



Rt Hon Michael Gove MP
Secretary of State

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Graham Stuart MP
Chair, Education Committee
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Dear Graham,

Thank you again for the interesting and thought-provoking discussion with your Committee last month. I wanted to take the opportunity to explain further some of my responses, and to provide the additional information.

Free schools

There were a number of issues which members of the Committee raised in relation to free schools where I agreed to write with further details.

I was asked about the role of ministers in the process of approving schools for pre-opening. As I made clear at the Committee session, final decisions on which application should be approved for pre-opening are made by ministers on the basis of advice from officials. I made clear to the committee my views on the importance of confidentiality of the advice officials provide to ministers. There is a clear principle that officials advise and ministers decide. However, I fully understand the Committee's desire for more information on those cases which have attracted particular public interest – Al-Madinah School, Discovery New School and Kings Science Academy. In these three cases, I am happy to provide more information, without wishing to lessen my strong commitment to the general principle.

I offered to provide more details about the application process in relation to Al-Madinah School, Discovery New School and Kings Science Academy. The process followed for Discovery New School and Kings Science Academy was the same as for all other applications received in the first wave. This consisted of a rolling application process, with proposals assessed against published evaluation criteria. In total, 41 proposals were selected through this process to develop business cases, including Discovery New School and Kings Science. Officials subsequently worked with the applicants to support the development of their business cases, which were assessed against published criteria. Officials provided advice to ministers on a case-by-case basis as to whether the proposals should move into pre-opening. I can confirm that for both of these proposals ministers agreed officials' recommendations that they should move into pre-opening.

Al-Madinah School was approved through the wave 2 application process, which involved an assessment of the paper application as well as an interview of the proposer group, undertaken by a panel of officials including education advisers and finance experts. Recommendations were then made to ministers as to which projects should be approved for pre-opening. I can confirm that ministers agreed officials' recommendation that the Al-Madinah proposal should move into pre-opening. My decision to provide more detail in these three cases, given the wider interest and high level of public scrutiny they have received, should not be seen as undermining my view of the importance that advice from officials to ministers should be confidential. It should also not be seen as setting any precedent regarding other decisions where the importance of free and frank advice between officials and Ministers remains paramount.

Additionally, given the interest in the financial irregularities identified at Kings Science Academy, I enclose a timeline for the key events and actions on financial management and governance, for the Committee's information, which properly stops short of current developments in the police case.

I was asked to provide the number of applications that have been rejected during the life of the programme. Up to and including wave 5, which closed in September 2013, the department has received a total of 1,153 applications, of which 802 have been rejected and 50 remain under consideration. Of those which were approved into pre-opening, a further 13 proposals were either cancelled or withdrawn in the pre-opening stage.

Finally, in relation to free schools, you asked about the costs of places in free schools to the taxpayer. As I explained at the Committee session, the costs vary, and revenue funding reflects the local funding formula for the area in which the school is located, in the same way as is the case for academies and maintained schools. In addition, free schools – in common with other new schools – receive funding to support their development before opening, and whilst they build up their pupil numbers. The department has committed to providing information on our website, of the revenue funding provided to free schools, and details of the funding can be found at <http://tinyurl.com/q3bylly>

In relation to capital, this again varies from school to school but I would like to make clear, as the NAO say in their recent report, that the costs are significantly less than the costs of previous school building programmes. The average capital costs per place are available in detail in the NAO report; the average costs so far for all types of school are £13,900 per place, and the total cost per school is £6.6 million, compared to £25 million under the Building Schools for the Future programme. The department is committed to publish in full capital costs for each school as they are completed, and these are available on the department's website at <http://tinyurl.com/mqu9r8q>

The rationale for the 18-year-old funding reduction

As we discussed, the department's budget has been cut; this means that we are in the unfortunate position of having to make tough decisions about 16 to 19 funding. I looked at the options available, and came to the conclusion that reducing funding for full-time 18-year-olds was the least detrimental option, though certainly regrettable. I offered to share with the Committee the impact assessment of the reduction in funding for 18-year-olds, which I enclose.

I told the Committee that I would consider options to mitigate the impact of the decision. I will do this, but I need to look at it in the context of the 2014/15 academic year demand on the 16 to 19 budget, and because this is based on lagged student numbers we will not have firm figures until the end of February.

How well the child protection system meets the needs of older children.

I would also like to address the point about reviewing the child protection system to meet the needs of older children.

As Edward Timpson, the Minister for Children and Families, outlined in his follow-up letter to the Select Committee, our policy is that all children and young people should be treated as individuals with unique needs and circumstances. Our revised statutory guidance, *Working Together to Safeguard Children 2013*, is clear that local authorities have to give due regards to a child's age and understanding when determining what services to provide. We are also clear that concerns about a child's welfare must be identified early, and appropriate action taken regardless of their age. Timeliness in identifying a need, assessing the nature and level of any risk and offering help and support is critical to securing good outcomes for our most vulnerable children.

As at 31 March 2013, there were 378,600 children in need, of which 180,700 were children aged 10 and over, and of those 68,780 were 16 and over. This represents a clear recognition by children's social care of the needs of older children. Of course, more needs to be done. I recognise that identifying signs of abuse and neglect can be difficult and more challenging with older children. For example, the continued rapid development in technology and the exposure of children online, means that all professionals need to be alert to the challenges of this older age group.

Adolescents are often perceived to be more resilient and self-reliant than they are in fact. Like other children, they need supportive relationships where social workers and other professionals listen to them and respond with targeted support and help.

Ofsted will, of course, through their inspections, monitor and report on the quality and suitability of the provision made by local authorities, regardless of the child's age. The new inspection framework will track the experiences of children and young people across the full scope of the inspection. We are also working with Ofsted as we consult on a range of issues that will strengthen the inspection and regulations of children's homes. Again, I'd expect a considerable focus on older children.

I want to do more, however, to get behind the development and spreading of effective approaches to assessing and supporting older children whether they are in or on the edge of care. I plan to make these issues a particular focus for the new children's services innovation programme which Edward Timpson announced on 18 October 2013. I will set out further details of that soon.

In addition, my officials are talking to ADCS about this issue. It is important, of course, that at a local level social work services are thinking hard about how best to meet the needs of all vulnerable children and families and that social workers and professionals have an understanding of child development at all ages and in a wide range of circumstances.

Careers guidance

I was also grateful for the Committee's detailed questions on the complex area of careers guidance. I remain of the view that the quality of careers guidance in schools is improving, not least due to the focus put on this area by you and the Committee. I am aware that there are those who remain strongly of the opinion that a cadre of professional careers advisers is the most appropriate approach. I was interested to note, though, Professor Tony Watts's comments in his 2011 paper on this subject, *The Proposed Model for Career Guidance in England: Some Lessons from International Examples*. Professor Watts states in paragraph 18 that:

"There are no data which enable firm conclusions to be drawn on the impact of these different models on pupil attainment, progression and employment prospects, or on other quantifiable success measures." (p. 8)

I am sending a copy of this letter to Margaret Hodge MP, Chair of the Public Accounts Committee.

MICHAEL GOVE

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Kings Science Academy case history: financial management and governance September 2011 to December 2013

Funding reduction for EFA-funded institutions and providers educating full-time 18 year olds – Impact assessment.

**Kings Science Academy case history: financial management and governance
September 2011 to December 2013**

Date	Event
<p>September 2011</p> <p>27/09/11</p>	<p>The Principal of KSA informed DfE that Sir Alan Lewis will replace Nadim Qureshi as Chair of Governors at KSA from 1 October 2011 (but see entry at 24/10/12).</p>
<p>August 2012</p> <p>03/08/12</p> <p>24/08/12</p>	<p>Sir Alan Lewis commissioned Crowe Clark Whitehill (CCW) to undertake a review to identify gaps or weaknesses in current practice in financial management and governance at KSA.</p> <p>The EFA identified KSA as a risk on the grounds of governance and its tight financial position and decided that it should have a financial management and governance evaluation (FMGE) in the autumn term.</p>
<p>October 2012</p> <p>22/10/12</p> <p>24/10/12</p> <p>25/10/12</p>	<p>A whistle blower contacted DfE and made a number of allegations around governance at KSA. Officials decided that the response should be to investigate through the EFA's FMGE visit, now scheduled for 8 November.</p> <p>KSA informed DfE that Sir Alan Lewis is not Chair of Governors at KSA and that Dr Asim Suleman would be Chair of Governors from 25 October. KSA also told DfE about the review by CCW.</p> <p>Dr Asim Suleman appointed as Chair of Governors at Governing Body meeting.</p>
<p>November 2012</p> <p>08/11/12</p>	<p>FMGE visit delayed at KSA's request due to building work and because KSA's internal auditors (Deloitte) were on site.</p>
<p>December 2012</p> <p>10-12/12/12</p>	<p>FMGE visit took place. Final version of CCW report, dated 8 December 2012, shared with EFA in confidence. During FMGE visit, EFA team learn that there had been no Chair of Governors in place</p>

	between 1 October 2011 and 25 October 2012.
14/12/12	Based on feedback from FMGE visit, EFA decided to refer the case to the DfE's Internal Audit and Investigation Team (IAIT).
17/12/12	EFA sent report to IAIT for triage.
January 2013	
10/01/13	Ministers informed of outcomes of FMGE and planned investigation by IAIT. IAIT agreed terms of reference of investigation with EFA.
14/01/13	KSA told about the IAIT investigation. EFA wrote to KSA enclosing the draft FMGE report, informing them of the "Inadequate" outcome, seeking confirmation of factual accuracy and requesting an improvement plan.
24/01/13	IAIT investigation work on site commenced.
February 2013	
01/02/13	The EFA sent KSA the final FMGE report, made clear that the EFA assessment was "Inadequate" and disagreed with KSA's own assessment of "Good", and required KSA to respond to the final FMGE report's findings and recommendations.
March 2013	
04/03/13	Interim IAIT investigation report sent by IAIT to EFA. The report was caveated at that stage pending receipt of key financial information.
13/03/13	Dr Suleman resigned as Chair of Governors at KSA and was replaced by John Bowers as Acting Chair.
26/03/13	Officials briefed ministers on the IAIT investigation findings.
April 2013	
02/04/13	KSA send FMGE Improvement Plan to EFA.
12/04/13	EFA confirmed that the FMGE Improvement Plan sent by KSA provided sufficient assurances that the issues raised in the FMGE would be appropriately addressed. Draft of final IAIT report sent to KSA with a request for confirmation of factual accuracy.

19/04/13	Officials updated ministers on actions taken as a result of the IAIT investigation.
24/04/13	EFA and IAIT met Chair of Governors to discuss reports and the actions KSA had already taken and had planned including commencement of a KSA internal investigation, the transfer of the accounting officer function. EFA also told the Chair of Governors that the police would be informed.
25/04/13	With the agreement of ministers, IAIT reported all the critical information in the IAIT investigation to Action Fraud. IAIT then confirmed with West Yorkshire Police's Economic Crime Unit that the correct action was to refer to Action Fraud.
29/04/13	KSA responded to draft of final IAIT investigation report.
May 2013	
17/05/13	IAIT report finalised. Warning Notice stating that recovery of funds will be required issued to KSA by the Secretary of State.
June 2013	
17/06/13	Governing Body of KSA sent new Finance Policy to EFA.
18/06/13	EFA assessed KSA's new Finance Policy as providing a firm basis for establishing proper controls, checks and balances.
July 2013	
08-09/07/13	Follow-up visit by EFA found evidence of significant progress by KSA in improving its financial and governance procedures.
18/07/13	EFA wrote to KSA advising of outstanding areas of financial management and governance for attention following visit on 8 July. KSA agreed verbally at the time and provided a further written response on 2 December. EFA verified progress at the 10-11 December visit (see below).
23/07/13	EFA wrote to KSA confirming repayment sum, stating that the IAIT investigation report would be published, and asking when all disciplinary actions would be complete at the school. KSA agreed verbally at the time and provided a further written response on 2 December.

<p>September 2013</p> <p>05/09/13</p> <p>11/09/13</p>	<p>IAIT contacted Action Fraud to ask for an update on progress. Action Fraud responded to state that, following assessment by the NFIB (National Fraud Intelligence Bureau), the case was not being taken forward but that details would be retained in their intelligence system. There was no suggestion at this stage that any mistake had been made in classifying the report. IAIT informed EFA that the police would not be taking the case forward.</p> <p>KSA agreed the timetable for recovering funds with the EFA.</p>
<p>October 2013</p> <p>07/10/13</p> <p>21/10/13</p> <p>23/10/13</p> <p>25/10/13</p>	<p>John Bowers confirmed as Chair of Governors at KSA.</p> <p>Update on case sent to ministers.</p> <p>John Bowers, Chair of Governors at KSA, informed DfE that a copy of the IAIT investigation report had been leaked to the media.</p> <p>Publication of IAIT investigation report brought forward following leak. EFA had previously planned to publish the report once disciplinary action at the school was complete.</p>
<p>November 2013</p> <p>01/11/13</p>	<p>Action Fraud telephoned IAIT to explain that they had wrongly classified the original report made on 25 April and apologise for their error. The apology was confirmed in writing. West Yorkshire Police opened criminal investigation.</p>
<p>December 2013</p> <p>10-11/12/13</p> <p>19/12/13</p>	<p>EFA conducted a new FMGE visit at KSA. Visit found significant progress had been made on compliance with the requirements of the current Academies Financial Handbook. Outstanding issues were to be addressed by 31 January 2014.</p> <p>KSA's externally audited accounts for 2012-13 received by due date (end Dec 13). These are unqualified and report auditors' comments on improvement in financial control and governance.</p>