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strategic advisory and communications

EDUCATION AND SKILLS

INSIGHTS



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HEALTH

GK Strategy has a wealth of experience in the education, further education and skills/training sector. Whether advising investors and management teams on both sell-side and buy-side in a transaction process, working with both businesses and public providers on their communications strategies and engagement with policy-makers, or providing ongoing support and advice on the political and regulatory environment to mitigate risk and create value, GK's experience extends across the market.



COVID-19 AND THE PROFILE OF SCHOOLS FUNDING

By Olivia Rohll // Senior Political Analyst

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By now the paradox of the Johnson administration's pre-election pledges on schools funding is well known. Despite pledges on 'levelling-up' which contributed to the Conservative wins in traditional Labour heartlands, new money for schools has disproportionately benefitted affluent areas via new per pupil funding floors.

The shortcomings of the new funding formulae have been laid bare by the pandemic, during which the learning of less affluent pupils has been disproportionately affected by disruption and school closures. For critics of the new minimum per pupil funding, the unequal impact of the pandemic proves the logic which had led to historic underfunding in wealthy areas like West Sussex, Wiltshire and Buckinghamshire - children in affluent areas are far less sensitive to disruption, whether from tight funding or a global pandemic.



The Government has offered across the board 'catch up' funding totalling over £1 billion, including boosts for tutoring and of which headteachers have been encouraged to spend some on one-to-one help for struggling students.

Widening disadvantage gap

Despite reports of a widening disadvantage gap from as far back as September 2020, the Government has allocated surprisingly little dedicated funding to poorer schools and pupils. Instead the responsibility has been passed onto individual schools to target extra funding effectively.



For example - all schools have been able to claim additional funding at various points in the year for costs related to COVID-19 including extra cleaning services, free school meals for eligible children not in attendance and keeping schools open over holidays to care for key workers' children. Similarly the Government has offered across the board 'catch up' funding totalling over £1 billion, including boosts for tutoring and of which headteachers have been encouraged to spend some on one-to-one help for struggling students.

The National Tutoring Programme is the only new programme targeted exclusively at disadvantaged children. The programme allowed schools to access subsidised tutoring for these children from the second half of the autumn term, and was recently extended. All the indications are that the Government now sees this as a longer-term part of school-age provision, even beyond the immediate impact of the pandemic.

Risk of a 'squeezed middle'

As more families enrol in universal credit as a result of the pandemic, automatic stabilisers will kick in to support schools. Chief among these stabilisers is the pupil premium, a set amount paid to schools per pupil from families on benefits. This goes hand-in-hand with eligibility for free school meals, spending on which will rise accordingly.

The twin policies of funding floors and the pupil premium effectively stabilise funding for schools at the highest and lowest ends of the disadvantage spectrum. The funding floor prevents per pupil funding falling too low, while the premium supports schools with the highest need.

In the context of the pandemic it is possible that these two commitments eat up the extra funding announced in 2019, leaving a squeezed middle enjoying little or no growth. This flies in the face of Johnson's sweeping commitments on schools funding in 2019, and creates a lurking political risk among crucial middle income brackets in the run up to the 2024 election.

THREE LIKELY PRIORITIES FOR THE NEW CHILDREN'S COMMISSIONER

By Jamie Cater // Head of Policy



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The new Children's Commissioner, Dame Rachel de Souza – a former educationalist and head teacher – began a six-year term in office at the start of March. Below we consider three likely priorities for Dame Rachel over the coming months and years.

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1. Return of schools and catch-up

Naturally at the top of de Souza's list of priorities will be the return of schools and the effectiveness of the catch-up measures the Government has put in place, including the additional funding and extension of the National Tutoring Programme announced by the Prime Minister in February. Given Dame Rachel's significant experience on the schools side of children's provision, we can expect plenty of scrutiny of the Government's performance and the adequacy of the various support measures put in place by the Department for Education over the coming weeks and months. In her very first statement on taking up the role at the beginning of March, the new Commissioner herself said that children should 'be at the heart' of the efforts to re-open schools and return to education as normal, and she should be expected to hold Ministers to account on how effectively programmes like the NTP perform in supporting children who have lost learning over the last 12 months.

2. Mental health provision

Improving mental health services, both in schools and in the community, was a significant pledge in a 2019 Conservative manifesto that was notably short on major commitments in education and social care. Recent announcements by the DfE to increase the funding available for mental health provision in schools as well as community-based services go some way to fulfilling these, but we can expect the new Commissioner to push the Government to go further, having used the early days of her term to call for improved access to counselling and mental health support for pupils.

3. Independent review of children's social care

The independent review of children's social care – another major manifesto commitment by the Government and one that Dame Rachel's predecessor, Anne Longfield, had consistently called for the Government to implement – is a subject that is likely to dominate the Commissioner's term in office. Longfield had taken the opportunity in the last months of her time as Commissioner to criticise the state of children's care in England, most notably the role of private providers and especially those that have received private equity investment. It is yet to be seen whether Dame Rachel takes the same harsh line on independent provision when she feeds into the independent review, which was finally launched by the Government back in January after some delay. Despite the expectation that the review will not have questions over the role of the private sector and provider ownership as a central theme, Dame Rachel will be expected to respond to the review and the previous Commissioner's strident stance on independent services and private equity could make it difficult for the incumbent to adopt a drastically different approach.

DFE ANNOUNCEMENTS LOOK TO THE FUTURE OF WORK

By Mike Williams // Account Director

While the Department for Education (DfE) has recently been focussed on mitigating the effects of the COVID-19 pandemic on school children and those in higher education, this is now no longer the only show in town. Two announcements made just a week apart in January have laid out Gavin Williamson's vision for skills, training and reskilling – heralding a new focus on education for those already in or seeking employment.

The first announcement, of the [Skills for Jobs White Paper](#), set out the Government's plans to shake-up post-16 education, reform training and help the nation recover from the impact of the pandemic. It proposes an employer-focused system aimed to meet local skills needs – allowing greater targeting of training. The reforms will also enshrine the flagship Lifetime Skills Guarantee, allowing people to retrain in later life.

The second announced [funding for traineeships](#), to get young people into work. Employers can apply for £1000 to help them take on new trainees. It is hoped these traineeships will support young people to gain the skills and experience they need to get a job, an apprenticeship, or pursue further

study. This was later increased further by the Chancellor as one of the key education measures in the budget.

So, what does this mean? Firstly, the obvious. The Government seems to see skills and training as a key component of the UK's COVID recovery. UK businesses have faced huge challenges and have seen their ways of working shift massively in a short space of time. Support for retraining is a simple way for the Government to help organisations meet their new business needs from within their existing workforce. Training also helps the Government to find ways into work for those struggling to find employment – particularly young people who have been disproportionately affected by pandemic redundancies and the lack of job vacancies.

Secondly, the longer-term view. While economic recovery and a boost to employment is a short-term goal, the contribution of jobs and skills goes beyond the immediate term. By focussing on repainting the UK's training landscape, the Government could be angling



Government is hoping to create a legacy of a joined-up training system that helps individuals transition from education to employment and beyond.

towards something of a positive legacy for the pandemic – a chance to fully integrate the disparate policies it has launched over the past few years. Advocates for apprenticeships have long been calling for a pathway through the myriad of schemes that have been created or reformed over the past decade: apprenticeships, T-levels, traineeships, vocational qualifications. By creating this pathway, the Government is hoping to create a legacy of a joined-up training system that helps individuals transition from education to employment and beyond.

Thirdly, the speculative – the DfE has been under siege for the past 12 months. Since last year's exams were cancelled, it has lurched from bad news to regrettable decision. Skills and training represent an area of policy that DfE can exercise some degree of control over – and in attempting to fix a system that can be fixed, it is creating some good news out of a wave of bad.

So where is the opportunity? The fact is that, with any scheme that tries to encourage employers to take on trainees or create new job openings, it has to be worthwhile for its target users. DfE should be receptive to employers trying to engage with the schemes, and training providers to unlock the full potential of the pathway. Regardless, the Government has sent a clear signal that training remains high on its agenda, and we should see more developments in this policy area as the UK moves towards recovery.



Mike Williams is an Account Director for GK, where he heads up its Education Portfolio and leads on client accounts covering primary, secondary and tertiary education. He enjoys looking at the long-term issues facing UK politics, and specialises in using research and data to drive a political narrative.

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WHAT NEXT FOR HIGHER EDUCATION POST-BREXIT?

by Joe Berkhout // Account Manager

After more than four decades of European Union membership, the UK's higher education system is intricately intertwined with that of the EU. From freedom of movement to research funding, there are numerous aspects of the new relationship that will have profound impact on the sector in years to come.

Some elements of the deal have been kinder to the sector than others. For example, research and student mobility are two areas with very contrasting outcomes. In this piece, I consider what they both mean for UK HE, and how the sector can shape them in the future.

Horizon

The announcement that the UK would be a full participant in the next framework programme of Horizon Europe, has been well received by the sector. Looking across the trade agreement, it is a rare example of an area in which a sector has successfully emphasised the value of continued deep collaboration and integration with EU institutions.

Under the terms of the agreement, the UK will retain benefits on largely the same terms as EU members. Notably, the UK will continue to have a key role in the governance of Horizon – although officially it will lose voting rights, in reality decisions are never made through voting processes. It is remarkable that the EU has chosen to allow the UK to keep such a structurally important role within the framework.

Of course, this cooperation does not come for free. The UK Government has made a policy commitment to fund European research cooperation through the vehicle of Horizon – a decision that goes against the natural instincts of many in Cabinet. This makes it all the more important for the HE sector to demonstrate and communicate the value of participation in the coming years.

Student mobility

On student mobility, the sector was far less successful. Whereas the vast majority of those working in HE endorsed UK continuation in the Erasmus+ programme, the UK decided to pull out. Beyond the disappointment, this decision came as a surprise to many observers, particularly after Boris Johnson had previously made it clear that UK students would continue to benefit from the scheme under a future relationship.



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Getting the Turing scheme up and running will be a challenge for the Government, and many elements of the framework have yet to be agreed.

The government explained that the decision to exit the programme was based on a structural imbalance in the number of EU students choosing an exchange in the UK, versus UK students moving to EU universities. Mr Johnson's Government saw this discrepancy as an unfair burden on the UK taxpayer, and acted to establish a replacement, global exchange programme – the Turing Programme.

In line with the reasoning for leaving the scheme, the government has been coy when asked whether funding would be made available for reciprocal exchange travel (one of the core principles of Erasmus+). Instead, the Government looks intent on funding the travel of UK students travelling abroad, rather than vice versa. This will be a blow to UK universities that welcome large numbers of EU students under the former scheme.

Getting the Turing scheme up and running will be a challenge for the Government, and many elements of the framework have yet to be agreed. For example, it remains unclear whether tuition fees will be included in the programme. If fees are not covered, this has the potential to severely undermine the ambition to widen participation compared to Erasmus+, as fees for foreign students are often far higher than for those studying in their home country.

With many details of the Turing Programme yet to be announced, the sector should grasp this opportunity to constructively inform its shape.

WHAT CAN WE EXPECT FROM THE INDEPENDENT

REVIEW OF CHILDREN'S SOCIAL CARE?

By Jamie Cater // Head of Policy

In January, the Government launched its independent review of children's social care. Led by Josh MacAlister, the former chief executive of social work charity Frontline, the scope of the review is expected to cover a wide range of issues. Below we consider what we might expect from the review.

A lengthy process

The review process began in earnest in March, and is not expected to issue its final report to the Education Secretary for at least 12 months. The scope of the review is wide, which may mean that there is either an interim report or a refining of the range of issues being considered by the review at some point later this year. There will be plenty of opportunities for external stakeholders to feed into their views throughout the whole review; not only



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The broader issue of quality of services is likely to be key – ensuring that providers are proactively demonstrating that they are focused on the safety of the children in their care.

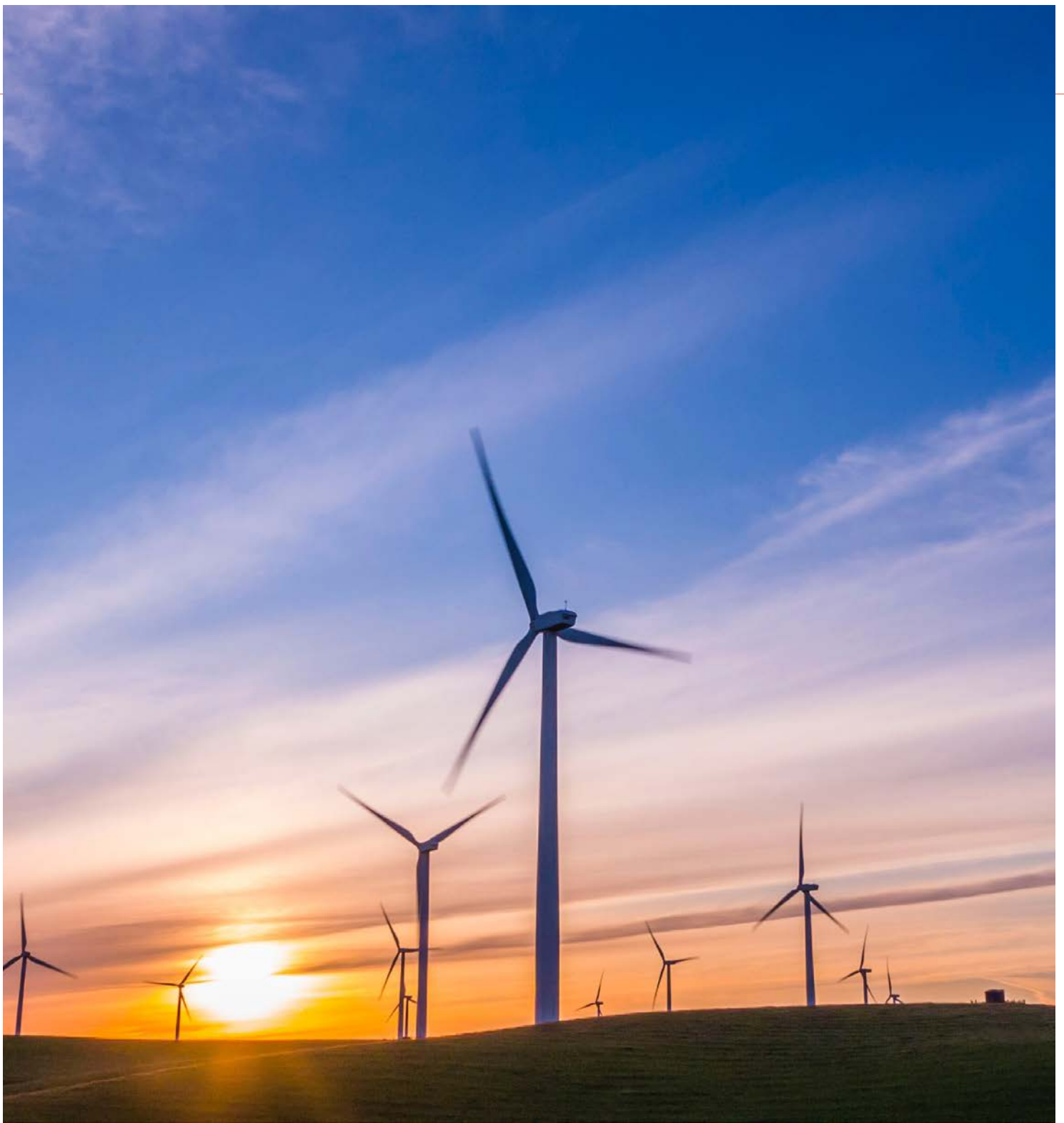
during the review itself, but following the final report next year the Government will also need to carry out further consultations ahead of implementing any proposals for reform. Therefore, it will be imperative for providers to be carefully monitoring what emerges from the review and to be responding in order to shape the outcomes and their eventual implementation.

A focus on quality and consistency of care

Given the scale of the review, it has been a challenge for the sector to understand exactly where the focus is likely to be. The Government's decision to ban unregulated children's homes in February has arguably diminished the importance of the review directly addressing one area that had been considered an early priority. It appears clear the broader issue of quality of services is likely to be key – ensuring that providers are proactively demonstrating that they are focused on the safety of the children in their care and providing stability in terms of their placements, whether in residential care, fostering or other settings, as well considerations around appropriate safeguarding of vulnerable young people.

Less on the independent sector, but input from the CMA

The attention from the likes of the Children's Commissioner and Local Government Association on the role of independent providers and their private equity backers meant that the launch of the review came against the backdrop of criticism of for-profit operators and the quality they provide for children. This was met with MacAlister writing to the Competition and Markets Authority to request an investigation into the children's care market. Despite this early attention to the role of the private sector, it is understood that this is unlikely to emerge as a key theme of the review; rather it will be considered as part of a wider view of the sustainability of services and whether there should be greater oversight of the market as a whole. Nevertheless, with the CMA having now launched a market study, providers will need to be aware that scrutiny of the private sector in this space is likely to continue over the course of the review.



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