



**NFER**

National Foundation for  
Educational Research

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## NFER's 5 key priorities for the Spending Review

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### 1 Covid recovery

A fully funded recovery plan is needed over a sustained period of time – perhaps 7 years – to address the gaps in children’s learning created by school closures. Children are 2-3 months<sup>1</sup> behind where we would expect them to be in reading and maths (and potentially further behind in other subjects); the disadvantage gap has widened; and a range of research highlights the negative impacts on children’s wellbeing and mental health<sup>2</sup>.

The £3.1bn funding which has been made available is welcome, but insufficient. To give all children access to small group tutoring in only one subject would cost around £2bn alone, and they have missed learning across all subjects as well as other aspects of their development. There is strong evidence on the progress children can make with the support of small group or one to one tuition - rather than it being a temporary “catch up” measure, it should become a permanent fixture in measures to close the attainment gap. However, there is a risk that plans to reduce the subsidy to schools for tutoring sessions in future will make this a less affordable option.

The pandemic has hit children in schools in deprived areas the hardest, and this is where funding should be targeted. Additional support for children in these areas needs to be complemented by a clear Digital Access Plan – not just to support any future periods of home learning for children, but to reflect the increased use of technology by schools in setting and receiving homework, revision, and providing feedback. Our public services should be enabled to embrace technology in the same way as our wider economy.

### 2 School Funding

The decline in school funding in England over the last decade has been well documented and recognised by the government through the uplift in school budgets since 2019. However, the additional funding will still leave schools worse off in real terms than in 2010 at a time when they need more funding to deal with the significant increase in costs created by the

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<sup>1</sup> Rose et al. (2021), Impact of school closures and subsequent support strategies on attainment and socio-emotional wellbeing in Key Stage 1: Interim Paper 2, EEF and NFER, Available: [https://educationendowmentfoundation.org.uk/public/files/Impact\\_of\\_School\\_Closures\\_KS1\\_-\\_Interim\\_Findings\\_Paper\\_2\\_-\\_July\\_2021.pdf?utm\\_source=site&utm\\_medium=search&utm\\_campaign=site\\_search&search\\_term=school%20closures](https://educationendowmentfoundation.org.uk/public/files/Impact_of_School_Closures_KS1_-_Interim_Findings_Paper_2_-_July_2021.pdf?utm_source=site&utm_medium=search&utm_campaign=site_search&search_term=school%20closures)

<sup>2</sup> Nelson, Lynch and Sharp (2021), Recovery during a pandemic: the ongoing impacts of Covid-19 on schools serving deprived communities, NFER, Available: <https://www.nfer.ac.uk/recovery-during-a-pandemic-the-ongoing-impacts-of-covid-19-on-schools-serving-deprived-communities/>

pandemic and to help children recover. Our analysis suggest that 1,500 schools were in a particularly precarious financial position even before the pandemic.

Compared with OECD countries, the UK is the 5<sup>th</sup> highest spender on education as a proportion of GDP, investing more than 6 per cent of the national income. However, a comparatively large proportion of money is spent on tertiary education rather than school-aged pupils compared with other countries; in the UK, spending equates to around twice as much money per tertiary-level student compared with a school-aged pupil. Unlike many other countries, the proportion of public money spent on school-aged education did not increase between 2012 and 2018.<sup>3</sup> (OECD, 2021)

## **2.1 ‘Levelling-up’ school funding**

The government’s policy of “levelling up” school funding (which has consisted of increasing the minimum level of funding per pupil) has led to a decline in the proportion of funding going to more deprived schools (where deprivation is measured by the number of disadvantaged pupils). This is because the National Funding Formula (NFF) has been designed such that more deprived schools receive higher levels of funding than other schools. As a result, the schools which have experienced the largest increases in funding from “levelling up” have been those serving more affluent communities, while more deprived schools experience smaller increases.

We recommend the Government adopts a more progressive approach to NFF funding during this unprecedented time to assist the most deprived schools in providing the extra support needed to help their pupils recover missed curriculum learning, and support their pupils’ wellbeing.

## **2.2 Pupil premium**

The pupil premium grant was introduced by the coalition government in 2011 to raise the attainment of disadvantaged pupils. Currently, schools get £1,345 for every primary age pupil and £955 for every secondary age pupil who has been eligible for free school meals in the last 6 years. As the pupil premium grant is not currently linked to cost pressures, the value of the pupil premium grant has been eroded over time. To ensure that the needs of disadvantaged pupils are supported now and in the future, we recommend that the Government commits to funding an annual increment to the pupil premium in line with the overall school funding budget.

## **2.3 Ensure the additional staff costs faced by schools and colleges arising from the recent increase in national insurance are covered**

The recently announced increase in employer National Insurance of 1.25 percentage points will impact on school and college budgets. To ensure this does not create additional

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<sup>3</sup> OECD (2021), Education at a Glance 2021: OECD Indicators, OECD Publishing, Paris, <https://doi.org/10.1787/b35a14e5-en>.

unexpected financial pressure on schools and colleges, we recommend that the Government covers these costs for both schools and colleges<sup>4</sup>.

## 3 Further Education

### 3.1 Extension of pupil premium to 16-19

There has been a marked decline in funding per student aged 16-18 which decreased by over 11 per cent in further education colleges and sixth form colleges and by over 25 per cent in school sixth forms between 2010-11 and 2020-21<sup>5</sup>. This resource deficit will have serious implications for colleges' and schools' endeavours to improve the educational outcomes of disadvantaged students in this age group who consistently achieve less well than their peers<sup>6</sup>. The Covid-19 pandemic, which has presented a major challenge to the 16-19 education sector - as evidenced by colleges reporting that 77 per cent of 16 to 18-year-olds are performing below expectations<sup>7</sup> - also throws into sharp relief the need for additional support to meet the particular requirements of disadvantaged students to stop them falling further behind.

Action is urgently required to enable disadvantaged students to gain the experience and qualifications they need in order to make successful transitions to appropriate education, training and employment opportunities. Whilst the pupil premium for eligible school pupils terminates when they reach 16, the effects of disadvantage are likely to continue throughout their teenage years at least. Therefore, we recommend that the Government extends the pupil premium to disadvantaged young people in the 16-19 age group. This would have the dual purpose of ensuring that they develop skills to secure a positive future, and that the economy emerging from the pandemic benefits from their talent. This would also contribute to achieving the Government's levelling-up agenda.

### 3.2 Apprenticeships

Evidence suggests that apprenticeships offer a high-value route for young people, affording better labour market opportunities than other qualifications – particularly for lower attaining and disadvantaged young people (SMC, 2020<sup>8</sup>). Apprenticeships are currently at-risk of

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<sup>4</sup> Currently, our understanding is that the Government plans to cover these costs for schools but not for colleges.

<sup>5</sup> Sibieta, L. and Tahir, I. (2021). Further education and sixth form spending in England. IFS Briefing Note BN333. [online]. Available: <https://ifs.org.uk/uploads/BN333-Further-education-and-sixth-form-spending-in-England.pdf> [22 September, 2021].

<sup>6</sup> Tuckett, S., Robinson, D., and Bunting, F. (2021). Measuring the disadvantage gap in 16-19 education. Education Policy Institute. [online]. Available: [https://epi.org.uk/wp-content/uploads/2021/02/Measuring-the-16-19-disadvantage-attainment-gap\\_EPI-2021.pdf](https://epi.org.uk/wp-content/uploads/2021/02/Measuring-the-16-19-disadvantage-attainment-gap_EPI-2021.pdf) [22 September, 2021].

<sup>7</sup> Association of Colleges (2021). College Catch-up Funding and Remote education. AoC Survey and Policy Proposal. [online]. Available: <https://www.aoc.co.uk/sites/default/files/Report%20-%20College%20Catch-up%20Funding%20and%20Remote%20Education%20-%20April%202021.pdf> [22 September, 2021].

<sup>8</sup> Social Mobility Commission (2020). Apprenticeships and Social Mobility: Fulfilling Potential [online]. Available: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/34708/richard-review-full.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/34708/richard-review-full.pdf) [19 April, 2021].

being crowded out by the design of the apprenticeship funding system, which is trading-off apprenticeships for young people against higher apprenticeships (which are typically undertaken by older employees). Whilst it is important that apprenticeships remain aligned with the needs of employers, we recommend that funding for all 16-18 year old apprentices is separated from the main apprenticeship budget.

Further, an unintended consequence of the current apprenticeship funding system is that, whenever there is a risk that the apprenticeship budget is overspent, the easiest way for spending to be limited is by capping apprenticeship starts in SMEs. Given that SMEs employ a greater share of younger and more disadvantaged apprentices, this has a disproportionate impact on apprenticeship opportunities among these groups. The funding system needs to be redesigned to ensure that it supports the needs of SME employers not only for the critical role they play in our economic prosperity and recovery from the pandemic, but also for supporting apprenticeships among young people, particularly those from disadvantaged backgrounds.

## 4 Mental Health and Well-being

A range of research and data is now available on the decline in mental health and wellbeing over the course of the pandemic amongst children and young people. NFER's research supports these findings. Based on interviews with 50 senior leaders in mainstream schools largely serving deprived communities in May and June 2021, NFER found that there has been a deterioration in pupils' wellbeing, especially increased anxiety, as a result of the pandemic. A substantial minority of school leaders – mainly, but not exclusively, secondary leaders – noted an increase in severe mental health issues, including self-harm. Many of those affected had been identified as vulnerable before the pandemic, but leaders were also concerned about pupils with no known vulnerability or previous mental health issues. Primary pupils were reported to be struggling with social skills, confidence and self-esteem. There were also concerns about a deterioration in skills for learning, such as concentration, memory and stamina.

Schools were finding it very difficult to secure specialist external support. Leaders responded by increasing their own pastoral support and wellbeing activities, including working with other organisations. Some had arranged mental health training and appointed specialist staff, but others were constrained by a lack of funds, capacity and expertise. Leaders called for early intervention and a multi-agency approach to mitigate an escalation in poor mental health and learning incapacity, to support families, and to minimise staff workload and stress.

An immediate increase in funding to address pupils' wellbeing and mental health is necessary – both for schools and for specialist services, such as Child and Adolescent Mental Health Services (CAMHS).

## 5 Teaching

### 5.1 Teacher supply and teacher pay

Recruiting and retaining sufficient numbers of high-quality teachers is essential for a well-functioning and improving education system, and a crucial underpinning for policies aimed at Covid recovery for pupils who missed so much face-to-face teaching in school as a result of the pandemic. Healthy teacher supply is also key to achieving other government objectives, such as 'levelling up' and encouraging economic growth fuelled by science and technology. This is because when teacher supply is weak, it is schools that are in the most disadvantaged areas that struggle to attract high-quality teaching staff, and it is subjects with attractive outside options for graduates (such as maths, physics and chemistry) that struggle to recruit and retain teachers.

The school system was facing an increasing teacher supply challenge until recently, particularly in secondary schools - where pupil numbers were rising and several key subjects were failing to recruit the necessary numbers to maintain supply. The onset of the pandemic led to an increase in applications to teacher training and an increase in teacher retention, most likely driven by the high job security in teaching and the poor state of opportunities in the wider labour market. This eased the supply concerns in the short-term.

However, the wider labour market is picking up again and we expect this to have an impact on the relative attractiveness of teaching. Our analysis of data from UCAS has already seen a big slowdown in the number of teacher training applications during summer 2021. If that slow rate of applications continues in 2022 then teacher supply will once again become a significant issue for the sector and risks affecting plans for public service delivery, Covid recovery and levelling up.

The Department for Education (and indirectly, schools) will need sufficient resource to be able to respond to re-emerging teacher supply issues. This includes increases to bursaries, which were cut in 2021, but need boosting again to attract sufficient numbers to apply across the full range of subjects. It also includes revisiting the plan to increase teacher salaries at an above-inflation and above-similar-professionals rate, to improve the competitiveness of teacher pay. In particular, we support the government's previous efforts to increase teachers' starting salaries at a faster rate. This will help to attract and retain the teachers required to deliver on government policy. The spending review should make adequate funding available to the Department for Education/ schools to be able to fully meet the supply requirements as secondary pupil numbers continue to grow over the next three years.

### 5.2 Teacher training and professional development

The Government has ambitious plans for reforming initial teacher training (ITT) and teacher professional development. Successful implementation of several of these plans – most notably the Early Career Framework (ECF), which is just getting under way, and the ITT Market Review – require sufficient capacity among experienced teaching staff to mentor and support trainees and early career teachers. This system of support is currently under some strain due to several factors:

- coronavirus restrictions leading schools to limit placements available for trainee teachers because of the number of people on site,

- the rollout of the ECF demanding more input of mentor time, which will also be required for implementing the Market Review's ambitions for strengthened trainee mentor provision
- an underlying teacher supply challenge (as mentioned above) and squeeze in school funding meaning that schools do not have all the available capacity to fully support mentoring and support requirements.

One of the key factors for enabling experienced staff to be available for mentoring and support is funding of release time to carry out those duties. Allocating funding for this purpose is a necessary condition to enable the reforms to be implemented well.

In addition, supporting adequate teacher supply is a necessary condition for experienced staff to be available to be released to support less experienced colleagues. This re-emphasises the importance of funding being made available to support teacher supply, as discussed above.