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**Ed Humpherson, Director General for Regulation**

Graham Archer  
Director, Strategic Policy Directorate  
Department for Education  
(by email)

10 May 2023

Dear Graham

**Schools' Costs Funding**

Thank you for [your letter](#) dated 27 April. You asked for the Office for Statistics Regulation's view on whether the Department for Education has established that the teachers' pay offer announced on 24 March has been fully funded, and whether your public explanations and statements on this subject have been sufficiently clear, trustworthy, and reliable.

While it is not within our remit to judge the affordability of any pay offer, we have considered the clarity of the publicly available information on this topic in line with our [regulatory guidance on statements about public funding](#) and have set out our findings and our recommendations. We also received a [letter](#) from the National Education Union on this matter that we have [responded to today](#) outlining the findings.

**Clarity of the evidence**

It is vital for transparency that funding statements are sourced clearly and that they allow the reader to access supporting information which details how the figures have been determined and any assumptions that underpin them.

The Department has published a considerable amount of information on the pay offer. In particular, the [Schools' Costs Technical Note](#) sets out the analysis of cost increases that mainstream schools are expected to face and how this has been considered in determining the pay offer.

The analysis is clearly sourced throughout in the footnotes and in the annex. In addition, there is a dedicated section on 'data quality, limitations of analysis and key assumptions'. This section includes helpful statements regarding the impact of uncertainty on the analysis - for example, the explanation is clear that there is less published information available for non-teaching staff expenditure and the impact of this on the analysis.

We welcome the recent publication of [postgraduate initial teacher training targets](#) as estimated using the Teacher Workforce Model. This provides important context for the funding announcement and will help further understanding of the estimated schools' costs.

## Contextual information

Public funding statements should provide context as to whether additional funding translates into an increase for individuals who are receiving the service or whether the funding is expected to cover a wider remit for a service.

It is our understanding that when used in this context by the Department for Education, the term 'fully funded' refers to the national level rather than at the individual school level. In its [evidence to the School Teachers Pay Review Body \(STRB\)](#), the department acknowledged that as schools have different budgetary pressures, not all schools will experience the additional expenditure represented in the national average estimates.

This is reiterated in the Schools' Costs Technical Note, where the data quality information states that 'The cost increases presented are averages across all schools in England and should not be read as pertaining to individual schools. All schools need to understand and plan for their own situation'.

We consider that the Department for Education has evidenced its claim that the offer is fully funded in line with its definition. However, we acknowledge that some users may interpret fully funded to refer to the individual school level. In the light of this difference of interpretation, it is important that the Department for Education continues to support understanding by being clear about its use of the term fully funded.

Following our review of the clarity of the evidence and contextual information, we recommend the following for future Schools' Cost Technical Notes:

- The Department for Education should consider including more information on high needs funding. Users made us aware that they would benefit from more detailed information on the estimates of the size of high needs funding and we welcome the Department for Education's commitment to publish this in future
- To continue to support understanding and to enhance transparency, the Department for Education should consider including its definition of fully funded

We welcome your continued commitment to ensuring public statements and explanations are compliant with the Code of Practice for Statistics. We would like to thank your team for their engagement on this matter.

I am copying this letter to David Simpson, Head of Profession for Statistics, Department for Education.

Yours sincerely



Ed Humpherson  
Director General for Regulation