



**Education Answers briefing No 8**  
**Government Reporting on School Funding and Faith Schools**

**SUMMARY**

The Public Accounts Select Committee and Education Select Committee have each produced reports to Parliament in the last month. This paper offers an overview to assist recipients of these briefings to engage with these very significant issues in an informed and effective way. We offer no view on the wisdom or otherwise of its contents or conclusion, but we hope that those who subscribe to these briefings will benefit from the information, and be able to use it in ways that support the work of schools.

**A. BACKGROUND AND INTRODUCTION**

**1. The Reports**

- 1.1. The Public Accounts Select Committee report entitled 'Financial sustainability of schools' was published on 29<sup>th</sup> March, and is online here:  
<https://www.publications.parliament.uk/pa/cm201617/cmselect/cmpublicacc/890/89002.htm>.
- 1.2. The Education Select Committee (ESC) paper entitled 'Faith Schools in England: FAQs' was published on 13<sup>th</sup> March, and is available here:  
<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06972>.

**2. The Context**

- 2.1. The system has felt 'under strain' for some time.
  - 2.1.1. The education system had been judged to be underperforming at the start of the decade.
  - 2.1.2. The declared aim of universal conversion to academy status seems to us to have stressed the system and those in it; and while there have been some schools that have shown impressive improvement, there is no consensus that this is directly attributable to the academy agenda and this is evidenced in the ESC's recent 7<sup>th</sup> report of 22<sup>nd</sup> February.
  - 2.1.3. Additional major changes in the way school funding is distributed, and in reintroducing systemic selection to schools, have added to the stresses even while they have to some extent deflected attention from academisation.
  - 2.1.4. Church schools and faith schools, which have always had a small number of strident opponents, find those opponents look to every shift in the national picture as a means of advancing their cause against the voluntary and church academy schools.

- 2.2. Therefore, arriving at a factual understanding of funding, and an awareness of the formal parliamentary understanding of church schools, may be a great assistance in both making the case for the latter locally, and administering the changing systems of funding and organisation through church and MAT structures.

## **B. DETAIL**

1. In this context, the Public Accounts Select Committee (PASC) produces 6 conclusions with recommendations.
2. Each conclusion is negative, criticising the Department for Education ('the Department' or DfE), and the Education Funding Agency (EFA) for
  - 2.1. Not ensuring it is able to protect educational quality in schools because it has not put measures in place to monitor the impact of local efficiency savings;
  - 2.2. Not appearing to understand the pressures in schools;
  - 2.3. Not designing apprenticeships in such a way that the benefits to schools will be commensurate with the expenses of the scheme;
  - 2.4. Not taking all aspects of additional costs of policy changes into account when reducing funding, in particular but not exclusively the withdrawal of the Education Services Grant (ESG)
  - 2.5. (in the case of the EFA) Not evaluating its own measures to help schools address potential financial risks and not having suitable criteria to guide its interventions to places at greatest risk of financial non-sustainability;
  - 2.6. Not learning from the experience of other government departments where setting over-ambitious efficiency targets has proved demonstrably counter-productive.
3. In each case a recommendation is made for some action and/or analysis with a short timescale between the end of April and July this year. These recommendations must impose some significant additional demands of the Department's or EFA's capacity; and there is an underlying sense to the PASC Report that the detail will demonstrate, at least in part, that the policy changes in view will increase the risk that schools will find themselves financially unsustainable.
  - 3.1. For example, the Report shows that while the overall budget for schools has been protected from forecast inflation, the rise in pupil numbers provided for by that budget will erode the funding per pupil. The funding increase for schools will be 7.7% to 2019-20 but only 1.3% per pupil.
  - 3.2. The PASC drew on its own experience in its report in February on the 'Financial sustainability of the NHS' to challenge the DfE's approach to school budgets. They particularly note that "half of secondary schools were already spending more than their annual income before this round of cost pressures", and it may be said that this Report is a wake-up call to the Department to learn lessons from the NHS.
4. Likewise, the Education Select Committee sets out eight questions before providing a four-page statistical analysis of the numbers and proportions of schools and academies, and of pupil places, that have religious designation.
5. The eight questions concern:
  - 5.1. The use of faith based criteria in admission policies;
  - 5.2. The content of RE;
  - 5.3. The use of faith as a criterion when hiring staff;
  - 5.4. What particular rules apply to the inspection of faith schools;
  - 5.5. Whether or not schools can change designation when becoming academies;

- 5.6. Whether and how faith schools can teach creationism;
  - 5.7. Whether a desire to attend a faith school gives particular rights to transport provision;
  - 5.8. What faith schools have to teach about same-sex marriage.
6. The working inference is that it is these eight questions that MPs most frequently find themselves addressing from their constituents, or raising in the House of Commons and to Government. What to those inside the church school environment is received as rightful and necessary means to secure the distinctiveness of church school provision, may appear to an outsider as undeserved privileges, and to the hostile minority the unjustifiable undermining of equality or human rights protections.
  7. The statistical section of the Paper is particularly interesting and includes a number of helpful tables. In the comments that follow the word 'school', unless qualified, refers to all state-funded schools be they voluntary, academy, LA controlled, or foundation.
    - 7.1. 37% of primary and 19% of secondary schools are faith schools. 26% of primaries are Church of England schools. In terms of pupils rather than schools, 28% of primary and 18% of secondary pupils were in faith schools.
    - 7.2. There is wide regional variation. Six LAs had no religious secondary schools, while more than half of secondary pupils attended faith schools in Westminster, Kensington and Chelsea, Liverpool, Bolton and Hammersmith and Fulham. Variation may be analysed by schools, by phase, by pupils, by regions and by authorities.
    - 7.3. The Report does not distinguish between small and large schools which may explain why, given that Church of England primaries are least likely to have converted – and many such primaries are very small schools – overall, of all types of schools, academies are least likely to have a religious designation. .
    - 7.4. Regarding free schools, the Report says "There were 63 mainstream faith Free Schools, UTCs or studio schools in January 2017; 38 primary and 25 secondary. Just over half had a non-Christian faith". Given that free schools are awarded to providers on the basis of competitions there may be questions about process to be asked here.
    - 7.5. Faith designated secondary schools perform better than the average for non-faith schools, though the report is at pains to adduce other factors that may explain this in terms of context and intake rather than designation.

### **C. CONCLUSIONS**

1. In a time of continuing change and growing stress in the system, questions continue to be asked of government and the school system. Such questions are not neutral in their origin nor their intent; and LBMW's clients and subscribers are recommended to be aware of these approaches, and the answers now in circulation, when advancing the interests of their own organisations, schools, and students.
2. Not mentioned in either Report is the theme developed in the recent Green Paper of cross-resourcing between educational sectors, whereby the universities and independent schools could be advantaged if they evidence support for primary and secondary education. Clearly the Select Committees' perspective is bound to be 'top-down'. LBMW continues to commend the efforts to strengthen horizontal and collaborative structures in the system. LBMW has advised on the creation of local trusts and companies to facilitate collaboration and economies of scale, and offers in its annual conference on 10<sup>th</sup> May 2017 real engagement between the sectors. Strong local

structures must improve systemic resilience against pressures both from impaired funding arrangements and unsympathetic competitors or ideologues.

### **LBMW AND EDUCATION ANSWERS NEWS**

As mentioned above, the 6<sup>th</sup> Annual Schools Conference is taking place on 10<sup>th</sup> May. Speakers are drawn from the University, Independent, Academy, and Diocesan sectors of education, on the theme of 'evolution not revolution'. Details and bookings from [www.educationanswers.co.uk/events](http://www.educationanswers.co.uk/events).

Education Answers itself is now live and has a growing user base and resource. For details, and to apply for a subscription, see the website [www.educationanswers.co.uk](http://www.educationanswers.co.uk).

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