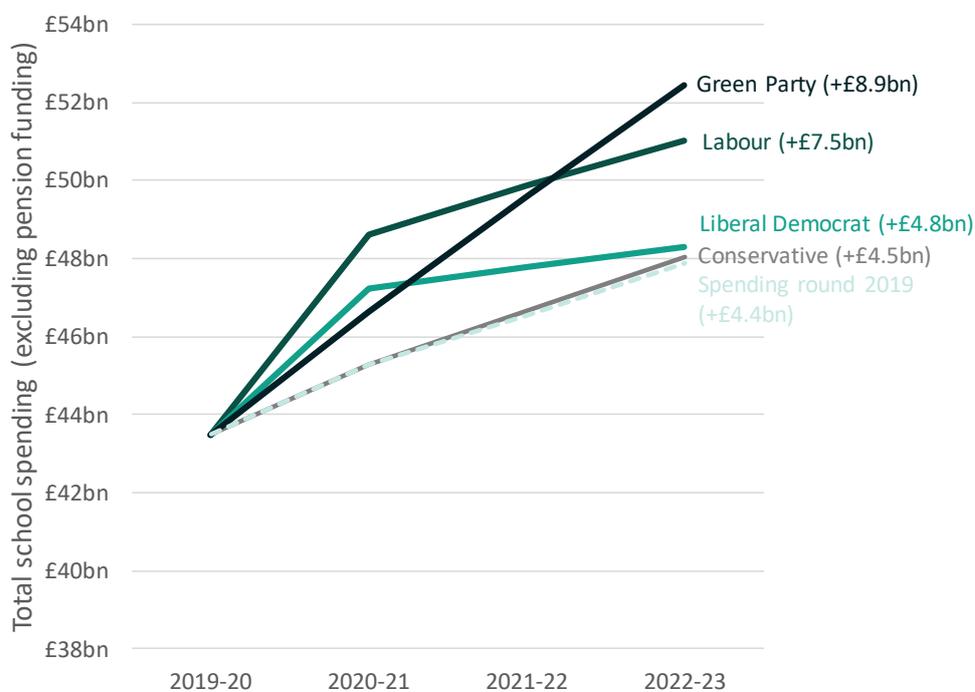
The Conservative, Labour and Liberal Democrat parties have all also stated that they will provide a further £1.5bn a year for increased pension contributions, as set out in Spending Round 2019.

⁵⁴ The Brexit Party made no statement on school funding. As elsewhere in this report we have assumed that in the absence of a different commitment then existing government policy (in this case Spending Round 2019) persists.

The Green Party commitment is less specific, stating simply that they will be “increasing funding by at least £4bn per year”. We have taken this to mean that they will simply increase the schools budget by £4bn a year, each year, in cash terms. This would mean that by 2022-23, they would be the highest spending party on schools with an increase of £8.9bn above 2019-20 spending. They would however be behind Labour’s planned spend in 2021-22 and behind both Labour and the Liberal Democrats in 2020-21. The Green Party make no reference to pension contributions and whether they would separately meet the £1.5bn of pension contributions as set out in Spending Round 2019.

The Brexit Party made no statement in relation to school funding. We therefore assume that it would maintain current government policy, in other words the spending commitments set out in Spending Round 2019.

Figure 3.3: Total school revenue spending (excluding pension funding) 2019-20 to 2022-23 – in 2019-20 prices



The additional funding announced in the spending round is sufficient to effectively reverse the reductions in per pupil spending since 2010.⁵⁵ However, it is important not to view these spending commitments in isolation from other policy commitments, such as teacher pay and expanded free school meal provision, which are likely to create additional pressures on school budgets. How money is distributed will also affect whether such a reversal is genuinely felt in individual schools.

⁵⁵ Jack Britton, Christine Farquharson and Luke Sibieta, ‘2019 annual report on education spending in England’, (September 2019)

Distribution of revenue funding and the Pupil Premium

The main parties have said relatively little as to whether they will make any changes to how revenue funding is distributed. The Conservative Party has maintained their commitment to increase funding to at least £5,000 per pupil in secondary schools in 2020-21 and at least £4,000 per pupil in primary schools in 2021-22 (£3,750 in 2020-21). The Labour Party have said they will introduce a “a fairer funding formula that leaves no child worse off” though provide no further details.

In October 2019 the Department for Education published notional allocations of school funding for 2020-21 under the National Funding Formula.⁵⁶ Overall, per pupil funding increased by just over 4 per cent in cash terms.

Figures 3.4 and Figures 3.5 show that there are many schools that are set to receive much less than this (the minimum of inflation only) and conversely many that will see increases of twice the average. Nationally, 25 per cent of primary schools and 27 per cent of secondary schools are expected to receive increases only in line with inflation.

Schools with high levels of disadvantage are more likely than other schools to see only modest increases in per pupil funding next year. Outside of London, around half of secondary schools and just over a third of primary schools with high levels of disadvantage (meaning that more than a quarter of pupils are eligible for free school meals) will receive only inflation level increases. Meanwhile only 13 per cent of secondary schools and 20 per cent of primary schools with low levels of disadvantage will receive only the minimal increases to their budgets.

There are also clear regional differences. In Inner London, nine in ten schools will receive increases only in line with inflation. In the South West, fewer than one in ten primary schools will see such a small increase. In fact, a third will see increases of over 8 per cent, while no primary schools in Inner London will.

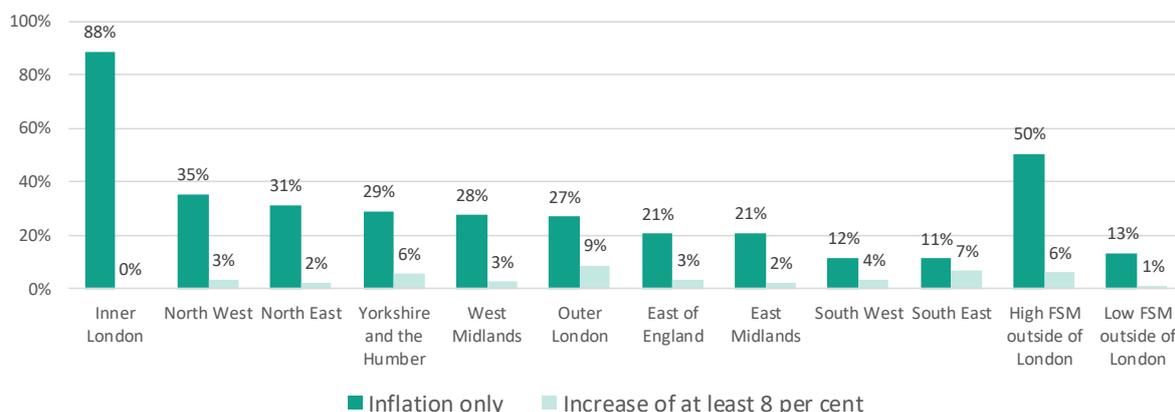
These disparities arise from policy decisions around formula factors in the National Funding Formula, including the current Government’s policy of “levelling up” funding. It is important to note, of course, that per pupil funding in London will still be much higher in London than elsewhere.

⁵⁶ Department for Education, *‘National funding formula for schools for schools and high needs: 2020 to 2021’*, (October 2019)

Figure 3.4: Percentage of schools with low increases (inflation only) and large increases (at least 8 per cent) in pupil led per pupil funding between 2019-20 and 2020-21 under current government plans by school characteristics - primary



Figure 3.5: Percentage of schools with low increases (inflation only) and large increases (at least 8 per cent) in pupil led per pupil funding between 2019-20 and 2020-21 under current government plans by school characteristics - secondary



Any incoming government that is proposing large scale increases in per pupil funding overall will need to carefully consider how that money is distributed.

The Pupil Premium is an additional grant that is targeted towards disadvantaged pupils. In 2019-20, Pupil Premium allocations totalled around £2.4bn and were worth £1,320 per disadvantaged pupil in primary school and £935 per disadvantaged pupil in secondary school.⁵⁷ These allocations are largely unchanged from 2014-15 (with an increase in £20 for primary aged pupils and none for secondary aged pupils), had they continued in line with inflation, then pupils in primary schools would now attract £1,419 and pupils in secondary schools £1,020.

In other words, the Pupil Premium in primary schools has lost 7 per cent of its value since 2015 and the Pupil Premium in secondary schools has lost 8 per cent. If the allocations continue to be held at the cash level that they are, then, by the end of the next parliament, the value of the Pupil Premium would have fallen by nearly 15 per cent since 2015. Only the Labour Party has committed to reversing this fall in the value of the Pupil Premium.⁵⁸

⁵⁷ Department for Education, 'Pupil premium: conditions of grant 2019 to 2020', (September 2019)

⁵⁸ Confirmed in correspondence from the Labour Party on 27 November 2019.

Pupil Premium eligibility is likely to increase over the coming years, putting additional pressure on the total grant. This is because the Department for Education has put in place eligibility protections to ensure that pupils who were previously eligible for a free meal do not lose it as a result of moving to Universal Credit. In 2019, the proportion of pupils eligible for free school meals increased by nearly 2 percentage points – equivalent to an additional 165,000 pupils.⁵⁹

Funding for high needs

The government's one-year spending round of September 2019 provided "over £700m more" for high needs in a one year settlement for 2020-21. If this is held flat in real terms it will mean that by 2022-23 the overall high needs budget will be some £600m short of what is required, according to estimates made by the Education Select Committee.

The Conservative Party has not proposed any additional money to that set out in the spending round (though their manifesto now provides a more precise £780m). On this basis, we assume that the funding will continue at the rate set out in the spending round, meaning that there will still be an expected short fall in the high needs budget of over £500m, placing pressure on both school and local authority budgets.

The Labour Party have said they will provide the "necessary funding" for SEND which we interpret as meaning the amounts identified by the Education Select Committee. They will also provide £690m to address debts incurred by local authorities in recent years. The Liberal Democrats have committed a further £730m in 2020-21 to SEND, which would meet the shortfall identified.

The Green Party do not make any specific commitment on funding for pupils with special educational needs and disabilities though they signal an intent to increase the availability of suitable places in mainstream education. Similarly, the Conservatives will expand the number of places in special schools and alternative provision – which we would assume to be through the free schools programme – though no further funding has been identified.

The Brexit Party make no additional commitments for pupils with special educational needs and disabilities.

We previously noted that it is not simply the amount of high needs funding that has created problems for schools and authorities but also how that money is distributed. However, proposals to reform how high needs funding is allocated are noticeably limited. The Liberal Democrats would halve the amount that schools pay towards the cost of a child's education, health, and care plan which may come some way to reduce financial pressure on schools and encourage inclusion where appropriate. The Labour Party mention an ongoing review of high needs funding.

It would appear that major reform to how high needs funding is allocated is not a priority for any party.

⁵⁹ This does not directly translate into the number eligible for the Pupil Premium as some of the 'new' pupils may have been eligible for free school meals in the past anyway.

Spending impacts from other announcements

Free school meals

Currently all children in England's state funded schools in reception, year 1 and year 2 are entitled to a free school meal (FSM) through Universal Infant Free School Meals (UIFSM). Disadvantaged primary and secondary pupils are also eligible for FSM if they, or their parents, receive qualifying benefits, such as Universal Credit (UC).⁶⁰ Those in receipt of UC must have an equivalent annual net earned income of no more than £7,400 (before benefits) in order to be eligible.

The Conservatives have made no reference to UIFSM in their manifesto, so we assume there are no changes – neither an end of the policy, nor an expansion.

The Labour Party proposes extending free school meals for all primary pupils. Based on pupil numbers from the January 2019 school census this would suggest that an additional 2.2 million primary pupils become eligible for FSM, though not all of these pupils would take a meal. The Labour Party estimates this would cost £900m based on the 2019-20 rate of £440 - £2.30 a day for 190 days.

The Liberal Democrats' policy is to extend free school meals to all children in primary education and to all secondary school children whose families receive Universal Credit (as well as promoting school breakfast clubs). Based on 2019 FSM pupil numbers and assumptions about who becomes eligible under Universal Credit.⁶¹ We estimate that this would mean an additional 3.2 million pupils become eligible for FSM – comprising 2.2 million more primary pupils and 1 million more secondary pupils. Again, not all of these pupils would take a meal. The Liberal Democrats estimate that this would cost £1,160m, again this is based on a rate of £2.30 per meal.

There is a risk that both have underestimated the true cost to schools of such an expansion. The rate of £2.30 is based on a survey carried out in 2012 which estimated the cost of primary school meals consisting of £1.20 in labour, £0.67 on ingredients, and £0.43 in overheads.⁶² Those estimates have not been updated in that time. During the early years of the UIFSM programme, schools were protected to some extent by falling food costs and weak wage growth.⁶³ However, significant increases in the national minimum wage, including the introduction of the National Living Wage, and further increases announced by all parties, are likely to create further pressure on this unit rate as catering staff are likely to be at or close to these rates.

By way of illustration, the minimum wage in 2011-12 when the survey was carried out was £6.08. In the current financial year the National Living Wage (for those aged 25 and above) is £8.21 – an increase of 35 per cent. Whilst we are unable to measure the wage rates of catering staff from data

⁶⁰ To protect pupils from uncertainty during the introduction of UC, there are transitional protections that mean that pupils who were eligible for FSM on 1 April 2018, and those who become eligible during the UC rollout period until 2022, will retain eligibility until the end of this rollout period. Following this, if they are still in education, they will continue to be eligible until the end of their phase of education

⁶¹ Around half of pupils would be in families in receipt of Universal Credit; Department for Education *'Eligibility for free school meals, the early years pupil premium and the free early education entitlement for two-year-olds under Universal Credit: Government consultation response'*, (March 2018).

⁶² Michael Nelson et al, *'Seventh annual survey of take up of school lunches in England: 2011/12'*, (July 2012)

⁶³ Peter Sellen et al, *'Evaluation of Universal Infant Free School Meals'*, (January 2018)

available to us, a comparison of school expenditure on catering staff in 2013 and 2019 suggests that spending increased by 30 per cent in that period.⁶⁴

If there was a genuine increase in staffing costs over this period of this magnitude it would suggest that costs have risen from £2.30 to £2.66. This alone would create a further £140m pressure on Labour's proposal and £180m on that of the Liberal Democrats. The Labour party has committed to an increase in the living wage to £10 – an increase of 64 per cent since 2012 – and the Liberal Democrats have committed to reviewing the rate of the National Living Wage. If the National Living Wage were to be increased to £10, then the cost pressures of expanding the UIFSM programme would increase to something of the order of £300m for Labour's proposal and £390m for the Liberal Democrats. There may also be additional capital expenditure associated with expanding provision.

It is important to note that, even without expansion of the programme, if the cost of providing UIFSM and FSM more generally is closer to £2.66 than £2.30, then the programme will be underfunded under any future government.

Teacher pay

We estimate that in 2019-20, expenditure by schools on teacher salaries will total around £24bn.⁶⁵ This means that each increase of 1 per cent in teacher salaries creates a pressure in the region of £240m on school budgets.

The Conservative Party has pledged to raise teacher starting salaries to a minimum of £30,000 by 2022-23. This represents an increase of 23 per cent on minimum salaries, which in 2019-20 were £24,373 outside of London. Around one fifth of teachers are currently below the £30,000 threshold. We estimate that uplifting teachers to this point creates a pressure of around 1 per cent on the wage bill. Whilst we view it as likely that there will be associated increases for teachers who are above this threshold already, there are currently no further details as to how this will be implemented. Therefore, we assume that on average, teacher salaries would continue to increase by 2.75 per cent, consistent with the STRB recommendation for 2019-20. If this was consistent across all teachers, this would mean expenditure on teachers increasing by around £2bn by 2022-23. This expenditure would offset some of the expenditure required to lift teachers to £30,000, so the amounts are not simply additive.

As well as increasing teacher starting salaries in line with the Conservative proposal, the Liberal Democrats are proposing increases in teacher pay of at least 3 per cent a year over the course of the Parliament. This would imply that by 2022-23, school expenditure on teachers would have increased by around £2.2bn in cash terms. Again, this would offset some of the expenditure required to lift teachers to the £30,000.

Finally, the Labour party has pledged the largest increase in pay as part of their broader commitment to increase pay for all public sector workers beginning with an increase of 5 per cent. This would be an increase of around £1.2bn in 2020-21, increasing to £3.8bn by 2022-23 if the increases were to be of the same scale each year. However, the Labour Party has included a separate budget (reaching

⁶⁴ Analysis of a sample of local authority maintained schools with expenditure in 2013 and 2019. Analysis restricted to junior schools, secondary schools, and special schools – i.e. to exclude infant schools and all through primary – so as to avoid distortion from UIFSM roll out.

⁶⁵ Based on total spend of £22.3bn in 2016-17 uplifted by 1 per cent in 2017-18, 2.9 per cent in 2018-19, and 2.75 per cent in 2019-20.

£5.3bn in 2023/24) within their costings to cover increases in public sector pay, with additional payments to the Department for Education outside of the core schools budget.

Neither the Green Party nor the Brexit Party make any commitments on teacher pay, therefore we assume that they will continue increases in line with STRB 2019 – 2.75 per cent a year, or around £2bn by 2022-23.

Reduced class sizes

The Liberal Democrats include a commitment to reduce class sizes, though they do not specify the age range that would be included or the scale of any reduction. The Labour Party has committed to reducing class sizes in primary schools to under 30 – though there is no commitment to any further legislation nor is it clear whether the existing exceptions would apply and if they did, whether they would be extended to all primary aged pupils.

In 2019, 10.9 per cent of primary school classes in England had more than 30 pupils – 2,378 classes at Key Stage 1 and 12,423 classes at Key Stage 2 exceeded this threshold. A very simplistic approach is to assume that the ambition would be met if places were created for all those pupils in excess of this threshold – in total, an additional 26,000 places. This would come at a cost of around £300m in capital expenditure for the creation of new school places, and ongoing teacher costs of around £40m per year.⁶⁶ However, this is an incredibly conservative estimate as it assumes that all pupils in ‘oversized’ classes can be redistributed with perfect efficiency.

The Green Party has the most ambitious target of reducing class sizes to under 20, though this is framed as a long term ambition, and therefore it is unlikely that they would seek to deliver over the course of one parliament.

Overall assessment

All of the parties have committed to significant additional spending on schools relative to 2019-20, though significant cost pressures have also been identified and there has been little discussion of addressing concerns with the allocation of high needs funding. The schools pupil premium is set to experience further real terms cuts under the plans of all parties, except for the Labour Party.

The Conservative Party have largely maintained the funding increases identified in Spending Round 2019, with some additional money allocated for the arts and physical education. Some schools will only see inflation level increases in the short term, this is particularly the case for schools with high levels of disadvantage. Schools will also face increasing cost pressures from the rises in teacher salaries which have to be met through core funding. The manifesto does not set out any additional spending for high needs, nor any indication of any reforms to its distribution.

Overall, the Liberal Democrats have allocated slightly more than current government plans, and their increases would reach schools more quickly. This includes additional money for the expansion of universal infant free school meals to all primary aged pupils and secondary aged pupils in families in receipt of universal credit. The cost of providing these meals is likely to have been underestimated

⁶⁶ Broad estimate based on the average salary of a primary school teacher of £34,700 (derived from DfE ‘*School workforce in England: November 2018*’, June 2019), uprated by 2.75 per cent to reflect increases in 2019-20, on-costs of 26 per cent, and capital cost of a place of £10,900 from NAO ‘*Capital funding for schools*’ uprated to 2019-20 prices.

given recent increases in the National Minimum and Living Wages. The Liberal Democrats would however provide additional money for pupils with special educational needs and disabilities at a level that would address identified shortfalls, and would also encourage inclusion by ensuring costs to schools are reduced.

The Labour Party would spend more on schools than either of the other main parties and would also increase spending rapidly in the new parliament. They too would expand the provision of free meals to all primary aged pupils, the costs of which are likely to have been underestimated. They would address the shortfall in the total amount of high needs funding, but the manifesto lacks significant commitments to addressing the challenges associated with how the money is distributed.

The Green Party's spending commitments would appear to be the most ambitious, however there is little detail about the profile of spend over the course of the parliament. Their long term targets to reduce class sizes to under 20 would incur significant additional revenue and capital expenditure which was not explored at all in the manifesto.

The Brexit Party did not address any issues related to school funding.

Priority 4: Teacher recruitment and retention

Teacher quality is widely accepted to be one of the most important factors in determining pupil attainment, particularly for disadvantaged pupils. An adequate supply of effective teachers is central to ensuring high educational standards, but England is currently experiencing teacher shortages that are likely to worsen in the coming years if left unaddressed.

Challenges to the supply of quality teachers are particularly acute in secondary schools, which is where the disadvantage gap is widest.

The current landscape

Teacher recruitment and retention

In recent years, teacher numbers in both primary and secondary schools have failed to rise in line with increasing pupil numbers.⁶⁷ There are particular recruitment challenges in specific subjects and in more disadvantaged schools. Physics and mathematics are subjects with particularly low levels of teachers with a relevant degree, indicating a potentially smaller pool of possible recruits.

The quality and stability of the workforce in disadvantaged schools has been a long-running issue. Teachers in these schools tend to be younger, less experienced and with shorter tenures.⁶⁸ Emerging evidence finds that higher teacher turnover has a small but detrimental impact on average student attainment.⁶⁹

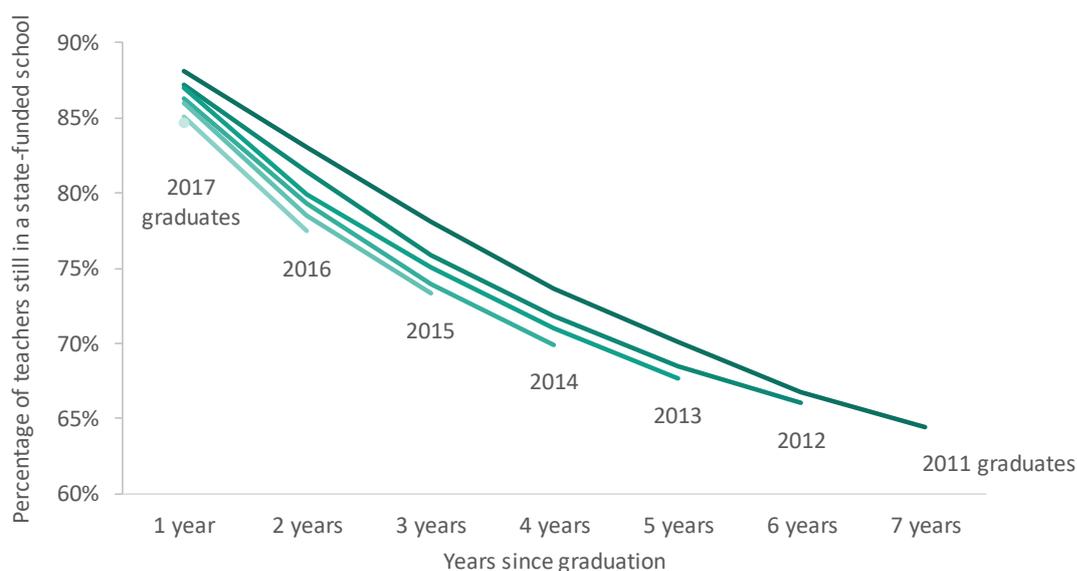
While most acute in disadvantaged schools, the problem of recruitment and retention within the secondary teacher workforce is felt across a range of settings. Teacher recruitment targets have been persistently missed and dropout rates are on the rise (Figure 4.1). In special schools, teacher exit rates have risen from 9.1 per cent in 2011 to 11.3 per cent in 2018. Teacher exit rates in primary schools have also been creeping up in recent years, however the issue is not so acute as in secondary schools.

⁶⁷ Luke Sibieta, *'The Teacher Labour Market in England: Shortages, Subject Expertise and Incentives'*, (August 2018)

⁶⁸ Rebecca Allen, Simon Burgess, and Jennifer Mayo, *'The Teacher Labour Market, Teacher Turnover and Disadvantaged Schools: New Evidence for England'*, (January 2018)

⁶⁹ Stephen Gibbons, Vincenzo Scrutino, and Shqiponja Telhaj, *'Teacher Turnover: Does It Matter for Pupil Achievement?'*, (February 2018)

Figure 4.1: Percentage of teachers leaving state-funded schools by year in which they qualified and years since qualification⁷⁰



Teacher workload and working conditions

Workload is often cited by teachers as a serious concern in surveys, and teachers in England work longer hours compared to other high performing OECD countries, though recent research has argued that this is not new.⁷¹

Nevertheless, more detailed analysis tells us that the issue is not as straightforward as the total number of hours worked. Primary teachers work more hours than secondary teachers, and yet retention rates for primary teachers are better than they are for secondary teachers.⁷² Analysis of international data collected through the 2013 Teaching and Learning International Survey (TALIS) suggested that other important factors are how supported teachers feel and their overall job satisfaction.⁷³

Overall, it would appear that reducing hours worked may only be part of the solution, alongside improving school leadership, working conditions and training opportunities.

Teacher pay

Teacher pay also appears to be an important factor in the teacher workforce challenge, especially for retaining teachers in certain subject areas. Data published by Department for Education in September 2018 finds that teachers in maths and physics have some of the lowest retention rates.⁷⁴ Figure 4.2 shows that graduates with degrees in science, technology, engineering or maths disciplines (STEM subjects) tend to earn more outside of teaching, whilst teachers with non-STEM

⁷⁰ DfE, 'School workforce in England: November 2018', (June 2019)

⁷¹ Rebecca Allen et al., 'New Evidence on Teachers' Working Hours in England. An Empirical Analysis of Four Datasets', (September 2019)

⁷² Matt Walker, Jack Worth and Jens Van den Brande, 'Teacher workload survey 2019: Research report', (October 2019)

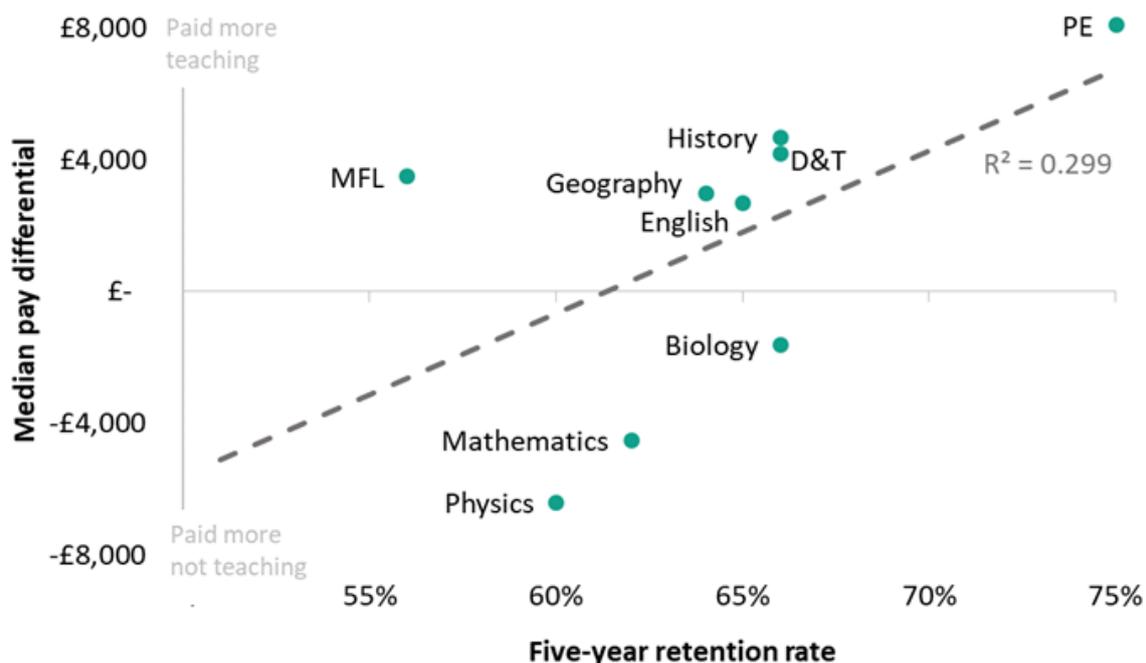
⁷³ Sam Sims, 'Modelling the Relationships between Teacher Working Conditions, Job Satisfaction and Workplace Mobility', (Forthcoming)

⁷⁴ Department for Education, 'Analysis of Teacher Supply, Retention and Mobility', (September 2018)

degrees tend to earn more as teachers. These teachers with a smaller ‘outside pay gap’ tend to have higher retention rates than those with STEM-degrees.

The government’s one-year spending round, published in September 2019, announced a significant increase in the starting salaries for teachers to £30,000 by 2022/23, an increase of 25 per cent in three years.⁷⁵

Figure 4.2: Retention and earnings outside teaching, by degree subject



In the immediate future, challenges in the quality and supply of teachers could become more acute than those faced by recent governments. This is because of a population bulge that is set to cause an increase in the number of secondary pupils by nearly 10 per cent from 2019 to 2023. If current trends in recruitment, retention and unequal distribution are left unaddressed by future governments, schools will be faced with difficult decisions about the breadth of their curriculum, class sizes, and their ability to provide for pupils with additional needs.

One important innovation in the government’s recent recruitment and retention strategy is the reform of training bursaries, targeting phased pay incentives at teachers in the subjects and disadvantaged areas where retention challenges are most pressing. This aligns with previous recommendations that salary bonuses in shortage subjects should be introduced with some urgency.⁶⁷ There are still concerns around the proposed timing of these bursary reforms, as by the time they are introduced the teacher gap will be substantially larger.

What should a new government do?

Education research suggests that priorities should:

- include the pay and quality of early career teachers

⁷⁵ Department for Education, ‘£30,000 Starting Salaries Proposed for Teachers’, (September 2019)

- encourage the recruitment of teachers into shortage subjects and into schools in more disadvantaged areas

The overarching approach amongst most of the parties is a focus on tackling the recruitment and retention crisis. Approaches are mainly centred around raising teacher pay and reducing workload. Teacher pay is approached both through raising starting salaries and through the size of annual increases for the existing school workforce. Strategies for alleviating workload follow a general common thread for the Labour, Liberal Democrat and Green parties of scrapping formal assessments in primary schools, reducing class sizes, and reforming school accountability. In one instance, there is also a focus on teacher entitlement to formalised continuous professional development.

The main issue left unaddressed in manifestos is how parties plan to aid recruitment and retention of teachers in certain shortage subjects or more disadvantaged parts of the country.

Manifesto commitments

Increasing teacher pay

The Conservative, Labour and Liberal Democrat parties have all committed to increasing teacher pay. The intention of all these policies is broadly that the pay rises would act as a retention mechanism for existing teachers. Schools would ultimately continue to determine how staff are paid, but upper and lower boundaries of pay ranges would be adjusted accordingly. Academy status allows individual schools to set their own pay structures, and around a fifth of multi-academy trusts report that most or all of their schools do this.⁷⁶ The Labour Party have said they will introduce a ‘common rulebook’ for all schools and a return to national pay settlements, so this flexibility will be lost.

The Conservative manifesto makes no mention of raising teacher salaries in future, beyond the 2.75 per cent uplift committed to for the current 2019/20 academic year as in line with the recommendation of the School Teachers’ Review Board (STRB).⁷⁷ It is not clear whether the Conservative Party is committed to continuing to raise teacher pay by similar levels each year.

The Liberal Democrats have pledged an increase of “at least three per cent per year throughout the parliament”.

Finally, the Labour Party has pledged the largest increase as part of their broader commitment to increase pay for all public sector workers. The manifesto states the intention to “restore public sector pay to at least pre-financial crisis levels (in real terms), by delivering year-on-year above-inflation pay rises, starting with a 5 per cent increase”.

The Conservative Party has pledged to raise teacher starting salaries to a minimum of £30,000, as have the Liberal Democrats, in addition to the 3 per cent salary increase for existing teachers committed to above. The intention is to make teacher salaries more competitive in the graduate labour market, with a view to attracting additional and potentially more highly qualified individuals

⁷⁶ Rob Cirin, ‘Academy trust survey 2017: Research report’, (July 2017)

⁷⁷ Department for Education, ‘School teachers’ pay to rise by 2.75%’, (July 2019)

into becoming early career teachers. The current government has said that it would deliver this rise by 2022/23 and the Liberal Democrats have matched that commitment.⁷⁸

Our analysis of school funding provides broad estimates of the cost of these pay rises. An increase of 2.75 per cent per year, as proposed by the Conservative Party, would increase expenditure on teachers by around £2bn by 2022-23. The increases of 5 per cent proposed by the Labour Party would cost £1.2bn in the first year and £3.8bn in 2022-23 if there were similar increases each year. The Labour Party say that this would be provided outside of the core schools budget, but it is not clear what additional budget would be allocated to the Department for Education or how this would be distributed among schools.⁷⁹ In the absence of any other funding commitment we assume that the Liberal Democrat policy of an annual three per cent pay rise would come out of the proposed schools budget.

The Liberal Democrat Party pledge to increase teacher numbers by 20,000 – through a combination of increased recruitment and improved retention. This increase cannot be guaranteed, effectively because spending and teacher recruitment are within the control of schools. The pledge can be more accurately stated as an intention to fund schools, via core school funding, to enable them to recruit this number of additional teachers, and it must be intended that offers on teacher pay and CPD entitlements (discussed below) will improve numbers through recruitment and retention.

Any pay increases for teachers will need to be properly funded without creating new pressures on school budgets, as underlined by the preceding analysis of school funding.

Targeted policies to address subject shortages and disadvantage

There is a need to address the uneven distribution of teachers in shortage subjects, particularly those teaching in the least affluent areas, and evidence suggests that targeted bursaries and pay supplements can be effective in addressing this. The government announced such a scheme in January 2019 in its Recruitment and Retention Strategy which included plans to reform teacher bursaries to target specific shortage subjects and to weight retention payments in favour of teachers working in more challenging areas.⁸⁰ Another feature of this strategy is the Early Careers Framework which is intended to strengthen an early career teachers' entitlement to support and training time.

This Recruitment and Retention Strategy, including the policies of targeted pay and the Early Careers Framework, is not mentioned in any manifesto. We assume that, with no statement to the contrary, the strategy will be carried over as government policy. It is striking that, given the urgency of teacher recruitment and retention, no party has explicitly pledged to take these policies forward.

One party pledge that does aim to tackle the shortage of teachers with relevant qualifications in the subjects they teach is contained in the Liberal Democrat manifesto. It pledges to introduce a “clear and properly funded entitlement” for “genuinely high-quality professional development for all teachers – rising to the level of 50 hours per year by 2025.” The pledge also includes extra training for teachers who are required to teach subjects at secondary level where they themselves do not

⁷⁸ Department for Education, *£30,000 Starting Salaries Proposed for Teachers*, (September 2019)

⁷⁹ Labour Party, *Funding real change*, (November 2019)

⁸⁰ Department for Education *Teacher recruitment and retention strategy*, (January 2019)

have a post A-level qualification. This is with the intention to “ensure teachers are empowered to focus on delivering a high-quality education to their pupils”.

The Teaching and Learning International Survey 2018 estimated that full-time primary school teachers spend 1.4 hours on average a week on professional development, with secondary full-time teachers averaging 1.1 hours (for part-time teachers this was 0.8 hours and 0.7 hours a week respectively).⁸¹ Assuming 39 weeks in a school year, and that teachers do not engage in CPD outside of the school year, this would imply primary teachers are spending 55 hours a year, and secondary teachers are spending 43 hours a year, on CPD. Based on these estimates (which are likely to vary with other surveys), primary teachers are already accessing the pledged entitlement with secondary teachers some way behind.

However, it is difficult to obtain consistent and reliable estimates of how many hours teachers are currently spending on professional development each week. Even within the same survey, teachers can report different numbers of *total* working hours depending on how that information is derived.⁸² Therefore, estimates of average hours spent on development activity such as these should be treated with some caution.

A key issue is the quality of the CPD currently being accessed. The Department for Education has set out standards for teachers’ professional development.⁸³ It is uncertain how far these standards are met across schools’ current CPD offer. Indeed, while the evidence base for what constitutes *high-quality* professional development for teachers has strengthened in recent years, there is still some way to go in understanding exactly how training can best support teachers to improve pupil attainment in different settings or to stay in the teaching profession, and how this can be delivered at different scales.⁸⁴

Statistics from the Department for Education suggest that schools are currently spending around £300m a year on staff development and training.⁸⁵ It can be assumed that this expenditure would need to be higher in order to achieve the quality of CPD pledged by the Liberal Democrats at this scale. If implemented, it would be important for an incoming government to focus on quality and cost-effectiveness of the training available, as a priority over the number of hours a teacher is entitled to.

Teacher workload

The Labour Party, the Liberal Democrats, and the Green Party all propose to reduce teacher workload by abolishing statutory tests in primary schools and by reforming school accountability.

⁸¹John Jerrim and Sam Sims, *The Teaching and Learning International Survey 2018: Research report*, (June 2019)

⁸²Rebecca Allen et al, *New evidence on teachers’ working hours in England. An empirical analysis of four datasets*, (September 2019)

⁸³Department for Education, *Standard for teachers’ professional development*, (July 2016)

⁸⁴Helen Timperley et al, *Teacher Professional Learning and Development: Best Evidence Synthesis Iteration (BES)*, (2007); Philippa Cordingley et al, *Understanding What Enables High Quality Professional Learning*, (August 2012)

⁸⁵Department for Education, *Trends in school spending: 2002-2016*, (August 2018); Per pupil spend multiplied by number of pupils in January 2019 and in 2019-20 prices.

Whilst these reforms have broader aims in shaping the school system, one of their aims is in essence to 'let teachers focus on teaching' through cutting other demands on their time.

In a similar vein, there are also pledges to reduce class sizes. The Green Party has pledged to focus funding to reduce class sizes down to under 20 in the long term, with the intention of helping "teachers focus on individual pupil needs". The Labour Party has pledged that primary school classes should be a maximum of 30 pupils.

Labour has also pledged to fund more non-contact time for teachers to prepare and plan.

Neither the Conservative Party nor the Brexit Party refer to policies in this area.

Many of these reforms to tackle workload are targeted at primary schools when the recruitment and retention issue is most acute and urgent in secondary schools. Moreover, it is not a given that tackling teacher workload, at least in terms of the number of hours worked, would have bearing on improving teacher retention. This is because the evidence is mixed on whether hours worked is at the root of the workforce issues in secondary schools. However, it is not clear that the purpose of these pledges is directly to reduce the number of hours worked, but rather to allow teachers to focus their time on activity they feel is more meaningful in terms of encouraging progress in their pupils – though again, this would be the case in primary rather than secondary schools.

On class sizes, we have considered implications for funding, as discussed under Priority 3, but it is also worth considering the evidence on how this would impact on teacher recruitment needs and retention if the proposal to limit primary school classes to 30 pupils were to be achieved.

Assuming that enough teachers can be supplied to meet demand of maximum class sizes of 30 across primary schools, reducing class sizes in this way may potentially contribute to enabling teachers to dedicate time to activities they feel are meaningful for encouraging pupil progress. However, the evidence on the impact on pupil attainment of reduced class sizes suggests that class sizes would need to be substantially smaller than 30 in order to have a notable impact on pupil attainment.⁸⁶ While the evidence is thin here, this might indicate that a reduction of class sizes to 30 maximum may not in fact be enough to have an impact on how teachers feel about their work. Once again, this should be caveated with the point that it is not in primary schools that most attention needs to be focused when it comes to reducing workload or alleviating retention issues.

Overall assessment

The Conservative, Labour and Liberal Democrat parties have all pledged to increase teacher pay, with Labour's commitment being the most generous. The Conservative and Liberal Democrat parties have additionally committed to improving pay for early career teachers. However, there is no explicit mention of targeted pay incentives where retention and recruitment issues are most challenging.

The only party with a pledged focus on improving the quality of teachers is the Liberal Democrat Party. Their commitment to introduce a formalised CPD entitlement, particularly the offer targeted at teachers without qualifications beyond A level in their taught subject, is the only explicit mention of targeting recruitment challenges in specific subject areas.

⁸⁶ Education Endowment Foundation, *'Reducing class sizes'*, (August 2018)

The measures proposed by Labour, the Liberal Democrat and Green parties to change the focus of teachers' work through reforming accountability and assessment are all focused within primary schools and therefore are not targeted at where the recruitment and retention issues are most acute.

Priority 5: Access to good schools

While the school attended explains a relatively small proportion of the variation in pupil outcomes it still matters. The difference in outcomes between the highest and lowest performing schools on the government's key measure of performance is equivalent to around two grades in each GCSE subject.

It is not simply about attainment. For example, the school a child attends might affect whether they have appropriate support for special educational needs, and whether they are more likely to be excluded or experience an unexplained exit.

But access to high performing schools is still not equitable, and pupils from disadvantaged backgrounds are less likely to attend good schools than are their peers. School admissions criteria, the location of high performing schools, parental preferences, and family resources available to navigate the admissions system (financial, social and educational), all appear to play a role in determining this outcome.

The current landscape

Geographical variation

Access to high performing secondary schools became more geographically unequal over the period 2010-2015, in spite of government policies aimed at improving school performance outside higher performing areas such as London.⁸⁷ Access to high performing secondary schools is better in areas such as London and in parts of the South, but is poor in areas such as the North East, Yorkshire and the Humber, and parts of the Midlands.

Academies and free schools

Over the past decade, improving access to good schools has tended to focus on structural reform – largely through the academies and free schools programme. By November 2019, 35 per cent of state-funded primary schools, 77 per cent of state-funded secondary schools, and 38 per cent of state-funded special schools, were academies or free schools.⁸⁸ The majority were in multi-academy trusts, around half of which have three or fewer academies in them. In total, 52 per cent of pupils in state-funded schools in England are being educated in an academy or free school.

From a perspective of school standards there is little evidence that a move to a fully academised system, or a reversal of the programme and an end of academies, would have a positive impact on pupil outcomes.

The early sponsored academies (opened under the Labour government) demonstrated improvements equivalent to one grade in each of five GCSE subjects.⁸⁹ However, the impact of later sponsored academies was less conclusive with small improvements prior to opening (equivalent to one grade in one subject) continuing in the year after opening and then tailing off. Increases of one

⁸⁷ Jon Andrews and Natalie Perera, *'Access to High Performing Schools in England'*, (December 2017)

⁸⁸ Department for Education, *'Get information about schools'*, 20th November 2019; Figures include studio schools and University Technical Colleges.

⁸⁹ Jon Andrews and Natalie Perera, *'The Impact of Academies on Educational Outcomes'*, (July 2017)

grade in one subject were also seen in schools rated as ‘outstanding’ that became converter academies but there was no such increase seen in schools previously rated as ‘good’ or ‘satisfactory’.

The differences between the highest and lowest performing multi-academy trusts and local authorities are far more significant – equivalent to around half a grade in each subject at GCSE – than the differences between academies and local authority schools as a whole.⁹⁰

On average, free schools are currently the highest performing school group at GCSE. But there is important context to that performance. Secondary free schools are disproportionately drawing from neighbourhood types – in terms of demographics, employment, housing, household composition, and economic factors – from which pupils, on average, perform well. Pupils in free schools identified as top-performing are almost twice as likely as other pupils to live in these highest performing neighbourhood types.⁹¹

Taken as a whole, neither a move to a fully academised system, nor a return to a system of local authority oversight (for the vast majority of schools), is likely to lead to an increase in school standards by itself.

Creating new school places

The population bulge which began early in the new millennium has also created an ongoing pressure to create additional school places. Whilst the effects of this bulge have now been fully felt in primary schools – in fact, the primary aged population is projected to fall slightly over the next decade – the secondary aged population is set to increase. In 2018, the number of pupils in state-funded secondary schools was 2.85m, and is expected to reach 3.27m by 2027, an increase of 14.7 per cent or over 400,000 additional pupils.⁹²

Free schools are now the primary route by which new schools are created, though the majority of new places occurs in existing schools. Primary free school places continue to be created where there is a need for more school places, but this is less the case for secondary free schools. Both primary and secondary free schools are also being set up in areas where there is already an excess in school capacity. The creation of places has not necessarily been directed towards areas in need of more high-quality schools.⁹³

Class sizes

Infant (Foundation Stage and Key Stage 1) class sizes have a statutory limit of 30 pupils, though there are a number of exceptions that allow this limit to be exceeded such as in the case of twins, children who were previously looked after by the local authority, and children of armed forces personnel who were admitted outside of the normal admissions round.⁹⁴ There are no statutory limits for older primary aged pupils (Key Stage 2, typically aged 7 to 11) or pupils of secondary school age.

Figure 5.1 shows the trends in primary school class sizes between 2006 and 2019. While primary school class sizes have now stabilised (27.1 in January 2019), they continue to increase in secondary

⁹⁰ Jon Andrews, *School performance in academy chains and local authorities – 2017*, (June 2018)

⁹¹ Bobbie Mills, Emily Hunt and Jon Andrews, *Free schools in England: 2019 report*, (October 2019)

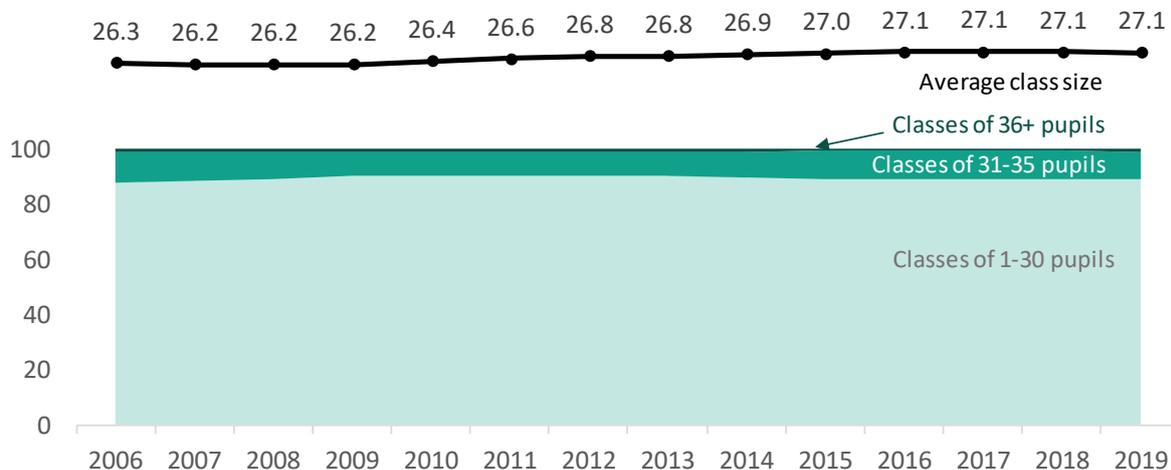
⁹² Department for Education, *National pupil projections: July 2018 (2019 update)*, (July 2019)

⁹³ Bobbie Mills, Emily Hunt and Jon Andrews, *Free schools in England: 2019 report*, (October 2019)

⁹⁴ The School Admissions (Infant Class Sizes) (England) Regulations 2012

schools – 21.7, up from 20.1 in 2015.⁹⁵ The percentage of infant classes that exceed 30 pupils has been falling since 2015, from 5.4 per cent to 3.9 per cent, but this is still double the percentage in 2010. England’s class sizes are also high by international standards. The average primary school class across the OECD is 21 pupils.⁹⁶

Figure 5.1: Percentage of primary school classes by size of class and average class size, 2006 to 2019⁹⁷



Grammar schools

Any expansion in the number of grammar school places – either through the opening of new selective schools, or the expansion of existing schools – is likely to have negative effects on the attainment of disadvantaged pupils.⁹⁸

Pupils who are eligible for free school meals (FSM), a proxy for disadvantage, are under-represented in grammar schools. Only 2.5 per cent of grammar school pupils are entitled to FSM, compared with an average of 13.2 per cent in all state funded secondary schools. A main cause of this significant under-representation of disadvantaged pupils in grammar schools is that, by the time the ‘11 Plus’ entry exam (or equivalent) is taken, pupils from disadvantaged backgrounds are 9 months of learning behind their peers.

Attainment in selective areas is characterised as providing small gains for those that attend grammar schools, and attainment penalties for those that do not. Our modelling suggests that further expansion in selective school places would result in smaller gains for grammar school pupils and larger losses for those not attending selective schools – losses which will be greatest amongst poor children.

⁹⁵ Department for Education, ‘Schools pupils and their characteristics: January 2019’, (June 2019)

⁹⁶ OECD, ‘Education at a glance 2019’, (September 2019)

⁹⁷ Department for Education, ‘Schools pupils and their characteristics: January 2019’, (June 2019)

⁹⁸ Jon Andrews, Jo Hutchinson & Rebecca Johnes, ‘Grammar schools and social mobility’, (September 2016)

Special schools

Whilst access to high quality mainstream schools remains inequitable, access to specialist provision can be more challenging still. Pupils with SEND have to travel further to reach any special school.⁹⁹ In cities, the average pupil at an urban special school travels around 4 miles each way. In rural areas the average travel distance is 10 miles each way. In the most rural areas in England, the figure is even more striking – with around one in ten special school pupils having to travel over 23 miles one way just to get to school. Overall, pupils in special schools are, on average, travelling around three times as far as pupils in mainstream schools.

School admissions

The likelihood of families getting their first choice of secondary school has been falling in recent years. Around 1 in 20 pupils were offered a school in 2019 that they did not even apply to. This reflects rising demand for secondary places.¹⁰⁰

White British families are more likely than Black, Asian and minority ethnic (BAME) families to get offered their first choice of secondary school, and these ethnic gaps are only partly explained by where people live (with higher competition for places in more ethnically diverse, urban areas).¹⁰¹ Pupils with English as their first (as opposed to an additional) language are also much more likely to get offered their first choice, as are (to a lesser extent) better off pupils relative to their peers eligible for the Pupil Premium.

What should a new government do?

- **Do not rely on large scale structural reform for the purposes of raising standards.** If the objective is to raise attainment, there is no strong evidence for a move to a fully academised system, nor is there such evidence for a return to a largely local authority based system. Analysis shows that there are strong and weak performers in both school types.
- **Do not expand the number of grammar schools or grammar school places.** The evidence is clear that a concentration of selective school places is associated with attainment losses for those that do not attend and these are disproportionately pupils from disadvantaged backgrounds. The penalties increase as the number of selective school places increases.
- **Conduct a review of the school admissions system.** The current system, through both applications and through appeals and waiting lists, is perpetuating inequalities in access to good schools, and increasing social segregation. Such a review should consider catchment areas and banding.
- **Consider all pupils when planning access to good school places.** Over 100,000 pupils attend England's special schools and they are frequently struggling to access specialist provision with excessive journeys to and from school.

Manifesto commitments

As in the 2017 General Election, structural reforms feature in manifesto commitments with approaches ranging from the continued expansion of the academies and free schools programme to

⁹⁹ Jon Andrews, *'Access to special schools in England'*, (March 2018)

¹⁰⁰ Department for Education, *'Secondary and primary school application and offers: 2019'*, (June 2019)

¹⁰¹ Emily Hunt, *'Secondary school choice in England'*, (September 2018)

its complete reversal. Private schools also come under the spotlight with plans to remove their charitable status and charge VAT on fees, and a signalling of longer-term aspirations to integrate private schools into the state system. There are also calls to improve access and quality of provision for those with special educational needs and disabilities. While parental choice remains an important feature of the school system in England, no parties are suggesting any reforms to the admissions system.

Academies and free schools

The Green Party are proposing the most significant reform with an end to the academies and free schools programme and a complete return to local authority oversight. As set out above, this is unlikely to lead to an overall increase in standards. An end of the academies programme would also mean that there are likely to be cases where schools are moved from high performing academy trusts, to low performing local authorities.

The Labour Party would move control over school budgets away from academy trusts so that they are managed by individual schools and schools would be overseen by a governing body with elected representatives. Local authorities would also be able to establish new schools themselves – a change from the current policy where it is assumed that all new schools are free schools managed by an academy trust. The manifesto appears to stop short of returning academies to being maintained by a local authority, but a much greater degree of local authority oversight seems to be envisaged and a greater consistency of curriculum policy between and academies and local authority maintained schools.

Similarly, the Liberal Democrats propose a move in which the local authority would have a strategic oversight role over schools but the model of both academies and local authority maintained schools would remain.

The intention of both the Labour, and to a much lesser extent the Liberal Democrats, would appear to be to weaken the role of multi-academy trusts by removing their direct control over schools and moving to a model closer to that of a ‘weak’ federation of schools or even a local authority maintained community school. Their aim would be to make schools more accountable to their local communities, rather than large trusts. Within this context it is important to recognise that the vast majority of academy trusts are actually small – around 85 per cent have five or fewer schools and these account for around 45 per cent of all academies.

Reforms of this kind could also limit the capacity of multi-academy trusts to achieve economies of scale across their schools and manage resources effectively. Data from 2016-17 show that the propensity to have an in-year deficit – i.e. for a school to be spending more than its income - was lower in academies in multi-academy trusts than for local authority schools.¹⁰² This could be because of the ability of academy trusts to move part of their budgets between schools. There is also emerging evidence that multi-academy trusts are playing an increasing role in the development of new teachers with a higher proportion of new entrants, and faster progression to middle-leadership roles than in other state-funded schools.¹⁰³

¹⁰² Jon Andrews, *‘School revenue balances in England’*, (January 2019)

¹⁰³ Jon Andrews, *‘Teacher recruitment, retention and progression in multi-academy trusts’*, (January 2019)

The Brexit Party have proposed that the expansion of the academies and free schools programme should continue, as academies and free schools “have improved results”. However, as set out above, there is little evidence to suggest that this is the case, at a system level.¹⁰⁴

The Conservative Party has proposed a continuation of the academies programme though are some way off previous commitments of wanting to deliver a fully academised school system over the course of a parliament. They have also re-signalled their intention to open 200 new free schools in the coming years. They would also continue to intervene in schools where there is entrenched underperformance – suggesting that forced academisation for underperforming schools will remain (the Education and Adoption Act 2015 requires the Secretary of State to issue an academy order if a school is rated as inadequate by Ofsted).

None of the party manifestos that have proposed reforms to school structures have at this stage set out how they would increase, or in some cases restore, capacity in local authorities in order to deliver the functions that they are proposing – beyond admissions which is largely managed by local authorities now anyway even if the academy trust is the ‘admissions authority’. In around one in five local authorities over 70 per cent of pupils are already educated in academies, meaning that the amount of funding that authorities have been able to ‘top-slice’ for central services has been reduced.

Selective schools

Despite featuring prominently in the 2017 General Election (following the government consultation ‘Schools that work for everyone’ the previous year), selective or grammar schools are less of an issue in the 2019 election. They are not mentioned by the Labour Party, the Green Party, or the Brexit Party. The Liberal Democrats say that they would oppose any future expansion.

The Conservative Party do not make any explicit commitment (either for or against academic selection), but appear to at least be leaving the door open to a future expansion by the inclusion of a broad statement to “ensure that parents can choose the schools that best suit their children and best prepare them for the future.” It may therefore be the case that in government they would seek expansion either by introducing legislation to allow new grammar schools, or through the current policy of allowing existing schools to grow and to set up ‘satellite’ schools. The evidence would strongly suggest that this would be detrimental to social mobility, particularly if expansion occurs where there is already a high density of grammar school places. These challenges are not unique to establishing new grammar schools, but also apply to the expansion of existing schools, and the use of quotas for admissions.¹⁰⁵

School places and class sizes

The Liberal Democrats include a commitment to reduce class sizes, though they do not specify the age range that would be included or the scale of any reduction. The Labour Party have committed to reducing class sizes in primary schools to a maximum of 30 – though there is no commitment to any further legislation nor is it clear whether the existing exceptions would apply and if they did, whether they would be extended to all primary aged pupils.

¹⁰⁴ Jon Andrews and Natalie Perera, ‘*The impact of academies on educational outcomes*’, (July 2017)

¹⁰⁵ Jon Andrews, Jo Hutchinson and Rebecca Johnes, ‘*Grammar schools and social mobility*’, (December 2016)

In 2019, 10.9 per cent of primary school classes in England had more than 30 pupils – 2,378 classes at Key Stage 1 and 12,423 classes at Key Stage 2 exceeded this threshold. A very simplistic approach is to assume that the ambition of all classes being 30 pupils or fewer would be met if places were created for all those pupils in excess of this threshold – in total an additional 26,000 places. This would come at a cost of around £300m in capital expenditure for the creation of new school places, and ongoing teacher costs of around £40m per year.¹⁰⁶ However, this is an incredibly conservative estimate as it assumes that all pupils in ‘oversized’ classes can be redistributed with perfect efficiency – i.e. to make classes with 30 pupils. In practice, it is far more likely that spare capacity would be created in the system, incurring significantly higher costs.

The Green Party have the most ambitious target of reducing class sizes to under 20, though this is framed as a long-term ambition and therefore unlikely to be one that they would seek to deliver over the course of one parliament.

Existing research also suggests that reducing class sizes has only weak impacts on attainment, and noticeable impacts only tend to be found for large reductions. Whilst the effects appear greater in the early years of school, they have been found to diminish over time, and are modest compared to the cost.¹⁰⁷

The number of secondary aged pupils is projected to increase by 11 per cent over the duration of the next parliament. The majority of new school places come from the expansion of existing schools, but new provision schools, which are currently largely free schools, will also provide new places. However, in recent years the free schools programme at secondary level has not necessarily been targeted at areas in need of new school places.¹⁰⁸

Private schools

Both the Labour Party and the Green Party would charge VAT on private school fees. The Labour Party would also use their Social Justice Commission to consider how to integrate private schools into the state sector over the longer term.

Increasing fees for private schools is likely to lead to an increase in the number of pupils in state-funded schools. The Labour Party costings document estimates that around 5 per cent of privately educated pupils would join the state-funded system. This is based on IFS analysis of the elasticity of demand for private schooling, though we would advise caution about applying these estimates without testing for robustness against such a large increase in fees (of up to 20 per cent).¹⁰⁹

In January 2019 there were 570,000 pupils (FTE) being educated in independent schools in England.¹¹⁰ Therefore, the Labour Party are estimating that an additional 28,000 school places would be required. In 2019-20 average per pupil funding was £4,645 implying an additional cost of around

¹⁰⁶ Broad estimate based on the average salary of a primary school teacher of £34,700 (derived from DfE ‘*School workforce in England: November 2018*’, June 2019), uprated by 2.75 per cent to reflect increases in 2019-20, on-costs of 26 per cent, and capital cost of a place of £10,900 from NAO ‘*Capital funding for schools*’ uprated to 2019-20 prices.

¹⁰⁷ Department for Education, ‘*Class size and education in England evidence report*’, (December 2011)

¹⁰⁸ Bobbie Mills, Emily Hunt and Jon Andrews, ‘*Free schools in England: 2019 report*’, (October 2019)

¹⁰⁹ Institute for Fiscal Studies, ‘*The demand for private schooling in England: the impact of price and quality*’, (September 2010)

¹¹⁰ Department for Education, ‘*Schools pupils and their characteristics: January 2019*’, (June 2019)

£130m. While such a volume of pupils is well within the normal fluctuations of pupil numbers at a national level, at a local level it might create additional pressure on school places – particularly if schools are forced to close. It is also possible that some private schools might cushion the impact of fees by reducing spending on bursaries and scholarships, reducing access for some middle and lower income groups.

Specialist provision

There are 1.3m pupils with an identified special educational need at state-funded schools in England.¹¹¹ 271,000 have an education, health and care plan (or statement of need) and 121,000 attend state-funded special schools.

Beyond commitments to additional funding by the Labour Party and the Liberal Democrats, the policy details about pupils with special educational needs and disabilities by the three main parties is limited. The Liberal Democrats discuss them within the context of the role of local authorities, and the Conservative Party say that they will create more places for those with complex needs. This is likely to be as part of the free schools programme.

There are currently only 34 special free schools, fewer than half of which have been inspected by Ofsted, so it is difficult to judge whether this will result in high quality provision for these pupils. Of those that have been inspected, special free schools are less likely to be rated as outstanding, and more likely to be rated as inadequate, than other special schools.¹¹²

The Green Party set out an objective for more pupils to be able to access local schools while retaining the option to attend a special school if that is what is wanted. The objective includes improving access to buildings, an ‘inclusive curriculum’, and more specially trained teachers. This would address the concern that pupils with complex special educational needs frequently do not have access to a local school that meets their needs, travelling on average three times as far as pupils who attend mainstream schools. However, the manifesto lacks any detail on how this would be achieved or how it would be funded.

The Conservative Party also commit to the expansion of alternative provision for ‘pupils who have been excluded’. Such expansion should not override the default position that mainstream schooling is the expected setting unless the child’s best interests are met more effectively in specialist provision. The Labour Party aim to increase regulation of alternative provision.

Overall assessment

None of the parties have presented an evidence-based suite of policies that will improve access to good school places and address inequalities of access across the country.

The research evidence suggests that large scale structural reform is unlikely to have a significant impact – positive or negative – on pupil outcomes. While the Conservative Party support the ongoing expansion of academies and free schools they are perhaps less vocal than they have been in the past, particularly on the former. The Labour Party and Liberal Democrats would reduce the powers of multi-academy trusts but appear to have stopped some way short of abandoning

¹¹¹ Department for Education, ‘*Special educational needs in England, 2019*’, (July 2019)

¹¹² Bobbie Mills, Emily Hunt and Jon Andrews, ‘*Free schools in England: 2019 report*’, (October 2019)

academies altogether. It is the Green Party that are proposing the largest changes, calling for academies to return to local authority control.

Such an approach represents a significant suite of reforms for unknown, and unproven gains. They would also attract significant cost and capacity demands in both central and local government.

Grammar schools have not been the significant factor they were in manifestos in 2017, however there are indications that the Conservative Party would retain the option of expansion without saying so explicitly. The Liberal Democrats have ruled out any support for such an expansion.

Commitments on providing places for pupils with special educational needs and disabilities are somewhat limited. While most parties have discussed additional funding for these pupils there is a paucity of other policy and the Conservative Party's commitment to the expansion of alternative provision is framed as a mechanism for managing pupils who have been excluded rather than a setting that is necessarily in the child's best interests.

Priority 6: Post-16 education, including technical and vocational

After the age of 16, young people in England must select from a variety of routes intended to develop the right skills and knowledge to prepare them for the world of work or for higher education. The provision of a high-quality, well-funded, and accessible post-16 system is vital to support young people to make informed choices about their future.

It is also increasingly important to ensure the right skills are being cultivated to meet productivity needs. In addition to current known challenges in the UK labour market, a new government may be preparing for the uncertain impact of leaving the European Union. Jobs requiring intermediate, technical skills appear the most vulnerable given the UK's long-standing difficulty in generating these skills in its workforce.¹¹³

The current landscape

Post-16 routes

While a pathway after secondary school involving A levels followed by study at university is often seen as typical, a growing proportion of young people go on to take vocational equivalents to A levels, continued GCSE study, GCSE level vocational qualifications, lower-level qualifications and apprenticeships. These less academic pathways can loosely be termed as further education (FE). The same level of esteem is typically not attached to FE as to more academic pathways. This is evidenced not only in the socio-economic segregation present in the system, but also by the disparities in resourcing and outcomes for those who pursue further education.

The lack of parity is pressing because, as it stands, young people who follow further education pathways tend to have worse educational and employment outcomes, as well as poorer health outcomes on average than their peers following academic routes.

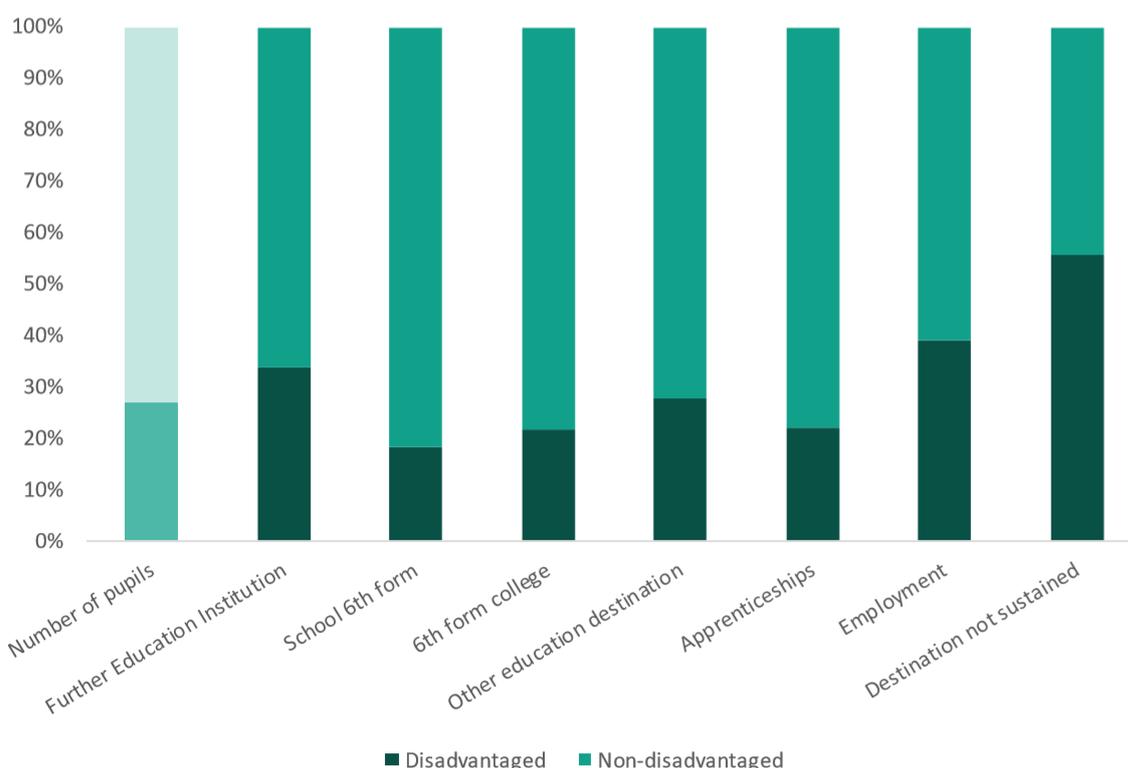
There is also a longstanding issue with literacy and numeracy. A third of 16-year-olds in England do not achieve at least a grade 4 pass in GCSE English and maths each year. This is not adequately addressed by the post-16 system. Twenty to twenty-four year olds in England who have not entered higher education have lower levels of numeracy and literacy than peers educated to similar levels in other developed countries. England also has the third largest gap between the numeracy and literacy of those with the highest and lowest education levels.

Social segregation in post-16 routes

Our annual report on education in England assessed the attainment gap that exists between disadvantaged pupils and their peers at key stages of their education. It found that disadvantaged pupils are not equitably represented across all post-16 pathways. In 2017, 21.8 per cent of disadvantaged pupils would have needed to switch their post-16 destination to match the destinations of non-disadvantaged students in order for there to be parity in the system (Figure 6.1).

¹¹³ David Robinson, 'Further Education Pathways: Securing a Successful and Healthy Life after Education', (November 2019)

Figure 6.1: The post-16 destinations of young people in 2017



Post-16 funding

Between 2010-11 and 2018-19, real terms funding per student in school sixth forms, sixth form colleges, and further education (FE) colleges declined substantially, by 16 per cent, from £5,900 to £4,960. This is twice the rate that per pupil funding in schools fell by between 2009-10 and 2017-18 (8 per cent).

In fact, not only has 16-19 education been the biggest real terms loser of any phase of education since 2010-11, but it has also suffered from a long-run squeeze in funding: 30 years ago, 16-19 funding was far higher (almost 1.5 times) than secondary school funding, but is now lower.

The impact of these financial challenges appears to be making itself felt in the reduced number of learning hours received by students.¹¹⁴

In the most recent spending round of September 2019, a one-year settlement was announced, committing an additional £400m of funding to 16-19 education for 2020-21. Much of this funding appears to be targeted towards further education, signalling a step towards addressing the current disparity between FE and academic pathways.

¹¹⁴ Gerard Dominguez-Reig and David Robinson, '16-19 Education Funding: Trends and Implications', (May 2019)

Progression from vocational and technical education

There is a lack of clarity across the assorted array of vocational and technical further education options, without a transparent pathway for progression into higher qualifications.¹¹³ Young people who take these pathways are consequently less likely to continue education beyond the age of 19, and those that do are less well supported financially than those taking an academic route into higher education. This is in spite of potential for positive labour market returns from these additional qualifications. Improved careers guidance could potentially make a difference to this situation. As it stands, schools and colleges are not managing to meet the current standard set by the ‘Gatsby benchmarks’, and over a third of those in FE are not receiving information about the full range of apprenticeships available to them as further study.

Reforms to post-16 settings and participation

There have been significant changes in this area including making it mandatory for young people in 16-19 education who have not already achieved a good pass in English and mathematics to continue to study those subjects;¹¹⁵ raising the participation age to 18 in 2015; the publication of a new Careers Strategy in 2017; and the introduction of the Apprenticeship Levy in 2017.

Apprenticeships are an avenue by which recent governments have hoped to deliver high quality vocational and technical education and bolster the number of skilled workers, as well as raise the status of these types of qualifications. The government has recently acknowledged that the goal to achieve three million apprenticeship starts by 2020 would be missed.¹¹⁶ Key issues are around the quality of provision, lack of clear progression opportunities to more advanced qualifications and differential access, particularly at higher levels. A significant proportion of those starting apprenticeships are existing employees who are ‘converted’ to apprentices, whilst uptake is low among new starters and those younger than age 19 in comparison with successful apprenticeship schemes in other national settings. Equally, young people from disadvantaged backgrounds are disproportionately less likely to take up the apprenticeship route, particularly at higher and advanced levels.¹¹⁷

T levels are new technical qualifications which are intended to be on par with A levels. These are currently being developed across 15 industries, with the first three due to be rolled out in 2020 and expected to be fully introduced by September 2023. However, senior officials in the Department for Education raised early concerns over the deliverability of the programme within this timetable.¹¹⁸ Concerns are around whether they will receive support among young people and employers, as well as whether the skills exist in the workforce to deliver adequate teaching, and whether there is sufficient time to develop them to the quality required to make them a success.

UTCs are a type of free school first introduced in 2010. They offer education to 14-19 year olds, with a strong focus on technical education. Many have struggled both to recruit and retain pupils. Ten out

¹¹⁵ Full time students with a grade 3 must study an eligible GCSE qualifications, other students can take a functional skills level 2 qualification.

¹¹⁶ Damian Hinds, evidence to the Education Select Committee, 26 June 2019

¹¹⁷ Alison Fuller et al., ‘*Better Apprenticeships*’, (November 2017)

¹¹⁸ David Laws, ‘*A Top Education Official Has Warned That T-Levels Are a Problem. He Is Right*’, (June 2018)

of 58 of these schools have closed. The low numbers on roll are widely attributed to their starting age of 14, which does not fit well with the broader system which is essentially pre- and post-16.

The requirement for young people to study towards GCSE English and maths up to the age of 19, including those aged 19 to 25 with an Education Health and Care Plan, has seen an early uplift in the number of people in this age range achieving the required level. However, despite these improvements, four-fifths of these young people still do not achieve the threshold by the age of 19.

What should a new government do?

- **Provide the 16-19 phase with a more enduring financial settlement to sustain quality provision in the long term.** In particular, the impetus behind the most recent financial commitment of £400m must be built upon into a new government, in order to ensure the imbalance between the 16-19 phase and other phases is addressed.
- **Carry over into a new government the focus on young people and technical pathways,** including the development of new qualifications, and ensure that schools and colleges are sufficiently resourced to meet any new responsibilities.
- **Boost low literacy and numeracy skills among 16 to 19-year-olds** and consider whether resits of GCSEs are necessarily the best way of delivering this.
- **Increase the number of 16-19 apprenticeship starts.** A new government should consider the options to increase apprenticeship uptake among young people, including further redistribution of levy funding towards younger apprentices, or other incentives for employers to hire younger learners.

Manifesto commitments

All parties, except for the Brexit party, have pledged to increase funding for the 16-19 education phase, with much of this money being earmarked for the further education sector, as opposed to school sixth forms which mainly deliver A levels. Both the Liberal Democrats and Labour parties have made commitments which would see an increase in funding received directly by disadvantaged students aged 16-19, with a view to promoting equal access and retention at this phase of education. There are also commitments to capital funding to expand the further education and sixth form estate.

Beyond funding, there are some less detailed proposals to improve vocational and technical education, and to improve careers guidance and advice. In terms of apprenticeships, all parties except for the Green Party have pledged to reform the Apprenticeship Levy, with the Brexit party pledging to abolish it. In each instance, apprenticeships appear to be framed in terms of education and training beyond the age of 18, with little focus on those aged 16-18.

16-19 funding

The Labour party pledged in their manifesto to “ensure fairness and sustainability in further education, aligning the base rate of per-pupil funding in post-16 education with Key Stage 4.” In correspondence with EPI, it was further clarified that the base rate would be raised to £4,921 in 2023-24 cash terms.¹¹⁹ Adjusting to 2019-20 prices puts this proposed base rate at £4,558 by 2023-24.

¹¹⁹ Confirmed in correspondence by the Labour party on 27th November 2019.

The Liberal Democrat policy in this area is to spend an additional £1bn in Further Education funding, including by refunding colleges for the VAT they pay. The party has also pledged to extend the Pupil Premium to young people aged 16-19, which is discussed below. The party has clarified that £820m of this funding will be applied to base funding per student in 2020-21, rising to around £900m by 2024-25 in addition to the current £4,000 baseline.¹²⁰

Though not referenced in their manifesto document, the Conservative party is retaining the commitment of £400m one-year settlement for 16-19 education in 2020-21, announced in the 2019 spending round. There is no funding commitment mentioned beyond this one-year settlement. Beyond £190m allocated to increase the current £4,000 basic funding rate for all students, £20m to support teacher recruitment and retention and £10m to fund the advanced maths premium, this spending is allocated largely towards further education, with £120m for courses with higher running costs; £25m for the delivery of T levels; £35m for targeted interventions to support students taking level 3 qualifications to re-sit GCSE English and mathematics.

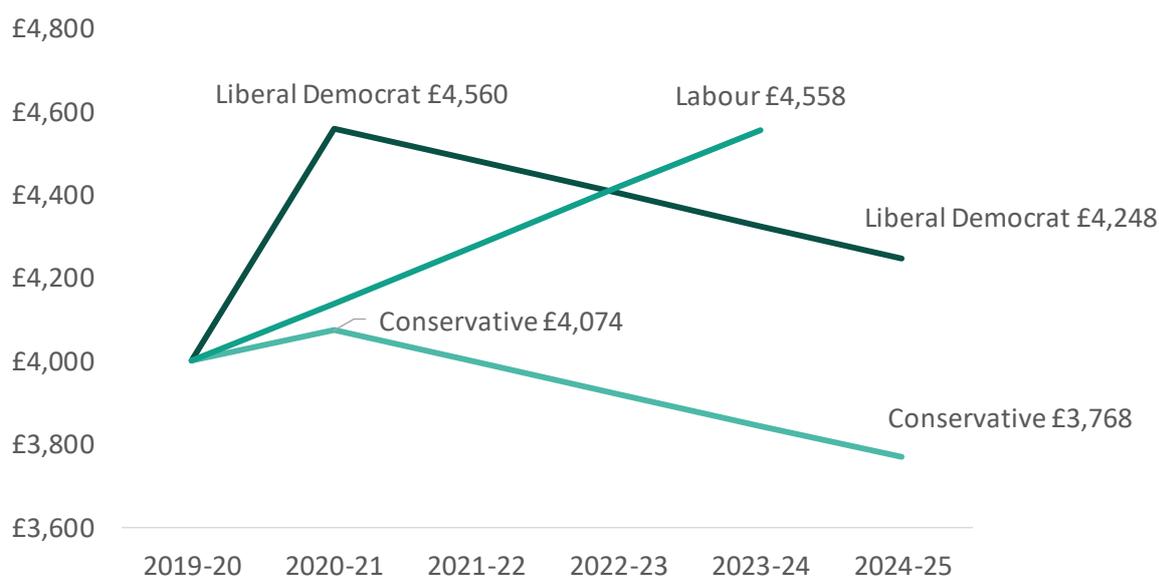
The Green Party has also pledged an uplift in spending in this phase of education. Specifically, the manifesto states that a Green government would “raise the funding rate for 16-17 year olds, followed by an annual rise in line with inflation...”. Without further clarification on the extent of the funding increase, it is difficult to compare this with pledges of other parties.

Figure 6.2 compares party pledges to increase base funding per student. Where the Liberal Democrat and Conservative parties have specified overall totals pledged to uplift the per student base rate, these totals have been translated in to per student amounts. This calculation has taken account of projections of student numbers – which are expected to increase substantially over the next few years – and of the expected real terms fall in value of the current £4,000 base rate, which is not protected in cash terms under current government policy. Full details of the methodology are set out in Appendix 1.

Figure 6.2 illustrates that the Conservative party pledge is lower and less sustained in comparison with the higher and longer term pledges detailed by the Labour and Liberal Democrat parties. While the Liberal Democrat pledge would see a similar level of funding as Labour introduced much earlier, it appears that the pledged rise in funding thereafter (from £820m in 2020-21 to £900m by 2024-25), would not keep pace with the fall in the current base rate value or with the rise in student numbers. We also calculated an alternative scenario (not shown in the figure) which assumed a protected base rate. This alternative calculation found that the increase to £900m by 2024-25 as pledged by the Liberal Democrats would still result in a small decrease in per student funding due to the expected rise in student numbers.

¹²⁰ Confirmed in correspondence by the Liberal Democrat party 26th November 2019.

Figure 6.2: Base funding per student 2019-20 to 2024-25



Three parties have pledged capital funding for the post-16 sector, though the Conservative Party is the only one to provide figures. The Labour manifesto pledges “dedicated capital funding to expand [further education] provision” and the Green party has also pledged to provide a capital expansion fund for sixth form providers. The Conservative manifesto states they are “investing almost £2bn to upgrade the entire further education college estate.” This is a significant amount, going beyond the recommendation of £1bn made in the Augar review.¹²¹ However, the Augar recommendation advocated “an additional £1bn capital investment over the coming spending review period”, as opposed to apportioned across a five-year period starting in 2021-22.

Funding for disadvantaged students

Both the Labour and Liberal Democrat parties have included pledges to reform the funding available to students aged 16-19 who are from less affluent backgrounds. In each of these policies, either all or a portion of the funding would be paid directly to the student.

Labour proposes to reinstate the Education Maintenance Allowance (EMA), with the stated intention of ensuring “fairness and sustainability in further education”. This was a scheme introduced in 2004 and later abolished in 2011. The original programme consisted of cash transfers available to 16-19 year olds of up to £30 a week, with the intention of tackling the attainment gap in that phase of education. Eligibility was based on low household income and conditional on education participation after the age of 16. Whilst evidence suggests that schemes in both England and Wales did have a positive impact on the participation and retention of those receiving the full £30 allowance in post-16 education, the scheme was abolished in England in 2011 as it was considered that a large number of recipients would stay in education without the payments.¹²² The scheme continued in Wales. A

¹²¹ Department for Education, ‘Independent Panel Report to the Review of Post-18 Education and Funding’, (May 2019)

¹²² Jack Britton and Lorraine Dearden, ‘The 16 to 19 Bursary Fund: Impact Evaluation’, (June 2015); Nia Bryer, ‘Evaluation of the Education Maintenance Allowance’, (October 2014)

key difference to the post-16 landscape now is that since the abolition of EMA the compulsory participation age for education has been raised to 18.

If reintroduced, the full payment available would be uprated to £35. This reflects inflation on £30 since the abolition of the original scheme in 2011. However, it should be noted that this payment amount had not been protected in real terms since its pilot and introduction in the late 1990s and early 2000s, meaning that by its abolition in 2011 the bursary payments were worth less than when the scheme was initially introduced.

The Liberal Democrats have pledged to introduce a 'young people's premium' which signifies the extension of the existing Pupil Premium to college students aged 16-19. The Pupil Premium is an initiative introduced by the Coalition government in 2011. The manifesto states that the young people's premium would be based on the same eligibility criteria as the current Pupil Premium. A key difference however is that part of this fund would be paid directly to students, with the intention that this supports them with travel costs and other necessities, introducing some parallel with EMA payments.

It would appear that the main intention behind each of these policies is to encourage more disadvantaged pupils to both enter and remain in education and training beyond the age of 16. Despite the raised participation age to 18, current data covering the destinations of pupils following the end of secondary education tell us that disadvantaged pupils are less likely than their more affluent peers to progress to education or training after GCSEs. Around 15 per cent of disadvantaged pupils are in employment rather than education or have not 'sustained' their destination in the year after finishing Key Stage 4, compared with around six per cent of their more affluent peers.^{123, 124} Those who do progress to education are then less likely to complete their course or qualification. Furthermore, the current evidence base tells us that disadvantaged young people enter the post-16 system with lower attainment on average, as well as being more likely to enter institutions with lower progression to higher qualifications.¹²⁵ Less is known precisely about what happens to the disadvantage gap after the age of 16. There is therefore some scope to encourage a greater proportion of disadvantaged students to participate in education beyond the age of 16, as well as to reduce social segregation across different post-16 institutions (see Figure 6.1).

In the case of EMA, the raising of the compulsory participation age to 18 means it is difficult to estimate based on previous evidence how a reinstatement would impact on participation or retention up to 18.

Mechanisms are already in place within the post-16 sector intended to address these inequalities. The disadvantage uplift is applied through the National Funding Formula and is intended to compensate for area-based deprivation and for student populations with lower prior English and maths attainment. It therefore works similarly to the proposed young people's premium, in that allocations are based on the level of disadvantage of the student body (based on different eligibility criteria), with a key difference being that a portion would be paid directly to the student under the

¹²³ Department for Education, *'Destinations of Key Stage 4 and 16-18 Students, England, 2017/18'*, (October 2019)

¹²⁴ Not sustained includes students with participation which did not last two terms, or who had no participation and claimed out-of-work benefits.

¹²⁵ Jo Hutchinson et al., *'Education in England: Annual Report 2019'*, (July 2019)

young people's premium. It is not clear whether YPP is instead of or in addition to existing disadvantage funding.

Another system that is currently in place is the 16-19 bursary scheme which provides financial support paid directly to the student. Though introduced as a replacement to EMA, this system has a much smaller budget than the original EMA and is paid at the discretion of providers as opposed to being applied through common eligibility criteria. We assumed that EMA would replace this bursary scheme if introduced.

Within this report it is not possible to compare the direct funding component of each proposed policy. This is because, on the one hand, we lack detail from the Liberal Democrats on what proportion of the fund would be paid directly to students. On the other, while the Labour Party estimate that nearly 600,000 young people would be eligible for the bursary with over 475,000 receiving the highest rate, without access to data on parental income it is difficult to estimate which students would be entitled to receive EMA.

Here we estimate how the phase as a whole would be affected by the extension of Pupil Premium, specifically which types of institution would be likely to receive the greatest amount of the grant. This exercise will tell us a number of things: firstly, how disadvantage is currently distributed in the post-16 system and which types of institutions will therefore attract the greatest grant in young people's premium; secondly, we will see how the grant will impact on each institution type's overall per-student funding, and therefore how significant the grant would be for each institution type's funding within the context of recent cuts; thirdly, the exercise will indicate where institutions may be incentivised to attract more disadvantaged students and therefore discourage social segregation in the system. To do this we use Key Stage 4 destinations statistics, which provide national data on the pathways taken by young people following the end of secondary school. Full details of the method can be found in Appendix 1.

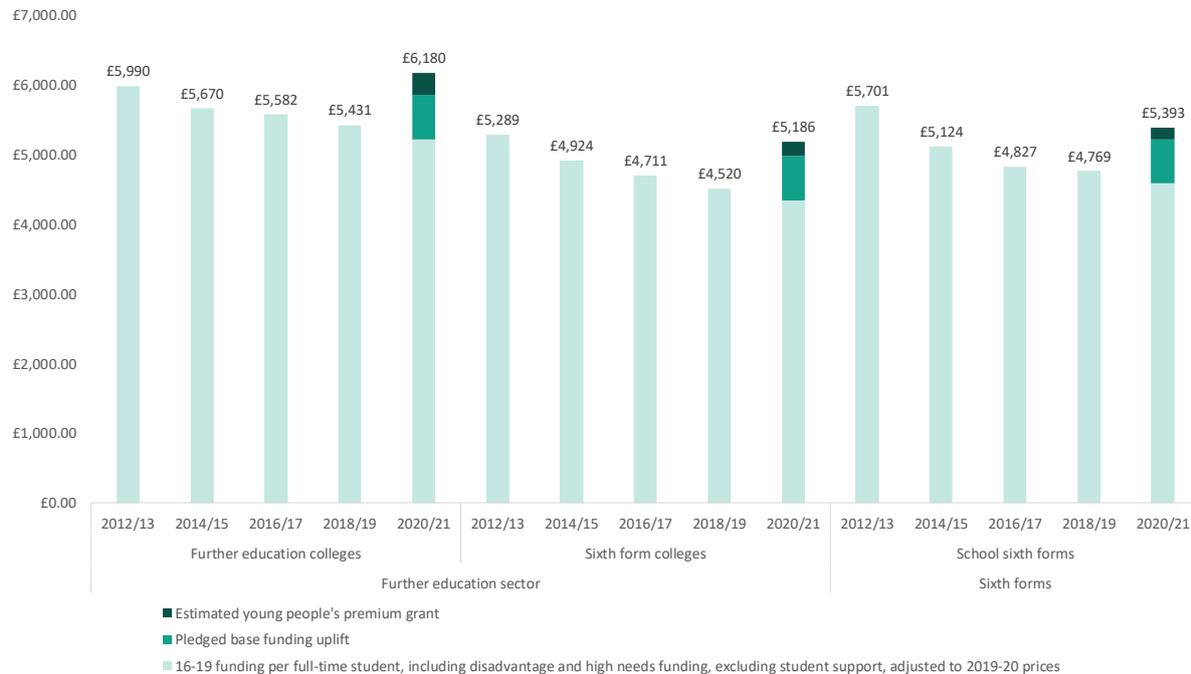
We present results for state-funded institutions alongside historical per-student funding, adjusted to 2019-20 prices, to provide a contextualised view of how the extension of the Pupil Premium to young people aged 16-19 would impact on per-student funding in different state-funded institutions, assuming all other funding is unchanged for this phase.

We find that:

- Providers in the further education sector would have the largest amount targeted towards their students. This is mainly targeted towards FE colleges, owing to them being attended by a larger proportion of disadvantaged pupils.
- Taking into account trends in real terms funding cuts over the past decade, the uplift in funding per-student received through the young people's grant, in combination with the pledged uplift of the base rate funding, would reverse much of the per-student funding cuts felt by further education colleges. Cuts would be reversed to a lesser extent in other parts of the sector, particularly school sixth forms.
- Introducing a young people's premium may create incentives for sixth form colleges and school sixth forms to recruit more disadvantaged pupils, given that their numbers are currently proportionately low.

- About 115,000 young people would be eligible for the young people’s premium, contrasting with the Labour party’s estimates that over 475,000 young people would be eligible to receive the full rate of £35 EMA.

Figure 6.3: Funding per student in the first year of study following secondary school, by institution type



As noted above, it is difficult to predict precisely whether and how the young people’s premium or EMA would impact on the sustained participation of disadvantaged students in the post-16 education system, particularly following the introduction of the raised participation age.

Each scheme may well encourage participation, as there is evidence from previous EMA schemes that direct payments to students can aid this. The young people’s premium may do more as a scheme to encourage providers with currently lower numbers of disadvantaged students to attract more of these learners, thus potentially helping to ease social segregation in the system. Again, without evidence demonstrating that the Pupil Premium impacted on segregation levels in primary or secondary schools, it is difficult to project whether this will have the intended effect in post-16 education.

Improving vocational and technical pathways

Party manifestos give little attention to issues around vocational and technical pathways in post-16 education. Where it is mentioned, there is little detail provided. The Liberal Democrat Party proposes to “improve the quality of vocational education, including skills for entrepreneurship and self-employment.” The document does not expand further.

There are numerous proposals across all parties (except for the Greens) to reform the apprenticeship levy. In addition to this, the Conservative manifesto states that the pledged large-scale infrastructure projects will “require significant numbers of new UK apprentices”. Overall, these reforms are consistently framed in terms of adult re-training or post-18 education. What is missing is attention to funding or reform in 16-18 apprenticeships. The key concern that a new government

should have regarding apprenticeships is both ensuring quality and encouraging more young people to take up apprenticeships, as opposed to focusing on numbers per se.

The 20 Institutes of Technology referenced in the Conservative manifesto represent an opportunity to provide better clarity for progression into higher qualifications for students following technical post-16 routes. Ultimately however, the key focus needs to be on the quality of the qualifications, rather than the institutions in which they are provided.

Careers guidance

The Labour and Liberal Democrat party manifestos both contained a pledge relating to careers advice and guidance, though were scant on detail. Labour takes a broad approach, proposing to “reform existing careers advice, working towards an integrated information, advice and guidance system that covers the entire National Education Service.” The Liberal Democrat manifesto states that under their government they would “improve careers advice and links with employers in schools and colleges.”

The Conservative manifesto makes a brief reference to careers, stating an intention to ensure young people with special educational needs have access to careers advice. Beyond this, we assume that the Careers Strategy announced in 2017 would continue to be government policy.

Any new government must ensure efforts to improve or reform careers guidance focus particularly on disadvantaged young people and on technical pathways. Early engagement with employers is also an important priority, which is reflected in the Liberal Democrat pledge. In communicating the possible returns of various pathways to young people, it is important to broaden the focus beyond financial returns, and for example ensure evidence on the health and wellbeing outcomes of different education pathways is made available to inform careers advice. Ultimately, any new responsibilities for colleges in this area must be funded.

Overall assessment

All parties except the Brexit party have pledged to increase funding for the 16-19 education phase. The Conservatives have pledged the least and have not committed to additional funding beyond their one-year settlement. Labour’s pledge is lower than that made by the Liberal Democrats, but is set to rise significantly beyond the first year. Combined with additional funding provided by the young people’s premium, this would reverse a significant proportion of cuts felt in the last decade.

There is little detail across manifestos on how technical education will be addressed in a new government. Our assumption is that current government policy on reforming qualifications including T levels will continue, but there is no detail on what funding will be provided and how quality will be ensured.

No parties make reference to numeracy, literacy or the “forgotten third” – save it being implied by some pledging significant funding uplift in further education. Again, we have to assume that current government policy will continue, for example the requirement for some to re-sit English and maths GCSEs to achieve a basic level of qualification. There needs to be more explicit commitment and closer consideration of how best to tackle these issues.

On apprenticeships, there is no clear focus from any party on the potential benefits of recruiting younger apprentices, and no clear plan on improving their quality.

Priority 7: Post-18 education

Poor outcomes for young people impose economic and social costs not just on students but wider society. Skills shortages hamper UK competitiveness, productivity and wage growth.¹²⁶ There is a particular challenge with basic literacy and numeracy skills among young people, as well as shortages in digital skills, intermediate skills, and higher technical skills.¹¹³

Together these point to an education system that is not necessarily equipping workers with the skills required by the labour market. Research consistently indicates several key challenges for post-18 education: the balance of routes across further and higher education; funding; participation and access; quality and value for money.

The current landscape

Balance of routes

In 2014/15, there were eighty times more undergraduate, first time degrees awarded than technical qualifications at higher levels, with technical education struggling with a steep decline in numbers.¹²⁷ Where these Level 4 and 5 qualifications are being delivered, they are not always in subjects that meet the needs of the UK economy. Only a small minority are in STEM, where skills gaps are most acute, reflected in high wage returns to these qualifications relative to many degree holders.¹²⁸ There has also been a sharp decline in the proportion of post-19 students at GCSE and lower levels over the last 15 years, as well as falls in apprenticeship numbers. These qualifications outside of the traditional GCSE-A-level-degree pathway lack a clear, transparent structure that is easy for students and employers to navigate.

It is not obvious that the structure of the UK economy demands this focus on degrees over other provision, with the UK having a high level of mismatch between workers' skills and those required by employers. The OECD finds around 40 per cent of all UK workers are over- or under-qualified for their job, among the highest mismatch of the countries analysed.¹²⁹ There is also some evidence that skills mismatches will widen in future, linked to major labour market changes including greater automation and IT within jobs.¹²⁶

¹²⁶ Industrial Strategy Council, *'UK Skills Mismatch 2030'*, (October 2019)

¹²⁷ Alison Wolf, Gerard Dominguez-Reig, and Peter Sellen, *'Remaking Tertiary Education: Can We Create a System That Is Fair and Fit for Purpose?'*, (November 2016)

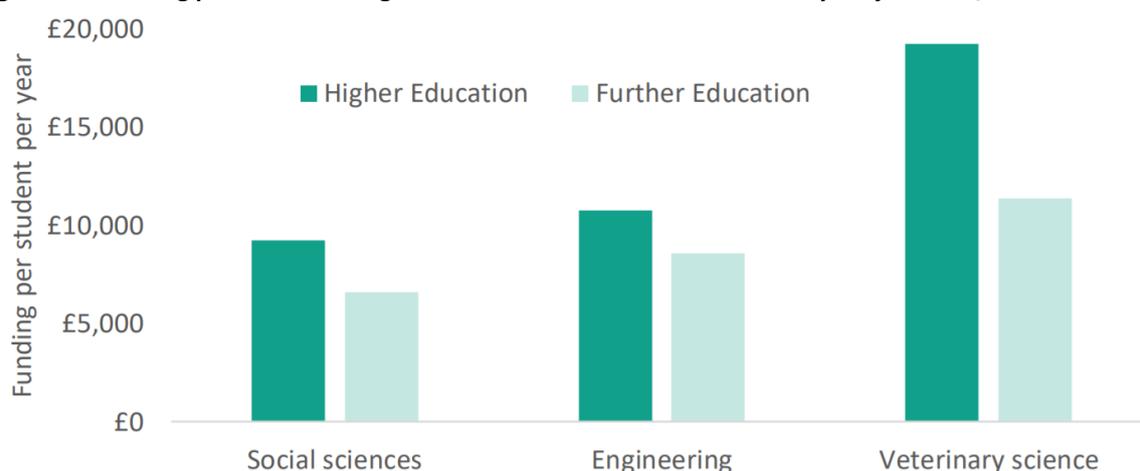
¹²⁸ Héctor Espinoza and Stefan Speckesser, *'A comparison of earnings related to higher level vocational/technical and academic education'*, (April 2019)

¹²⁹ OECD, *'Getting Skills Right: United Kingdom'*, (November 2017)

Funding

The imbalance between academic and other provision directly reflects post-18 funding arrangements. In February 2018, the government announced the Independent Review of Post-18 Education and Funding, led by Philip Augar. This highlighted the marked funding gap between Higher Education (HE) and Further Education (FE): HE is the highest funded phase in England, while FE has seen sustained funding reductions.¹³⁰ This has been exacerbated by differential rates of funding for similar qualification types in FE and HE (Figure 7.1), and is likely to have had a disproportionate impact on disadvantaged learners, who are more likely to participate in FE. Total spending on adult education (excluding apprenticeships) has fallen by nearly two-thirds since 2003–04.

Figure 7.1: Funding per student in higher education and further education by subject 2018/19¹³¹



Rapidly changing employment patterns with shorter job cycles and longer working lives require many people to reskill and upskill. The Augar review notes that the post-18 funding system must respond to this need for flexibility, accommodating full and part-time students at different levels who may want to learn in a modular way across their lifetimes and across different institutions. Almost 40 per cent of 25-year-olds do not progress beyond GCSEs as their highest qualification, despite these higher skills being in demand by employers and providing wage gains to individuals. Living costs are often cited as a barrier to further learning. Unlike those in HE, those studying intermediate qualifications in FE are not eligible for full maintenance loans.

The current post-18 funding system also creates perverse incentives *within* the HE sector towards providing particular courses. With nearly all universities charging the top level of fees for most or all of their subjects, the cheapest-to-teach subjects have expanded far more rapidly than the most expensive subjects.¹³²

¹³⁰ Department for Education, 'Independent Panel Report to the Review of Post-18 Education and Funding', (May 2019)

¹³¹ ESFA, 'Maximum loan amounts for advanced learner loans designated qualifications 2018 to 2019' (March 2018) and OfS, 'Guide to funding 2018-19', (May 2018)

¹³² Dearden et al, 'Higher Education Funding in England: Past, Present and Options for the Future', (July 2017)

Participation and access

The participation of young people in HE has increased rapidly; nearly 29 per cent of 18 year olds participate in higher education each year, up from 21 per cent a decade ago.¹³³ However, there has been a marked decline among part-time students. This has occurred across all UK nations since at least 2010, with the largest drops seen in Wales (46 per cent fall) and England (63 per cent).¹³⁴ The shared trend suggests the fall in English part-time numbers is not solely attributable to higher tuition fees introduced from 2012, though researchers from The Sutton Trust have estimated this may be responsible for 40 per cent of the overall fall in England.¹³⁵

There are also concerns about participation among mature students, some postgraduate students, overseas students from certain countries, and ethnic minority groups.¹³⁶ This includes not only under-representation but mismatching between some students' prior attainment and their university courses. New research shows that disadvantaged students and women attend courses that are below the level expected, given their prior attainment ('undermatching').¹³⁷

No progress has been made on narrowing the HE disadvantage gap, despite overall participation among disadvantaged groups hitting record levels and significant resources being spent by universities on widening participation activities.¹³⁸ This is explained almost entirely by prior attainment in school, making investments in the school system to close this gap potentially a fruitful approach to improving access. Participation gaps raise several concerns around fairness, loss of human capital, risks to the financial sustainability of providers and the foregone economic and wider contribution that graduates make to the UK economy, culture and society.

A related concern around fair HE access is the use of predicted grades and unconditional offers, particularly among disadvantaged students. For example, disadvantaged students with high prior attainment are predicted lower A level grades than their better off peers.¹³⁹ This is important because under-predicted candidates are also more likely to apply to, and to be accepted on to, a university course for which they are overqualified. This could in turn affect their future labour market outcomes. The share of unconditional offers has also increased dramatically in recent years, attributed to greater competition for attracting students and rising tuition fees. Unconditional offers are more common at universities with lower entry requirements and among older students. The key concern is that they may be demotivating for students and lead to educational under-achievement.¹⁴⁰

¹³³ Department for Education, '*Participation Rates in Higher Education: Academic Years 2006/2007 – 2017/2018 (Provisional)*', (September 2019)

¹³⁴ David Robinson and Daniel Carr, '*Post-18 education and funding: Options for the government review*', (May 2019)

¹³⁵ Claire Callender and John Thompson, '*The lost part-timers: The decline of part-time undergraduate higher education in England*', (March 2018)

¹³⁶ Higher Education Statistics Agency, '*Higher Education Student Statistics: UK, 2017/18 - Student Numbers and Characteristics*', (January 2019)

¹³⁷ Campbell et al, '*Inequalities in Student to Course Match: Evidence from Linked Administrative Data*', (August 2019)

¹³⁸ Social Mobility Commission, '*State of the Nation 2018-19: Social Mobility in Great Britain*', (April 2019)

¹³⁹ Gill Wyness, '*Predicted grades: accuracy and impact*', (December 2016)

¹⁴⁰ Office for Students, '*Data Analysis of Unconditional Offers: Update*', (October 2019)

Quality and value for money

A key consequence of the imbalance in post-18 routes on offer – a long-term expansion of three-year degrees alongside declines in other routes – is a relatively expensive post-18 system. HE funding was radically reformed in 2012, partly aimed at shifting the cost burden from the state to the student, as the primary beneficiary. The impact has been a marked increase in university funding alongside graduate debt, with graduates and taxpayers now roughly evenly sharing the costs of higher education.

Whilst HE continues to provide a sizeable labour market return on average, this varies considerably by subject and institution attended, with similar variability within the returns to vocational qualifications.^{141, 142} It also means the biggest state subsidies go to the HE courses whose graduates earn the least, via unpaid student loans. These may nevertheless be socially valuable courses (such as nursing), though assessing the social value of different courses – as opposed to their narrower impact on students' earnings – is challenging.

What should a new government do?

Education research suggests that policies should:

- expand and improve the quality and accessibility of vocational and technical education to lessen skill gaps and improve learner outcomes;
- offer clear, connected pathways with employer buy-in and better careers advice to make the value of vocational and technical education clearer and easier to navigate for students, their families and employers; and
- carefully consider the implications of any reforms to university funding and admissions for creating a more equitable higher education system.

Manifesto commitments

There are contrasts in the parties' approach to university tuition fees; Labour proposes their abolition while the Conservatives and Liberal Democrats appear more inclined towards the current system. Several parties also plan to restore maintenance grants to provide support towards students' living costs. There are also proposals which are specifically focused on university admissions and fair access to address underrepresented groups.

The need to reform and improve funding for further and adult education is another common manifesto thread. This is welcome in the context of addressing national skills shortages and the marked funding gap with higher education. The main parties have all pledged significant support for lifelong learning which should directly benefit older learners wanting to learn new skills or retrain. Given the evidence on previous adult education programmes, how these policies are actually designed, monitored and regulated will be key to their success and final cost.

¹⁴¹ Britton et al, 'How English Domiciled Graduate Earnings Vary with Gender, Institution Attended, Subject and Socio-Economic Background', (April 2016)

¹⁴² Steven McIntosh and Damon Morris, 'Labour Market Returns to Vocational Qualifications in the Labour Force Survey', (October 2016)

Battiston et al, 'Labour Market Outcomes disaggregated by subject area using the Longitudinal Education Outcomes data', (August 2019)

Higher Education

Labour and the Green Party plan to abolish tuition fees. The Liberal Democrats do not commit to any specific fee announcements, instead planning a further review of HE finance in the next Parliament. This would follow the recent, comprehensive Augar report which provided an independent and evidence-based assessment of post-18 education funding. Its focus would be on making the HE finance system more progressive and reviewing alternatives to a loans-based system such as a graduate tax.¹⁴³

Proposals to abolish fees are hugely costly and result in the burden being shifted from graduates towards taxpayers, making the system less progressive. The policy favours high-earning graduates by reducing their lifetime repayments substantially, whilst low and middle earners would see little benefit as most do not currently fully repay their student loans. There is also little evidence that abolishing fees would encourage more school leavers from disadvantaged backgrounds to access higher education, as the chief barrier they face is lower attainment in secondary school. There are, however, some sub-groups for whom the tripling of fees since 2012 has adversely affected participation – namely part-time and mature students.¹⁴⁴ Lower, or zero, fees could be one way to counter the sharp fall in demand among these students, though if this is the policy goal, it could be better met by more targeted investments to boost part-time and mature student participation.

Where a new government opts to offset lower, or zero, tuition fees through increasing teaching grants, this would have the benefit of providing more flexibility over how funds are targeted. By allocating teaching grants to better reflect course costs and their social and economic value, this would help remove the current perverse incentives for universities to recruit students on the basis of profit margins and cross-subsidise other courses.

Labour, the Liberal Democrats and the Green Party all plan to restore maintenance grants for disadvantaged learners, which were abolished in 2016. The Institute for Fiscal Studies (IFS) estimates that the Liberal Democrat policy would cost around £600m per year whilst Labour's plans would be more costly still, as the grants would extend not only to full-time undergraduates but to part-time students, and HE students at below degree level too.¹⁴⁵ The combined cost of abolishing fees, and restoring and extending grants, under Labour's proposals is estimated to increase the total government subsidy to HE by around £7bn.

The IFS cautions, however, that the true cost of the policy could turn out to be higher still, if more generous financial support for HE students boosts demand to study at university. The IFS costings assume constant student numbers, whereas Labour is projecting HE student numbers to rise which would presumably further increase the IFS's estimated costs. None of the manifestos have suggested reintroducing student number controls in England and Labour has confirmed it will not be doing this.¹⁴⁶ Student number controls could be one way to limit the financial exposure of taxpayers. It is also worth noting that recent ONS accounting changes mean around half of the outlay on student

¹⁴³ Confirmed in correspondence by the Liberal Democrats on 26th November 2019.

¹⁴⁴ David Robinson and Daniel Carr, *'Post-18 education and funding: Options for the government review'*, (May 2019)

¹⁴⁵ Jack Britton, Laura van der Erve and Ben Waltmann, *'Higher Education Funding: more change to come?'*, (November 2019)

¹⁴⁶ Confirmed in correspondence by the Labour Party on 27/11/2019.

loans counts as current public spending. This means zero-fee and grant-restoration policies appear to add less new public spending than at the 2017 election.

Restoring maintenance grants – like abolishing fees – reduces students' notional debt on graduation and students from disadvantaged backgrounds currently accumulate the largest debts. However, it makes no actual difference to the financial support that students receive during their study. And like abolishing fees, it benefits higher-earning graduates because the bottom 60 per cent of graduate earners do not pay off their student debt before it is written off. There is no clear evidence that replacing maintenance loans with grants would boost the participation of disadvantaged students. If this is the policy aim, there are better ways to provide support for disadvantaged students. This includes targeting support at earlier ages.

The Conservatives pledge to 'look at' the interest rates on student loan repayments with a view to reducing student debt, whilst the Brexit party pledges to abolish interest altogether. Currently students incur an interest rate of 3 per cent plus the Retail Prices Index (RPI) while they are studying and a variable rate thereafter, depending on earnings. Abolishing interest on student loans would make little or no difference to the most disadvantaged and the most advantaged students. The lowest earning graduates do not currently earn enough to repay their loan with interest, whilst the wealthiest students who do not take-out loans pay no interest at all. The graduates who stand to benefit most are the higher earners who currently incur the largest interest charges, shifting the cost burden towards taxpayers and making the current system less progressive. The IFS estimates that fully abolishing interest on loans in-line with the Brexit Party proposal would cost about £3.5bn, increasing the government contribution to HE by more than 40 per cent.

The Green Party has previously pledged to fully cancel outstanding student debt, though this is not mentioned in their manifesto. The IFS estimates that this would come at a one-time cost of £70bn. Addressing existing student debt is something that the Labour party has also previously indicated it would tackle but, again, this is not mentioned in its manifesto. Partially or fully cancelling student debt is again costly depending on exactly how it is done and, under the current income-contingent loans system, such a policy would benefit higher-earning graduates the most and be at the expense of taxpayers.

The Conservatives, Labour and the Liberal Democrats aim to widen access to higher education among disadvantaged and underrepresented groups. The Conservatives will 'improve the application and offer system' and require the Office for Students to 'look at' universities' success in increasing access, whilst the Liberal Democrats will require transparency about selection criteria. Labour reforms appear to go further and are more specific, proposing post-qualification admissions (PQA) and use of contextual admissions across the system.

There is a case for PQA to support wider participation, as young people from disadvantaged backgrounds are more likely to have their actual grades underpredicted. Giving young people longer to consider their choices should help them make more informed choices and could reduce the HE drop-out rate. However, there may also be downsides for some students. The compression of key activity into the summer period may mean applicants are not supported by teachers and advisers at the point when most advice would be required. This would deepen the divide between those who are well supported and those who are not. It could also require significant shifts to school and

university timetabling, potentially either shortening either study for exams, or the first term at university.

Whilst there may be a case for PQA, it comes with uncertainties about the overall impact on widening participation. Labour's proposal to implement contextualised admissions could be a better way to account for under-prediction of disadvantaged young people's grades without any other associated logistical difficulties. The most significant cause of the participation gap is due to the difference in prior attainment at GCSE and A level (or equivalent), rather than the HE admissions process itself. Whilst contextualising HE admissions could help mitigate this under-achievement among disadvantaged pupils, a greater focus should be given to narrowing those gaps *before* entry to HE to help address the underlying cause.

On international students, the Conservatives state: 'our student visa will help universities attract talented young people and allow those students to stay on to apply for work here after they graduate'. The Liberal Democrats also plan to support these students, through a two-year work visa after graduation. The Labour position is less clear and depends on the outcome of Brexit: 'If we remain in the EU, freedom of movement would continue. If we leave, it will be subject to negotiations, but we recognise the social and economic benefits that free movement has brought both in terms of EU citizens here and UK citizens abroad – and we will seek to protect those rights'. The economic impact of international students will depend on wider decisions taken about HE funding – which are not yet clear under the Conservatives and Liberal Democrats – as well as migration policy. One recent estimate of the net positive benefit to the UK economy per cohort of international students puts this figure at over £20bn,¹⁴⁷ indicating any reductions to international student numbers could be economically costly.

Both Labour and the Liberal Democrats aim for 3 per cent of GDP to be spent on research and development – the former by 2030 and the latter, stating an interim target of 2.4 per cent by 2027 which is consistent with the 2019 Spending Round. The Conservatives also pledge 2.4 per cent of GDP but with no timescales, committing instead to 'the fastest ever increase in domestic public R&D spending, including in basic science research'. It is worth noting that the outlook for international students directly affects the research potential of UK universities due to the substantial cross-subsidy from international students' fees to research.

Lifelong learning

The Conservatives, Labour and the Liberal Democrats have all pledged significant financial support for adult education. The Conservatives propose a right to retrain fund worth around £600m per year from 2021-22 (or £580m in 2019-20 prices). Details are lacking but it aims to provide 'matching funding for individuals and SMEs for high-quality education and training', with a proportion reserved for further strategic investment in skills. Labour's plans involve a free lifelong entitlement to training up to level 3 and six years at levels 4-6, with maintenance grants for disadvantaged learners. Labour will also restore funding for learners with English as a second or other language and provide 'additional entitlements for workers in industries that are significantly affected by industrial transition'. Together, these are much more costly than the Conservative's adult education plans, at £3.3bn in 2023-24 (or just over £3bn in 2019-20). The Liberal Democrats propose a lifetime grant

¹⁴⁷ Gavan Conlon, Maïke Halterbeck and Jenna Julius, *The costs and benefits of international students by parliamentary constituency*, (January 2018)

worth £10,000. This is not tied to learning at specific levels but has restrictions on the ages at which adults can access the funding: £4,000 at age 25, £3,000 at age 40 and £3,000 at age 55. The estimated cost of the Liberal Democrat's 'Skills Wallet' is £1.6bn in 2024-25 (almost £1.5bn in 2019-20) – much less costly than the Labour policy but considerably more so than the Conservatives.

All proposals carry uncertainties which will ultimately affect their final cost, including how many learners actually take up the opportunities. With almost half of adults qualified only up to GCSE level reporting cost as a barrier to undertaking further learning, proposals should go some way to redressing the fall in take up of intermediate qualifications. However, it is unclear whether maintenance support is available under any party for adult learners accessing level 3 qualifications. Currently, these learners, unlike those in HE, are not entitled to maintenance support, despite level 3 tuition itself being free of charge and generally conferring good wage returns.

The value for money of all adult education schemes will also depend on exactly which qualifications are undertaken at various levels, their deadweight and the extent to which they genuinely improve learners' long-term outcomes.¹⁴⁸ Where adults improve their basic literacy and numeracy skills, the returns are likely to be positive for both individuals and wider society. However, existing evidence shows there is marked variation in the returns to both HE and FE courses. There is also a risk that additional courses taken by adults meet personal, rather than labour market needs, and at a substantial cost to taxpayers. Any new government must carefully monitor the uptake of qualifications and consider whether subject restrictions would be beneficial, if the goal is to align adults' skills development with labour market demands. It is feasible that uptake is strongest among those learners who are already the most qualified which could widen, rather than narrow, the skills gap.

It will also be critical to have strong regulation of the eligible courses under any adult skills policy. The Liberal Democrats will place this responsibility with the Office for Students. This is less clear under Conservatives and Labour, though Labour is planning a single regulatory body across further and adult education. The risk of fraud is a serious consideration for adult education; a similar 'Individual Learning Accounts' scheme had to be abandoned in 2001 for this reason, after just one year.

To support lifelong learning, both Labour and the Liberal Democrats plan to reform careers advice. Details are light but Labour will work towards an integrated information, advice and guidance system covering all stages of education, whilst the Liberal Democrats will give individuals access to free careers guidance. Currently qualifications outside of the traditional GCSE-A-level-degree pathway lack a clear, transparent structure. To the extent that better careers advice makes the value of vocational and technical education clearer and easier to navigate for learners and employers, this is a welcome development.

Overall assessment

The Conservative party policy is notable for its lack of detail on any of the pressing priorities facing the Higher Education sector. Its focus instead is on improving adult skills, which is in any case a higher priority than reducing tuition fees if the objective is to improve education and skills. This is by

¹⁴⁸ Deadweight refers to the extent to which learners would have paid for the courses themselves, in the absence of government funding.

far the single biggest resource cost in the Conservative manifesto after NHS commitments, yet remains a less generous lifelong learning policy than either that pledged by the Liberal Democrats and especially Labour.

The Labour party's single most costly education policy is to abolish tuition fees and restore maintenance grants. Given that higher-earning graduates would be the main beneficiaries and that HE participation has continued to rise despite the tripling of tuition fees in 2012, this appears to be a poorly targeted policy which would have no impact on education quality. It could, however, help address the steep decline in part-time student numbers. Labour's plans to reform admissions could hold more promise in improving access, whilst acknowledging most of the HE participation gap is explained by prior attainment in school.

Like the Conservatives, the Liberal Democrats plans in relation to HE are scant on detail, with the exception of restoring maintenance grants. This suffers from the same issues as Labour. The proposal is less costly as it does not include part-time and below degree-level students, though these are groups whose numbers have sharply declined in recent years and for whom more targeted support could be beneficial. But along with the Green Party's pledge to abolish fees and restore grants, all three parties' HE plans could, in reality, turn out to be far more costly if they cause a spike in student numbers.

The Conservatives, Labour and the Liberal Democrats all pledge more funding for further and adult education. This is welcome in the context of pressing skills shortages at intermediate and higher technical levels, and the marked funding gap with higher education. Given the evidence on previous adult education programmes, how these policies are actually designed, monitored and regulated will be critical in determining their success and final cost. The institutional capability must also be there: provision must be high quality, delivered by institutions which can respond effectively to changing labour markets, and serve a highly diverse population. The overall impact on the skills gap is hard to predict. If uptake is strongest among those adults who are already the most qualified, this risks widening, rather than narrowing, the skills gap.

The Brexit party's one post-18 commitment is to abolish interest on student loans. This would not support the lowest earning graduates who do not currently earn enough to repay their loans with interest, whilst shifting the cost burden towards taxpayers.

Priority 8: Children and young people’s mental health

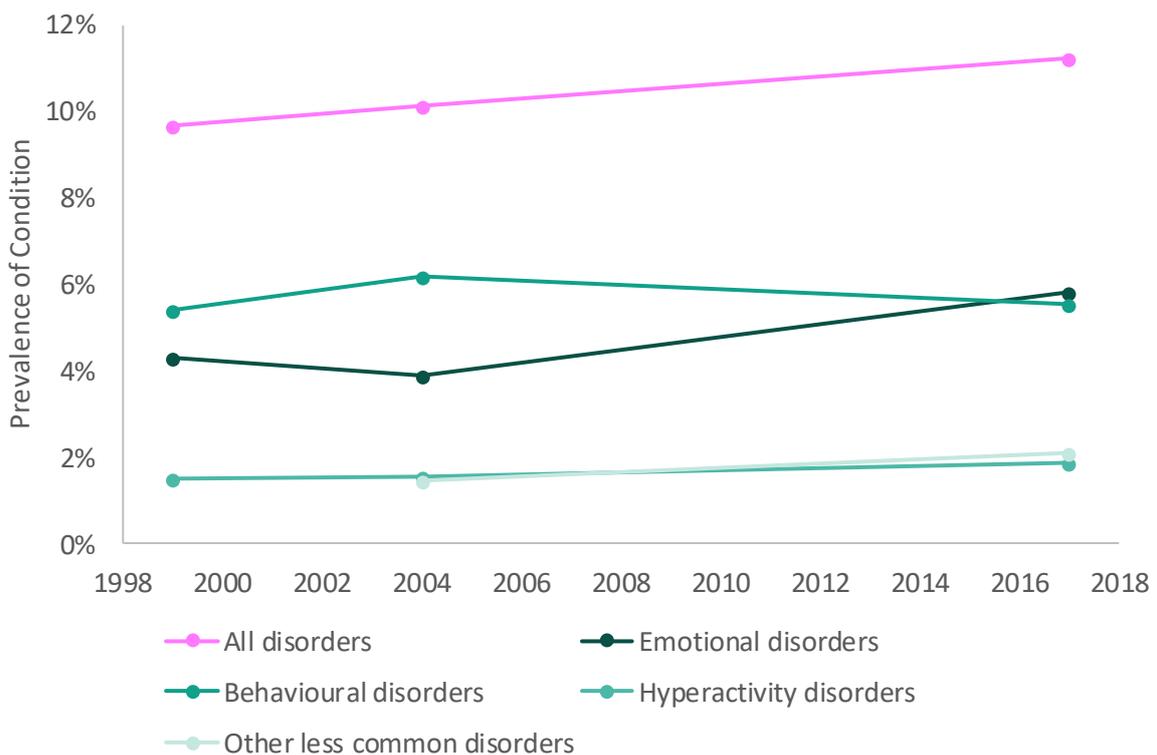
The number of referrals to specialist children’s mental health services has increased by 26 per cent over the last five years. But rejection rates remain high: as many as one in four children referred to specialist mental health services were rejected in 2017/18. Waiting times are far longer than the government’s ambition of 4 weeks. As well as the effect on individuals, failure to address these challenges will present significant long-term economic impacts.

The current landscape

Recent trends in mental health

NHS research shows that mental illness rates among 5 to 16 year-olds have increased from 10.1 per cent in 2004 to 11.2 per cent in 2017.¹⁴⁹ The increase has been led by emotional disorders, which increased by 1.9 percentage points to 5.8 per cent in this time period. Rates are higher among older children and young people (CYP), reaching 16.9 per cent among 17 to 19 year-olds.

Figure 8.1: Prevalence of mental illness amongst 5 to 16 year-olds



High and increasing rates of mental illnesses among CYP are concerning and may reflect a combination of factors. While increases in referral rates are affected by changing attitudes to mental health, the trends presented here reflect estimates of the underlying rates of prevalence.

¹⁴⁹ NHS Digital, ‘Mental Health of Children and Young People in England, 2017 [PAS]’, (November 2018)

Relationship with other characteristics

Socioeconomic disadvantage is a significant factor in mental health, with disadvantaged young people being at between two and three times higher risk of developing an illness.¹⁵⁰ Socioeconomic disadvantage can be a direct psychological stressor, through poor housing or unsafe neighbourhoods. Furthermore, gang violence¹⁵¹, inter-parental conflict,¹⁵² and not being in education, employment or training (NEET)¹⁵³ were identified by a government green paper as linked to mental health problems and are all more common among disadvantaged young people.

The link between disadvantage and mental illness indicates that the increasing rate of child poverty is concerning. Child poverty is expected to rise by over six percentage points between 2016-17 and 2023-24, 37 per cent, representing an additional 1.1 million children living in poverty.¹⁵⁴ The increase would be felt by children from specific backgrounds particularly strongly, with over half of children in single parent families or families where no-one is in work predicted to be in poverty by 2023-24.

Beyond socioeconomic disadvantage, mental illness among CYP is concentrated within other structurally disadvantaged demographics. Rates are higher among girls and LGBT youths, and among people with learning difficulties.¹⁵⁵ ¹⁵⁶ There are also higher rates among children with long term illnesses and with physical and developmental problems, and the comorbidity of different mental health conditions is higher among children from lower income households.¹⁴⁹

Student mental health

Levels of reported mental health issues are increasing among the student population. Approximately two per cent of UK-domiciled first-year HE students disclosed a mental health condition in 2015/16, five times the proportion in 2006/07.¹⁵⁷ A recent survey also indicated increased demand for counselling services.¹⁵⁷

Consequences of poor mental health include academic failure, worse career prospects and even suicide. Student suicide rates have increased by 52 per cent since 2000/01, reaching 4.7 per 100,000 of the population in 2016/17 – indicating an increase in both disclosure and prevalence of mental health issues.¹⁵⁸ Men are overrepresented among student suicides.¹⁵⁹

¹⁵⁰ Franziska Reiss, *'Socioeconomic Inequalities and Mental Health Problems in Children and Adolescents: A Systematic Review'*, (August 2013)

¹⁵¹ Pamela Attree, *'Growing up in Disadvantage: A Systematic Review of the Qualitative Evidence'*, (November 2004)

¹⁵² Daniel Acquah et al., *'Inter-Parental Conflict and Outcomes for Children in the Contexts of Poverty and Economic Pressure'*, (April, 2017).

¹⁵³ Becci Newton and Jonathan Buzzeo, *'Overcoming Poverty and Increasing Young People's Participation'*, (March 2015)

¹⁵⁴ Corlett Adam, *'The Living Standards Outlook 2019 Resolution Foundation'*, (February 2019)

¹⁵⁵ National Guideline Alliance (UK), *'Mental Health Problems in People with Learning Disabilities: Prevention, Assessment and Management'*, (September 2016)

¹⁵⁶ Victoria Zamperoni, *'What New Statistics Show about Children's Mental Health'*, (November 2018)

¹⁵⁷ Craig Thorley, *'Not by Degrees: Improving Student Mental Health in the UK's Universities'*, (September 2017)

¹⁵⁸ Whitney Crenna-Jennings and Jardelle Johnson, *'Prevalence of Mental Health Issues within the Student-Aged Population'*, (September 2018)

¹⁵⁹ House of Commons Library, *'Support for students with mental health issues in higher education in England'*, (August 2019)

Several factors have been suggested as contributing to the rise in mental ill health among students, such as academic stressors and rising participation among young people from disadvantaged backgrounds who are more at risk of mental health issues. Research suggests high financial concerns are also linked to poor student mental health.^{160,161}

Concerns have been expressed about the availability of support for students with mental health conditions and the response of HE institutions to the problem. There is also no standardised HE equivalent to education, health, and care plans, meaning the level of support varying significantly between providers.

Likely consequences

If the government continues failing to meet these challenges, there are likely to be significant negative consequences. For example, our research shows 27.0 per cent of pupils with the SEN type *Social, emotional and mental health* (SEMH) undergo an 'unexplained exit' during their time in school.¹⁶² Similarly, rates for exclusions for these students are 1.02 per cent for permanent exclusions and 46.26 per cent for fixed period exclusions, compared to national averages of 0.10 per cent and 5.08 per cent respectively.¹⁶³ 1.3 per cent of CYP with mental illnesses come into contact with youth justice services, compared to 0.03 per cent of those without.¹⁴⁹

DfE statistics confirm that students with SEMH needs perform worse in their GCSE qualifications, with only 25.7 per cent achieving a level 4 or above in English and mathematics at GCSE, compared with a national average of 64.2 per cent.¹⁶⁴ Using Attainment 8 (a more rounded measure of GCSE performance), children with SEMH have an average score of 25.9, compared to 46.5 for the national average.

Child mental ill health is a strong predictor for mental health problems in later life. Among adults with a diagnosable mental health conditions, 75 per cent will have first presented symptoms by age 24 and 50 per cent by age 14.¹⁶⁵

In terms of the broader economic and social impacts, a 2018 OECD report calculates the cost to the UK of mental ill-health at £94bn.¹⁶⁶ This represents four per cent of national GDP, including the impact of lowered employment and productivity, and costs of treatment and associated social care.

Unmet need

The consequences of rising rates of mental ill health illustrate the importance of a system which functions appropriately and effectively. Despite this, EPI's most recent report found significant areas of unmet need within the current system, with almost one in four children referred to specialist

¹⁶⁰ Richard Cooke et al., *'Student Debt and Its Relation to Student Mental Health'*, (February 2004)

¹⁶¹ Donna C. Jessop, Carolina Herberts, and Lucy Solomon, *'The Impact of Financial Circumstances on Student Health'*, (September 2005)

¹⁶² Jo Hutchinson and Whitney Crenna-Jennings, *'Unexplained Pupil Exits from Schools: Further Analysis and Data by Multi-Academy Trust and Local Authority'*, (October 2019)

¹⁶³ Department for Education *'Permanent and Fixed Period Exclusions in England 2017 to 2018'*, (August 2019)

¹⁶⁴ Department for Education, *'Key Stage 4 and Multi-Academy Trust Performance 2018 (Revised)'* (January 2019)

¹⁶⁵ Mental Health Foundation, *'Fundamental Facts About Mental Health'*, (October 2015)

¹⁶⁶ Sarah Bosely, *'Mental illness costs UK £94bn a year, OECD report says'*, (November 2018)

mental health services in the year 2017/2018 being rejected.¹⁶⁷ Waiting times are similarly concerning, with a median wait of 34 days for an initial assessment and 60 days for treatment.

Staffing within CAMHS is another area facing significant strain. There are concerns around failing to meet standards on reliance on permanent workforce staff and on minimum staff to patient ratios. Recruitment problems do not relate exclusively to finances - there is a vacancy rate of 12.14 per cent among child and adolescent roles within psychiatry in English NHS trusts, one of the highest among psychiatry specialisms. This is compounded by a comparatively high dependence on locum staff.¹⁶⁸

Children's services are also under significant pressure. Since 2010-11, spending on children's services has fallen by 10 per cent in real-terms.¹⁶⁹ As local authorities are devolved, the levels of provision are not standardised.

Recent policy focus

The 2018 government green paper *Children and Young People's Mental Health Provision* discussed the identification of a designated senior lead for mental health within schools, correctly recognising the role of schools within the young people's mental health system. As the green paper suggests school be incentivised rather than required to do this, provision will vary by school. The green paper also aims to improve waiting times, with a target of halving average waiting times to four weeks.

The proposals put forward in the green paper fail to address sufficiently the recruitment and funding barriers currently facing the sector. Staffing problems do not exclusively relate to funding concerns and the green paper fails to address these through a recruitment and retention strategy.

Common to all these core proposals are under-ambitious timescales, with a target of between one fifth and one quarter of the country having these improvements by the end of 2022/23. As current levels of unmet need are high, these plans do not act quickly enough to support the many young people whose welfare and educational attainment are negatively impacted by poor mental health.

Priorities for an incoming government

Research suggests that policies should:

- **provide a robust funding model which matches current prevalence levels** and changes in line with alterations to standards on treatment and waiting lists, and underlying risk factors;
- **reduce the time spent waiting for treatment**, including the necessary changes to workforce policy to ensure this; and
- **establish a preventative and early intervention based approach to mental health care**, involving schools, parents and local authorities

Manifesto commitments

Mental health is an increasingly high-profile issue, with multiple political parties discussing the importance of establishing a parity of esteem between mental and physical health conditions.

¹⁶⁷ Whitney Crenna-Jennings and Jo Hutchinson, *'Access to Children and Young People's Mental Health Services - 2018'*, (October 2018)

¹⁶⁸ Royal College of Psychiatrists, *'Our Workforce Census'*, (October 2019)

¹⁶⁹ Jack Britton, Christine Farquharson, and Luke Sibieta, *'2019 Annual Report on Education Spending in England'*, (September 2019)

Despite its significance however, commitments made by political parties often tend to be vague or exhibit a piecemeal approach, a problem when many areas of the existing system exhibit significant levels of unmet need. Whilst a lot of political focus is on children and young people's (CYP) mental health, most of the detailed policy changes present within the manifestos tend to focus on mental health or the NHS more broadly, not recognising the unique aspects of how the system works for children and young people.

National targets

The Conservative manifesto makes no reference to reducing waiting times or other national standards in CYP mental health, suggesting a commitment to current government policy. This includes a commitment that at least 345,000 additional children or young people will receive mental health support (including via school-based teams) by 2023-24.

In terms of changes to national standards, Labour focuses on eating disorders, committing to meeting NICE guidelines for these conditions and providing sufficient funding to do so. The focus on eating disorders specifically is similar to the NHS Long Term Plan, and whilst improvements in any treatment area are positive, focusing on one group of conditions is not necessarily the best strategy. This is because there are many mental health problems which affect young people at high rates and with serious consequences, with illness types being linked to different areas of vulnerability or disadvantage.

One of the most quantifiable pledges specific to CYP mental health made by any of the main parties is the Liberal Democrats' pledge to ensure that NHS treatment is provided to all children and young people with a diagnosable mental health condition, a significant increase compared to current treatment rates. A less specific commitment to introduce further mental health waiting time standards is also made, with children's services being one of the first areas to see these increased standards. They also suggest increasing access to a range of talking therapies, though little detail is given on the scale of this.

The Green Party manifesto commits to ensuring that access to evidence-based mental health therapies has a maximum waiting time of 28 days, and mentions that provision should be tailored for, among other groups, children and adolescents. This is a positive move and for many children would represent a significant decrease from current waiting times.

There are only a small number of targets for treatment and waiting lists for children and young people with mental illnesses present in the parties' manifestos, many of which are insufficiently specific. This is concerning as a key tool in holding care providers to account is the extent to which they meet government guidelines. With our research consistently finding high levels of unmet need within CAMHS, it is notable that some manifestos do not quantify how they wish to improve services, with treatment rates, waiting lists, and care quality all being important areas to have standards on. It is also disappointing that none of the manifestos discuss how they would attempt to reduce the rates of children on adult mental health wards, a practice that we know is currently still used despite the adverse effect it has on children.

Funding

With the Conservative manifesto not making commitments around the funding of children and young people's mental health, we assume they remain committed to the current NHS Long Term

plan, involving CYP mental health funding rising at a rate higher than total NHS or mental health spending.

The Labour manifesto commits an additional £845m a year specifically for children and young people's mental health, with an additional £2bn on modernising hospital facilities across the NHS. This is a significant increase and the most specific commitment relating to funding made in any of the party manifestos. Greater detail on the breakdown of this funding and whether it will be ring-fenced is necessary.

The Liberal Democrats have committed to an increase of one percentage point on the basic rate of income tax to raise £7bn which will pay for some of their increased spending on health and social care. The manifesto states that some of this will be ring-fenced for mental health, a positive move, although there is no detail on what proportion of this additional amount will be ring-fenced for children and young people.

For the parties which have made commitments, it is unclear the extent to which the children and young people's area of provision within their funding policies on mental health is ring-fenced. It is also disappointing that no parties have attempted to link funding to levels of prevalence or risk factors. This is problematic as increasing prevalence levels will require increased care levels, and any funding model needs to respond to this appropriately.

If prevalence and referral rates continue to increase, it is likely there will be repeated funding pressures with service delivery problems due to staffing and training issues. Parties should aim to be more explicit about how much funding will be aimed at preventative measures and how this will be spent, as rising need may outstrip funding commitments and there are practical limits to spending on more psychiatrists in the near-term.

Neither the Green Party nor the Brexit Party have made specific commitments in this area.

Workforce

For all parties considered, any discussion of workforce policies has focused on policies at an NHS level, with little focus on the specific concerns facing children and young people's mental health. This is concerning as this area faces acute challenges within the NHS workforce, and sector-specific solutions alongside more large-scale policies are likely to be necessary. In particular, the lack of qualified psychiatrists working within CAMHS is a concern and one which requires urgent action in addition to a longer-term commitment to training larger numbers.

School Policy

Labour has stated it wishes to employ almost 3,500 counsellors to be based within schools, in an attempt to guarantee that children have access to counsellors. The manifesto is unclear on the cost of this policy and where this funding comes from, whether it reflects part of the increased spending on mental health or an increased financial burden on schools. This is in combination with establishing "open access mental health hubs". Locating more mental health professionals within the education system could help to reduce reliance on acute care, which is likely to be positive.

The Liberal Democrats aim to ensure all frontline public service professionals are better trained in mental health, alongside introducing a Student Mental Health Charter which focuses on ensuring that all universities and colleges provide appropriate mental health provisions. Whether either of

these policies are effective is likely to depend on the details of the charter and the staff training, and how they are enforced and funded. They also want to ensure that there is immediate access to student support and counselling, and suggest moving to a 'whole-school' approach to mental health.

The Liberal Democrats and Labour both commit to removing some elements of the formal examination system, citing student and staff wellbeing among other issues. Proposed alternatives to these tests need to make sure they do not undermine school accountability which could see a drop in school standards disproportionately affecting pupils from disadvantaged backgrounds.

Behaviour policy is an important area, as a punitive behaviour management system may be linked to increased risk of mental health problems.¹⁷⁰ Furthermore, unmet SEND needs may manifest as poor behaviour.¹⁷¹ There are comorbidities between mental health problems and other areas of SEND, and a whole school approach would need to recognise these.

Early intervention

Labour has committed £1bn extra to public health, including employing 4,500 more health visitors and school nurses and adding mental health assessments to maternal health checks six weeks after birth. It is also seeking to expand provision for looked after children or those whose family circumstances put them at increased risk of entering care. The Liberal Democrats propose a new Minister for Wellbeing, whose remit will include work towards reducing rates of Adverse Childhood Experiences, a useful area in terms of reducing acute risk factors in the development of mental illnesses.

The integration of mental health checks into the pre-existing health system is likely to be a positive move if it can be done successfully. It is also good to see specific policies to support vulnerable children and young people by targeting known risk factors in mental health problems, although the success of all these areas of intervention is likely to depend significantly on whether they can be implemented with an appropriate funding model and workforce.

Analysis by the Resolution Foundation suggests that the main parties commitments to social security spending will not lead to a reduction in child poverty and may even result in significant increases.¹⁷² This suggests that none of the parties are taking sufficiently strong steps in challenging the occurrence of a key risk factor in the development of mental illness within children and young people.

Beyond specific health-based initiatives, any policy proposals which are likely to reduce child poverty, exposure of young children to crime, and other similar risk factors are likely to be a positive form of early intervention. Our analysis is, however, limited to early intervention and preventative measures which are based within the health or education system.

Overall assessment

Whilst any commitment to increased staffing, support or funding has the capacity to be positive, all parties have failed to sufficiently recognise the broader problems within children and young people's

¹⁷⁰ University of Exeter, *'Exclusion from school can trigger long-term psychiatric illness'*, (July 2017)

¹⁷¹ Department for Education, *'Special educational needs and disability code of practice: 0 to 25 years'*, (January 2015)

¹⁷² Laura Gardiner, *'The shifting shape of social security'*, (November 2019)

mental health. A piecemeal approach of targeting certain areas of the system is unlikely to be effective without an overarching strategy where every area of the sector, including areas outside the formal health and education system, such as LAs, is held accountable.

The Conservative manifesto has mentioned little in terms of concrete policy changes linked specifically to children and young people's mental health, particularly with regards to funding and national targets. A lack of changes to national targets is likely to continue to leave larger levels of unmet need. There is little discussion of early intervention, and the possibility that child poverty rates would increase is concerning due to its effect on prevalence.

Both Labour and the Liberal Democrats are more explicit in their funding strategies and appear to pledge additional funding for mental health, although both are unclear on ring-fencing and how this will be shared within the system, meaning more detail is needed to assess the effect of this upon the system. In particular, it is important to know how this funding is split between acute care and early intervention or preventative measures and the targets and accountability for these measures. The lack of a specific workforce policy from any party is concerning.

Labour and the Liberal Democrats both have specific policies for mental health within schools which is positive, and recognise the importance of both mental health professionals in these settings and wider workforce being skilled in mental health.

The Green party's commitment to a target of 28 days for access to evidence-based mental health therapies is positive, but without specific policies on funding or the workforce, this is likely to be challenging to achieve. A lack of focus on early intervention means the system would remain skewed towards responding to high prevalence rates of illness, as opposed to reducing these rates.

The Brexit Party at no point discuss mental health in their election contract.

Appendix 1: New analysis in this report

This report contains a number of new pieces of analysis that are designed to aid understanding of the manifesto commitments. In order to do so, we have used a range of published datasets and made a number of assumptions. This appendix sets out this analysis in more detail.

A1.1 The early years

Due to the nature of pledges made by parties, we consider annual expenditure in 2023-24, with all costs in 2019-20 prices. The analysis ignores the effect of the Early Years Pupil Premium and capital funding, looking only at the effect of changes to entitlements, funding rates and hours provided.

Usage

Current usage levels (reflecting both proportion of children using a service and the proportion of eligible hours that they use) comes from 'DfE Education provision: children under 5 years of age, January 2019'. Estimates of mean hours used were made by averaging the banded number of hours used by the relevant children. <https://www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2019>

Hourly Rates

Nine-month-olds to 2-year olds

No specific claims are made in the manifestos on to the hourly rates provided by the government, so the rate is assumed to be the same as the one committed by the parties for the two-year-old entitlement. This is likely to underestimate the actual cost of delivering services to children this age.

Two-year-olds

Current funding rates come from the to the IFS 'Proposals for the early years in England' briefing note, which give an average hourly rate of £5.44. We consider two cases, one where rates are flat in cash terms, and one where they rise in line inflation. According to the same briefing note, by 2023-24 Labour are committing to an average funding rate of £9.00 an hour and the Liberal Democrats to £7.22 an hour, both in 2023-24 prices. <https://www.ifs.org.uk/election/2019/article/proposals-for-the-early-years-in-england>

Three and four-year-olds

Current minimum hourly rates for each local authority come from 'DfE Early years national funding formula: funding rates and guidance' for 2019-20. Again, the cases of constant in cash terms or rising with inflation were considered. <https://www.gov.uk/government/publications/early-years-national-funding-formula-allocations-and-guidance>

According to the IFS, by 2024 the minimum hourly rates would be £5.36 under the Liberal Democrats, and £5.60 an hour under Labour, again in 2023-24 prices.

Usage cases: nine-month-olds to 2-year olds

There are three possible approximations of usages rates:

- **Case 1:** assume usage is the same as for three and four-year olds (94 per cent using the service and an average of 86 per cent of available hours used). This is because proposals either focus on it being universal, or being only for children whose parents are in work, both of which are true for different entitlements for children aged three and four.
- **Case 2:** assume usage rate is the same as current usage of the two-year-old entitlement (68 per cent using the service and an average of 88 per cent of available hours used), as two-year olds are the age bracket closest to this new age bracket.
- **Case 3:** assume an intermediate case - 80 per cent take-up and 86 per cent of available hours used

Figure A.1.1: Average annual expenditure per eligible child aged 9 months to 2 years, considering different usage levels

Average annual expenditure per eligible child aged 9 months to 2 years in 2023-24 (2019-20 prices)	Labour/ Conservative/ Current Policy	Liberal Democrats	Green
Case 1 High take-up rate	NA	Working: £9,025 Non-working: £0	Working: £5,383 - £5,811 Non-working: £5,383 - £5,811
Case 2 Low take-up rate	NA	Working: £6,718 Non-working: £0	Working: £4,007 - £4,326 Non-working: £4,007 - £4,326
Case 3 Intermediate take-up rate (as used in figure 1.3)	NA	Working: £7,730 Non-working: £0	Working: £4,611 - £4,978 Non-working: £4,611 - £4,978

Usage case: two-year-old entitlement

We consider four cases:

- **Case 1:** usage rates for disadvantaged and non-disadvantaged children are the same and at the level of disadvantaged children for the current two-year-old entitlement (68 per cent take-up use on of 88 per cent of available hours); this is based on the idea that we are comparing similar age groups.
- **Case 2:** the usage rates for disadvantaged and non-disadvantaged children are the same and at the 3 and 4-year-old entitlement level (94 per cent take-up use on of 86 per cent of available hours) – this is based on the idea that we are comparing similarly universal services
- **Case 3:** the usage rates for disadvantaged and non-disadvantaged two-year olds are different. The usage rate for disadvantaged two-year olds remains the same and the usage rate for non-disadvantaged two-year olds is at the level for three and four-year olds.
- **Case 4:** the usage rates for disadvantaged and non-disadvantaged children are the same, and are at an intermediate level between case 1 and case 2. This uses 80 per cent take-up and assumes 86 per cent of available hours are used.

Figure A.1.2: Average annual expenditure per eligible 2-year-old, considering different usage levels

Average annual expenditure per eligible child in 2023-24 (2019-20 prices)	Conservative / Current Policy	Labour	Liberal Democrats	Greens
Case 1 Low take-up rates	Disadvantaged: £1,717 - £1,854 Non-disadvantaged: £0	Disadvantaged: £5,683 Non-disadvantaged: £5,683	Disadvantaged: £6,718 Non-disadvantaged: £6,718	Disadvantaged: £4,007 - £4,326 Non-disadvantaged: £4,007 - £4,326
Case 2 High take-up rates	NA	Disadvantaged: £7,634 Non-Disadvantaged: £7,634	Disadvantaged: £9,025 Non-disadvantaged: £9,025	Disadvantaged: £5,383 - £5,811 Non-disadvantaged: £5,383 - £5,811
Case 3 Differentiated take-up rates	NA	Disadvantaged: £5,683 Non-disadvantaged: £7,634	Disadvantaged: £6,718 Non-disadvantaged: £9,025	Disadvantaged: £4,007 - £4,326 Non-disadvantaged: £5,383- £5,811
Case 4: Intermediate take-up rates (As used in figure 1.3)	NA	Disadvantaged: £6,539 Non-disadvantaged: £6,539	Disadvantaged: £7,730 Non-disadvantaged: £7,730	Disadvantaged: £4,611 - £4,978 Non-disadvantaged: £4,611 - £4,978

Three and four-year-old Entitlement

Usage rates are assumed to remain the same as usage rates are very similar between the 30 hour and 15 hour entitlement, so increasing the total entitlement again is likely to have only a small effect. As IFS data gives minimum funding commitments made by parties, here consider the minimum amount of spending.

Figure A.1.3: Minimum annual expenditure per eligible three and four-year-old, considering different usage levels

Minimum annual expenditure per eligible child in 2023-24 (2019-20 prices)	Conservative / Current Policy	Labour	Liberal Democrats	Greens
	Working: £3,563 - £3,846 Non-working: £1,781 - £1,923	Working: £4,640 Non-working: £4640	Working: £6,545 Non-working: £6,545	Working: £4,157 - £4,487 Non-working: £4,157 - £4,487

To calculate the current ratio of minimum to average rates, an average was calculated using the hourly rates by local authority, weighted by number of three and four-year-olds accessing these services, according to 'Education provision: children under 5 years of age, January 2019'. For 2019-

20, this gave a minimum rate of £4.30 and an average rate of £4.67. If we assume this ratio is constant, an estimation of average expenditure per eligible child can be calculated.

Figure A.1.4: Estimate of average annual expenditure per eligible three and four-year-old, considering different usage levels

Estimate of average annual expenditure per eligible child 2023-24 (2019-20 prices)	Conservative / Current Policy	Labour	Liberal Democrats	Greens
	Working: £3,869 - £4,176 Non-working: £1,934- £2,088	Working: £5,038 Non-working: £5,038	Working: £7,107 Non-working: £7,107	Working: £4,513 - £4,873 Non-working: £4,513 - £4,873

A1.2 School accountability

Inspections

The total number of inspections calculated for the 2017/18 academic year based on Ofsted monthly management information. <https://www.gov.uk/government/statistical-data-sets/monthly-management-information-ofsted-school-inspections-outcomes>

- Full inspections - year to date published by 31 Aug 2018
- Short inspections - year to date published by 31 Aug 2018

Cost of increased number of inspections estimated by:

- Total number of inspections per year if on a three year cycle = total number of schools / 3 (total number of schools taken from 'Ofsted annual report 2017/18' <https://www.gov.uk/government/publications/ofsted-annual-report-201718-education-childrens-services-and-skills>;
- Minus the total number of inspections Ofsted carried out in 2017/18;
- Multiplied by the average cost of an inspection of £7,200 taken from 'National Audit Office: Ofsted's inspection of schools', uprated for inflation. <https://www.nao.org.uk/report/ofsted-inspection-of-schools/>

Note that this is likely to be an underestimate since the cost of inspection of £7,200 incorporates around 60 per cent of inspections being short, one day, inspections.

A1.3 School funding

Proportion of schools by size of increase

Derived from 'DfE National funding formula tables for schools and high needs: 2020 to 2021'; column (i) percentage change in pupil-led NFF funding.

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2020-to-2021>

Percentage of pupils eligible for free school meals linked to this dataset from 'DfE Schools pupils and their characteristics: January 2019'

Universal free school meals

Number of eligible pupils

The baseline numbers of pupils eligible for (and claiming) free school meals under the current policy is from the January 2019 school census published in *'DfE Schools pupils and their characteristics: January 2019'* (see above).

The Liberal Democrat and Labour pledges are to extend free school meals to **all primary pupils**. This only affects pupils in aged 6 to 10 (as those in reception, year 1 and year 2 are already eligible under the current Universal Infant Free School Meals policy). The estimated increase in the number of eligible pupils aged 6 to 10 is based on an FSM eligibility rate of 100 per cent – in practice around 85 per cent would be expected to claim based on current take-up rates.

The Liberal Democrats also plan to extend free school meals to pupils whose **families receive Universal Credit** (UC). Currently only those on UC with an annual net income of up to £7,400 (before benefits) are eligible for FSM. To derive the additional number of secondary pupils who become eligible we assume an eligibility rate of 50 per cent for pupils aged 11 to 15, based on *'DfE Eligibility for free school meals, the early years pupil premium and the free early education entitlement for two-year-olds under Universal Credit Government: consultation response'*

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/692644/Government_response_FSM_and_EY_entitlements_under_Universal_Credit.pdf

This states that: *"Many respondents called for free school meals to be extended to all families on Universal Credit. However, this would mean that around half of all pupils would become eligible for free school meals, compared to a current rate of around 14 per cent"*.

In 2018, the 14 per cent FSM eligibility rate was similar for pupils of all ages and for the sub-set of secondary pupils. In 2019, the FSM rates are also similar across these two groups at 16 per cent. Given the wider uncertainties in how rates of FSM eligibility will evolve over time and across age groups – as well as over the roll-out of UC to 2022 – we have not attempted to adjust for this.

Unit cost of provision

The unit cost of providing a free meal for each eligible pupil is assumed to be £2.30 based on current funding rates. The rate of £2.30 is based on a survey carried out in 2012 which estimated the cost of primary school meals consisting of £1.20 in labour, £0.67 on ingredients, and £0.43 in overheads.¹⁷³

Our illustrative cost pressure is based on increasing labour costs by 30 per cent (an additional 36p per meal) and then by 64 per cent (an additional 77p per meal) – in line with historic and proposed increases to the minimum and living wage since the £2.30 unit cost was introduced.

Teacher pay

We estimated an approximate 1 per cent pay pressure created by increasing minimum salaries to £30,000 based on number of teachers currently below that level and the average increase needed to reach the minimum threshold.

¹⁷³ Michael Nelson et al, *'Seventh annual survey of take up of school lunches in England: 2011/12'*, (July 2012)

The number of teachers by pay range was taken from Tables 9a and 9b of 'DfE School workforce in England: November 2018' <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2018>

Salaries were uplifted by 2.75 per cent, in line with the average increase in 2019-20 to estimate the total number of teachers currently in each pay range, we assumed that teachers were evenly distributed within each pay range. We then applied an average uplift based on the middle point of the pay range.

Class sizes

Data on the number and percent of primary school classes in England with more than 30 pupils is based on the DfE statistical release 'Schools, pupils and their characteristics: January 2019': <https://www.gov.uk/government/statistics/schools-pupils-and-their-characteristics-january-2019>

This is used to estimate how many additional school places would be needed under the Labour pledge of reducing primary class sizes to under 30. This estimate is then multiplied by the unit cost of providing a new primary school place, based on 'NAO – Capital funding for schools' <https://www.nao.org.uk/wp-content/uploads/2017/02/Capital-funding-for-schools.pdf>

Similarly, the number of additional school places is multiplied by the average cost of employing a primary school teacher, to derive the ongoing costs of the Labour class size pledge. This unit cost of a primary teacher is based on their average salary, based on 'DfE School workforce in England: November 2018', uprated for on-costs of 26 per cent. <https://www.gov.uk/government/statistics/school-workforce-in-england-november-2018>

Both the capital and on-going teacher costs are lower bounds as they assume that all pupils in 'oversized' classes are redistributed with perfect efficiency. Given wider uncertainties, the analysis does not attempt to take into account any interactions with other pledges on teacher salaries.

A1.4 Teachers

Estimating the number of hours of continuous professional development (CPD) accessed by teachers in England

To estimate the number of hours of CPD currently accessed by teachers in England, we used the latest data from the Teaching and Learning International Survey (TALIS 2018). This is an international survey of teachers and school leaders conducted by the OECD every five years, most recently in 2018. In this year, 2,009 and 2,376 lower secondary teachers (teaching years 7 up to and including GCSE year) responded to the survey. Schools and teachers are randomly sampled to ensure TALIS data are representative.¹⁷⁴

TALIS 2018 asked teachers to report the average hours per week spent upon selected tasks, including professional development. Findings are reported for full-time and part-time teachers split by primary and lower-secondary phase. Given that it is not clear how the Liberal Democrat pledge to introduce formalised entitlement to CPD would apply to part-time teachers, in terms of whether these teachers would also be entitled to the full 50 hours offer, this analysis focused solely on full-

¹⁷⁴ John Jerrim and Sam Sims, 'The Teaching and Learning International Survey (TALIS) 2018: Research report', (June 2019)

time teachers. To calculate how this average weekly estimate translates into an annual total of CPD hours accessed, we assume firstly that teachers only access CPD during school term-time, and secondly that there are 39 weeks in a school year. We calculate averages for primary and secondary teachers separately.

As commented on in the report, it is difficult to obtain consistent and reliable estimates of how many hours teachers are currently spending on professional development each week. Even within the same survey, teachers can report different numbers of *total* working hours depending on how that information is derived.¹⁷⁵ Therefore, estimates of average hours spent on development activity should be treated with caution.

Estimating current school expenditure on staff development

To estimate current school expenditure on staff development, we take data published from Department for Education on long-term school spending trends.¹⁷⁶

This is a time series of school spending data compiled through matching separate spending datasets for academies and local authority maintained schools over time. The data is provided in a number of breakdowns, including spend per pupil on staff development in a given year between 2002 and 2016. Expenditure is not split by phase so spending for primary and secondary schools are combined in each year. We take a four-year average of the spend per pupil on staff development from 2013-14 to 2016-17 and multiply it by the total of primary and secondary full time equivalent (FTE) pupils in state-funded schools in January 2019 to estimate total current annual school expenditure on CPD. Pupil numbers are taken from Department for Education data on school and pupils numbers.¹⁷⁷

Finally, we adjust for 2019-20 prices.

A1.5 Access to good schools

Proportion of local authorities with more than 70 per cent of pupils in academies

Calculation based on extract from DfE's *'Get Information about Schools'*, November 2019. It includes all state-funded schools listed as open or open but proposed to close. Academies includes mainstream, special, and alternative provision: converter academies, sponsored academies, free schools, studio schools, and UTCs.

Class sizes

See A1.3 Class sizes.

A1.6 Post-16 education, including technical and vocational

Assessing the impact of 16-19 funding pledges on per student funding

The Conservative, Labour and Liberal Democrat parties all pledged various uplifts to base rate funding for post-16 education. Pledges were either made in terms of the total funding that would be available to boost the base rate or in terms of an existing level of funding per student to be matched

¹⁷⁵ Rebecca Allen et al, *'New evidence on teachers' working hours in England. An empirical analysis of four datasets'*, (2019)

¹⁷⁶ Department for Education, *'Trends in school spending: 2002 to 2016'*, (August 2018)

¹⁷⁷ Department for Education, *'Schools pupils and their characteristics: January 2019'*, (June 2019)

in the post-16 phase. Pledges were also given on different timescales, ranging from one-year settlements to per student funding level to be matched by 2023-24. This analysis attempted to reconcile all pledges into a comparable format.

For all parties, the same starting base rate was assumed at £4,000 as at 2019-20 as per the National Funding Formula.¹⁷⁸ Given that this base rate is not protected in cash terms under current government policy, we calculated the expected fall in base rate according to the GDP deflators published alongside the 2019 Spring Statement (see A1.9) as set out in figure A.6.1.

Figure A.6.1: Change in post-16 funding rate due to inflation

	Projected base national funding rate per student	Deflator
2019-20	£4,000.00	1.000000
2020-21	£3,927.65	0.981912
2021-22	£3,852.95	0.963239
2022-23	£3,779.10	0.944776
2023-24	£3,705.13	0.926281
2024-25	£3,632.60	0.908149
<i>Deflators derived from GDP deflators at market prices, and money GDP: March 2019 (Spring Statement), figures for year 2024-25 extrapolated based on three year trends.</i>		

Student numbers are expected to increase substantially in the next few years. To estimate numbers in each year to 2024-25, we took as our starting point the total FTE students aged 16-18 in education or training at end of calendar year 2018, using data from the government statistical release on Participation in Education Training and Employment 2018.¹⁷⁹ To find the total FTE student numbers in state-funded education 2018, we added full-time and part-time students (the latter number multiplied by 0.5 to account for being part-time) and subtracted those in education in independent institutions. Next, to factor for increases in the student population, we applied to this baseline the percentage changes derived from the projected figures given in response to parliamentary Written Question 266272.¹⁸⁰

Accordingly, our projected student numbers are set out in Figure A.6.2.

¹⁷⁸ Department for Education, '16 to 19 funding: How it works', (January 2019)

¹⁷⁹ Department for Education, 'Participation in education, training and employment: 2018', (June 2019)

¹⁸⁰ UK Parliament, 'Education: Young People: Written question – 266272', (June 2019)

Figure A.6.2: Projected student numbers (FTE) in 16-18 state-funded education

	Projected FTE student numbers in state-funded 16-18 education
2018/19	1,257,850
2019/20	1,263,455
2020/21	1,297,088
2021/22	1,332,962
2022/23	1,375,563
2023/24	1,419,285
2024/25	1,462,527
<i>Percentage increase between 2023/24 and 2024/25 extrapolated based on three year trends</i>	

Where parties had pledged a total amount of funding available to uplift the per student base rate (as with the Liberal Democrat and Conservative parties pledging £820m and £190m respectively), the resulting per student base was calculated by dividing that full sum by the number of students in the relevant year and then summing it with the base rate value after adjusting for inflation.

The Conservative Party has not specified in their manifesto any funding commitments beyond the year 2020-21. We have assumed that the base rate established in this year would be unprotected in cash terms and have therefore applied deflators in succeeding years.

We have assumed that the Liberal Democrat and Conservative pledges are in real terms.

Correspondence with the Labour party indicated that their estimate of a base rate of £4,921 by 2023-24 was in cash terms – we therefore adjusted this amount to reflect 2019-20 prices.

Estimating the impact of the young people’s premium on per student funding in post-16 institutions

Here we estimate how the phase as a whole would be affected by the extension of Pupil Premium, specifically which types of institution would likely receive the greatest amount of the grant. This exercise will tell us a number of things: firstly, how disadvantage is currently distributed in the post-16 system and which types of institutions will therefore attract the greatest grant in young people’s premium; secondly, we will see how the grant will impact on each institution type’s overall per-student funding, and therefore how significant the grant would be for each institution type’s funding within context of recent cuts; thirdly, the exercise will indicate where institutions may be incentivised to attract more disadvantaged students and therefore discourage social segregation in the system.

To do this we use Key stage 4 destinations statistics, which provide national data on the pathways taken by young people following the end of secondary school. We take the latest revised version of this data (2016/17), based on the destinations of KS4 pupils attending state-funded mainstream and special schools in most recent destinations data published by Department for Education.¹⁸¹

We estimate how disadvantaged young people will be distributed across post-16 education institutions in the first year the Pupil Premium would be extended to them. This enables us to

¹⁸¹ Department for Education, ‘Statistics: destinations of key stage 4 and 16 to 18 (KS5) students’, (February 2019)

estimate the total amount that would be targeted towards each institution through the young people's premium grant. We assumed the amount received per student in a given year would be the same as allocated to secondary pupils recorded as disadvantaged (recorded as eligible for free school meals at any point in six years previously). This amount is £935 (as opposed to £1,320 applied to primary pupils meeting same criteria).

We then divide this total amount by the number of young people who progress to each institution, according to the destinations data – to arrive at an indication of how much the grant represents in funding per student in each institution, regardless of disadvantage. We do this because, as in the primary and secondary phases, we assume that providers will be able to spend their young people's premium allocations on interventions that can be accessed by all students.

Following this step, we then add this funding to existing 16-19 funding per student for each institution as at 2018/19 (excluding other student support paid directly to the student, but including the disadvantaged uplift included in the national funding formula), as calculated in previous EPI research.¹⁸²

This is the latest year for which we have data for. We also add the pledged uplift in per student base funding.

The young people's premium analysis does not take into account those young people who may have become disadvantaged after finishing secondary school, or those who would no longer be classed as disadvantaged. Equally, we have not considered how eligibility for Pupil Premium may change on a larger scale due to the introduction Universal Credit. It should further be noted that, whilst we would reasonably assume that in practice the young people's premium would be applied for pupils fulfilling current Pupil Premium criteria other than free school meal eligibility, i.e. the pupil has ever been looked after by a local authority in England or is a service child (a the child of a member of the regular armed forces). However due to data limitations we are only able to consider the disadvantage criteria. We limit our estimates to the grant received by institution types for pupils undertaking their first year in post-16 education. It does not account for the total number of pupils at each institution type as it does not include students in the second or third year of their qualifications. It is likely that the totals allocated to each institution for students in their second or third year of study would be different from those allocated for students in their first year. This is due to variation in duration of study, drop-out rates being higher in some institutions, and varying levels of part-time and full-time students. We do not report figures for young people with destinations in special schools or pupil referral units, as the way these providers are reported on in the data is combined with pupils who may not be eligible for Pupil Premium.

A1.7 Post-18 education

No new analysis

A1.8 Children and young people's mental health

No new analysis

¹⁸² Gerard Dominguez-Reig and David Robinson, '16-19 education funding: Trends and implications', (May 2019)

A1.9 GDP deflators

To support comparability of estimates, in several places throughout the report we have used GDP deflators to convert prices into a consistent 2019-2020 basis. We do this using the HM Treasury's GDP deflators used at the 2019 Spring Statement, which are a measure of general inflation in the domestic economy: <https://www.gov.uk/government/statistics/gdp-deflators-at-market-prices-and-money-gdp-march-2019-spring-statement>