



National Audit Office

Report

by the Comptroller
and Auditor General

Department for Education

Training new teachers

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Department for Education

Training new teachers

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National Audit Act 1983 for presentation to the House of
Commons in accordance with Section 9 of the Act

Sir Amyas Morse KCB
Comptroller and Auditor General
National Audit Office

5 February 2016

This report examines whether the Department for Education is achieving value for money through its arrangements to train new teachers.

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Key facts

33,200

trainees starting initial
teacher training in 2015/16

£700m

Department for
Education's estimate
of annual spend by
central government and
schools on training new
teachers in 2013/14

4

years since the
Department's trainee
recruitment targets
were met

455,000

teachers in mainstream, state-funded schools in England in
November 2014

53%

of the 44,900 teachers entering state-funded schools in 2014 were
newly qualified

6%

of the 29,787 available postgraduate teacher training places were
unfilled in 2015/16

29%

of the 1,055 physics training places were unfilled in 2015/16

75%

of postgraduate entrants to teacher training with at least
an upper-second degree in 2015/16, up from 63% on 2010/11

63%

of physics postgraduate entrants to teacher training with at least
an upper-second degree in 2015/16

155

school-centred initial teacher training providers in 2015/16
compared with 56 in 2011/12

841

School Direct partnerships in 2015/16 compared with none in 2011/12

In this report, dates in the format '20xx-xx' refer to central or local government financial years (1 April to 31 March); dates in the format '20xx/yy' refer to academic years (1 September to 31 August).

Summary

1 Teachers are critical to the success of all money spent in England's schools. Attracting and training high-quality new teachers are vital elements of the Department for Education's (the Department's) objective to improve the quality of teaching in classrooms. In 2014, 23,900 newly qualified teachers entered the workforce of 455,000 teachers. The cost to central government and schools of training new teachers is around £700 million each year.

2 The Department's objectives for training new teachers are to:

- assure the supply of new teachers;
- raise the quality of the teaching profession; and
- give teachers and headteachers greater professional autonomy and responsibility for recruitment and training.

3 The training of new teachers is complex. Many factors affect it and the Department has introduced changes to how it is done. The Department and its executive agency, the National College for Teaching and Leadership (the Agency), have increased the number of routes by which trainees can achieve qualified status, placing greater emphasis on training led by schools (**Figure 1** overleaf). There are currently 8 routes into teaching, of which 6 provide 99.9% of all training places. Two – Troops to Teachers and Researchers in Schools – are aimed at particular groups, have few trainees and are not examined in this report.

4 The experience of trainees varies depending on the route they follow but all training involves both study of the theory of teaching and practical placements in at least 2 schools (**Figure 2** on page 7). The main roles and responsibilities of stakeholders are as follows:

- **The Department** is accountable for achieving value for money. It sets the policy framework, retains overall responsibility for assuring the supply of new teachers, and sets the teaching standards against which trainees are assessed.
- **The Agency** controls training places, distributes provider grants and trainee bursaries, runs the national marketing campaign, accredits providers and oversees the market for training providers.
- **Providers** are responsible for recruitment to individual training programmes they lead and for training on programmes in which they are involved. The Universities and Colleges Admissions Service (UCAS) runs the application process. Teach First applications are handled separately. All applicants must pass a skills test.
- **The Department for Business, Innovation & Skills** is responsible for the system for paying out student loans and collecting repayments.

Figure 1

Main routes to qualified teacher status (QTS)

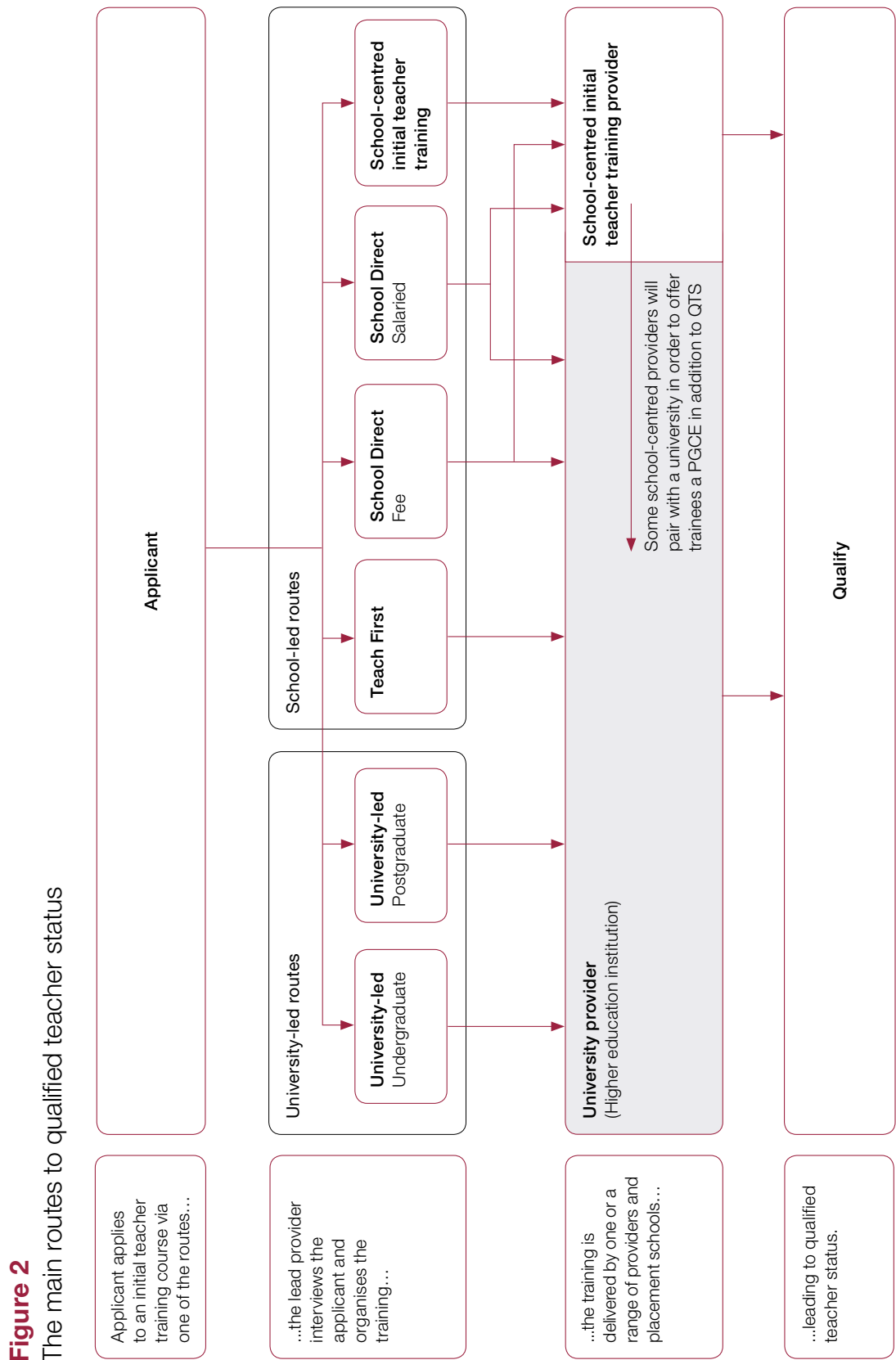
Route	Number started training 2015/16 ¹	Who leads recruitment and training design?	Who delivers training?	Are trainees students or salaried employees?	Qualification gained
University-led (undergraduate)	5,440 (16%)	University	University	Student	BA, BSc or BEd with QTS
University-led (postgraduate)	13,561 (41%)	University	University	Student	QTS and PGCE ²
School Direct – Fee (postgraduate)	7,086 (21%)	School	Mix of school-centred providers and universities	Student	QTS, usually with PGCE
School Direct – Salaried (postgraduate) Applicants must have around 3 years' experience	3,166 (10%)	School	Mix of school-centred providers and universities	Employee	QTS, usually with PGCE
School-Centred Initial Teacher Training (postgraduate)	2,372 (7%)	School-centred provider	School-centred provider	Student	QTS, usually with PGCE
Teach First (postgraduate)	1,584 (5%)	Teach First	Teach First and university	Employee	QTS and PGCE, optional masters
Total	33,209				

Notes

1 Provisional figures from the Initial Teacher Training Census, November 2015.

2 Postgraduate Certificate of Education (PGCE).

Source: Department for Education



Scope of the report

5 This report assesses whether the Department's arrangements for training new teachers are value for money, given its objectives of having enough teachers of the right quality, and examines:

- the Department's understanding of how many new teachers English schools need (Part One);
- the Department's arrangements for securing sufficient new teachers of the right quality (Part Two); and
- how effectively the Department manages the changing market of providers (Part Three).

Key findings

Schools' need for new teachers

6 Schools rely on a constant supply of newly qualified teachers to replace teachers leaving the workforce and to address increasing pupil numbers. Of the 44,900 teachers entering state-funded schools in 2014, 53% were newly qualified, with the remainder either returning to teaching after a break or moving into the state-funded sector from elsewhere. Between 2011 and 2014, the number of teachers leaving rose by 11%, with schools recruiting more teachers as a result. Primary schools have also had to recruit more teachers to keep up with rising pupil numbers. Secondary schools may now have to do likewise as pupil numbers start to increase (paragraphs 1.2, 1.3 and 1.10)

7 To date, the overall number of teachers has kept pace with changing pupil numbers and retention of newly qualified teachers has been stable. At a time of increasing pupil numbers in primary schools and falling pupil numbers in secondary schools, the ratio of pupils to teachers stayed stable between 2008 and 2014, so that nationally in 2014 there was 1 teacher for every 21.0 pupils in primary and 15.8 pupils in secondary schools. Data show that of teachers newly qualified over a 10-year period approximately 12% left state-funded schools within 1 year of joining while 28% had left within 5 years (paragraph 1.5).

8 Indicators suggest that teacher shortages are growing. It is difficult on the basis of current data to quantify accurately the extent to which shortages exist. However, the recorded rate of vacancies and temporarily filled positions in state-funded schools has doubled between 2011 and 2014 from 0.5% of the teaching workforce to 1.2% (a figure the Department accepts is unlikely to reflect recruitment difficulties fully). In surveys and other sources, a significant proportion of school leaders have also reported difficulty recruiting newly qualified teachers. In secondary schools, more classes are now taught by teachers without a relevant post-A-level qualification in their subject. For example, the proportion of physics classes taught by a teacher without such qualifications rose from 21% to 28% between 2010 and 2014. Meanwhile, leaving rates for existing maths and science teachers are above average (paragraphs 1.4 to 1.9).

9 The Department's teacher supply model has strengths but may still

inaccurately predict schools' need for trainee teachers. The teacher supply model is logical, has been carefully thought through and uses the Department's best routinely available data. However, the risk of it generating incorrect trainee recruitment targets remains significant:

- Inherently uncertain inputs, such as pupil and economic projections, mean that the model's forecasts lie within a big range. The Department's best estimate of the number of trainees required in 2016/17 is 29,200, but the model's results vary between 25,000 and 38,000 depending on whether the most optimistic or pessimistic assumptions are chosen. The Department has not calculated the probability of different scenarios occurring but considers these extreme values to be unlikely.
- The model has important knowledge gaps. For example, the Department does not have data that allows it to quantify teacher shortages reliably.
- The model does not aim to resolve pre-existing teacher shortages, including those caused by previously missed recruitment targets (where these have not been resolved by other initiatives such as encouraging people to change career or return to teaching) (paragraphs 1.11 to 1.18).

10 The Department is yet to demonstrate how accurate the model and its own judgements are.

The Department has not yet used indicators, such as surveys of school leaders and schools' long-term plans, to confirm independently the accuracy of its latest model. It does not have enough information to establish the accuracy of previous models for the purposes of comparison (paragraphs 1.17 and 1.18).

11 The Department's model assumes that, as pupil numbers rise, the number of teachers schools require will increase at a lower rate.

The forecast requirement for new teachers in 2017/18 is 4,500 (9%) lower than it would have been had the Department assumed that teacher numbers would rise in line with pupil numbers. This assumption is based on patterns observed when pupil numbers last rose between 1986 and the late 1990s. It may also accurately reflect the financial limitations schools will face because of forthcoming real-terms, per-pupil funding reductions. If incorrect, however, it could exacerbate existing teacher shortages and workload (paragraph 1.15).

Training sufficient new teachers

12 The Department has missed its targets for filling training places over the last 4 years with secondary training places particularly difficult to fill.

The Department missed its overall targets by an increasing margin between 2012/13 (1%) and 2014/15 (9%). In 2015/16, the Department changed its target to cover only postgraduate places (reporting undergraduate places separately) and missed this postgraduate target by 1,639 trainees (6%). It has missed secondary targets for the last 3 years, with 82% of postgraduate secondary places filled in 2015/16 compared with 116% for primary places. The improving economy is likely to increase competition for new graduates (paragraphs 1.10 and 2.2).

13 The Department finds it difficult to recruit enough trainees in most secondary subjects. In 2015/16, 14 out of 17 secondary subjects had unfilled training places, compared with 2 subjects with unfilled places in 2010/11. In subjects with hard-to-fill places, providers are more likely to accept trainees with lower degrees, for example:

- 71% of physics places were filled in 2015/16 and 63% of trainees had at least an upper-second degree; and
- 93% of maths places were filled and 70% of trainees had at least an upper-second degree.

However, 113% of history places were filled and 88% of trainees had at least an upper-second degree (paragraphs 2.3 to 2.4 and 2.8 to 2.10).

14 The Department has concentrated on attracting graduates to start training, but not all trainees go on to take jobs in state schools. Of trainees who commenced a final year of training in 2013/14, 80% are known to have been recruited to teaching in England within 6 months of qualifying. The Department assesses that some of these posts are in independent, fee-paying schools, which do not contribute to training costs but that some teachers may return to the state sector later (paragraphs 1.2 and 2.16).

The quality of new teachers

15 The Department's indicators of trainee and training quality are encouraging, but not yet enough to prove that training is improving the quality of teaching in classrooms. The proportion of postgraduate trainee entrants with at least an upper-second degree increased from 63% in 2010/11 to 75% in 2015/16, exceeding changes in wider graduate results. Degree class is a reasonable indicator of subject knowledge but a less clear predictor of other aspects of teacher quality. In accrediting new school-centred providers, to assure itself of the quality of teacher training proposed, the Agency assesses the potential provider against a range of criteria, and may subsequently withdraw that accreditation if a provider fails to meet those criteria. Almost all (99.5%) of Ofsted's inspections of teacher training have resulted in 'good' or 'outstanding' ratings. In September 2012, Ofsted inspections began looking at trainees' performance in classrooms post-qualification. This assessment became a formal second stage of all inspections from June 2014, however a large majority of providers have not yet had one of these 2-stage inspections. The Department does not currently have data to compare retention of newly qualified teachers, or their quality, through different training routes. It is working to link data to better understand the relationship between training and retention, and, in the longer term, classroom performance (paragraphs 2.8 to 2.10, 3.5, 3.6, 3.13 to 3.15 and 3.18).

Incentives to train

16 The Department has general evidence that bursaries have some impact in attracting people to train as teachers but, given the level of investment, has more to do to demonstrate a longer-term positive impact. The Department spent £620 million on bursaries in the 5 years to 2014/15, and plans to spend £167 million each year in 2015/16 and 2016/17. The Department's analysis shows a statistical link between bursaries and the number of applications to train, particularly for physics when new bursaries were introduced in 2012/13. From interviews and focus groups with applicants from 2013/14, the Department has also found that in some cases, particularly those changing career, the funding available has been the main initial trigger to explore teacher training. The Department has not assessed the impact of bursaries on applicants' success or the number who go on to qualify and teach. It now plans to link data sets so that it can do this analysis on a statistical basis. The longer-term impact should also be explored through qualitative research, along with the risks, for example that successful applicants may have applied anyway, regardless of the bursary (paragraphs 2.11 to 2.15).

Market management

17 The Department and the Agency have grown school-led training, in line with policy, without university providers leaving the market in large numbers. The number of school-centred providers has increased from 56 to 155 in the last 5 years and only 5 higher-education institutions (out of 75) have stopped offering training. Although not all universities have been happy with the changes, they continue to be involved in most training, even when it is school-led. Some stakeholders told us the new approach had created positive new partnerships between schools and training providers (paragraphs 3.2 and 3.3).

18 Potential applicants do not yet have good enough information to make informed choices about where to train and the plethora of routes has been widely described to us as confusing. The Department has introduced, in line with policy, a range of training routes to offer prospective trainees a choice about where and how to train, and to attract applicants from particular groups, for example, with different prior experience. There are 6 main routes to train and hundreds of different providers. But there is little differentiation between how much providers charge trainees and, on quality, Ofsted has rated almost all inspected providers as at least 'good'. Meanwhile, 47% of school-centred providers are yet to be inspected. It will take until 2018 to inspect them all. This is because 8 out of 10 uninspected providers opened only recently and newly accredited providers are not inspected until the end of their second year of provision. Trainees do not have the same level of choice across the country should they wish to train near home. For example, there are more providers of salaried routes in London and the South East. Most providers and schools we visited described the range of routes as confusing for both providers and applicants. This could discourage potential applicants (paragraphs 3.21 to 3.25).

19 The Department has insufficient information to ensure the cost-effectiveness of its approach. There is little differentiation in price or quality between providers to enable consumer behaviour to shape the market. The Department has information about the short-term cost of training routes but does not yet have sufficient information about long-term costs and the extent to which each route, and increasing schools' role in the process, has improved teaching standards (paragraphs 3.13 to 3.20).

20 The Department's short-term approach means providers do not have a clear, stable basis on which to plan for the long term. Up to and including 2015/16, the Agency specified annually the number of trainees each provider could recruit. For 2016/17, the Agency has adopted a more open approach, controlling only the overall numbers to be recruited per subject. It cannot say what the approach will be in future, although it has stated its intent to expand school-led training further while capping recruitment by universities. In 2016/17, the Agency may intervene to prevent a provider having too large a market share, and may also control recruitment in individual regions, for example to enable providers in a region to recruit for longer. But it has set no thresholds on which to base these judgements. In November 2015, it made its first intervention – to stop universities recruiting physical education trainees – without sufficient warning (paragraphs 3.7 to 3.12).

Local recruitment issues

21 The Department takes a national approach to recruitment but has more to do to understand important local and regional issues. The number of trainees recruited as a proportion of the pupil population varies regionally. In 2015/16, 547 trainees were recruited for every 100,000 pupils in the North West compared with 294 in the East of England. Although not all trainees go on to teach close to where they train, this is a common career choice. In several regions, Ofsted has found that isolated schools struggle to attract and retain enough teachers of the right calibre. The Department does not use its teacher supply model to estimate how many teachers are required locally or regionally and largely relies on the school system to resolve problems. It has initiatives to address particular issues, such as its plan to create a National Teaching Service to work in underperforming schools. However, the Department has a weak understanding of the extent of local teacher supply shortages and whether they are being resolved locally (paragraphs 1.19 to 1.22 and 2.5).

Conclusion on value for money

22 Training enough new teachers of the right quality is central to the success of all money spent in England's schools. Central government and schools spend some £700 million a year recruiting and training new teachers. The Department, with the Agency, has made structural changes to the teacher training market in line with policy, effectively expanding schools' role in designing and delivering initial teacher training while maintaining a significant contribution from universities. The energy the Department has expended on innovation is welcome.

23 The Department has missed its recruitment targets for the last 4 years and there are signs that teacher shortages are growing. By taking a national view of the number of teachers required, the Department risks paying too little attention to clearly meaningful local patterns of supply and demand. The Department does not yet have the information it needs to understand how different routes into teaching impact on schools' ability to recruit and retain newly qualified teachers, and cannot yet demonstrate how new arrangements are improving the quality of teaching in classrooms. The Department has plans to analyse existing data further. However, until the Department meets its targets and addresses the remaining information gaps, we cannot conclude that the arrangements for training new teachers are value for money. The Department will also need to show that the arrangements are more cost-effective than alternative expenditure, for instance on improving retention.

Recommendations

- a The Department should demonstrate how, through new training routes and the incentives it offers, it is improving recruitment and retention of new teachers and the quality of teaching, and at what cost.** It should:
- continue working with the sector to link training data with data on the quality of teaching in the classroom, where possible using existing information;
 - examine the costs and benefits of different training routes over time; and
 - do the extra quantitative and qualitative work needed to conclude whether bursaries work, incorporating the results into decision-making.
- b The Department and the Agency should work with school leaders to:**
- **develop a good understanding of local demand for and supply of teachers.** It should then consider how it can use modelling, the allocation process and other interventions to resolve any difficulties; and
 - **establish the model's accuracy by comparing its outputs with data on actual levels of demand, recruitment and vacancies in schools.**
- c The Department should work with the sector to provide clearer, more accessible information to prospective applicants.** This should include information on course costs, structure and provider quality. The Department should encourage the creation of other sources of comparative information, similar to the 'good university guides' that exist.
- d The Department and the Agency should give greater certainty to providers to help them plan over the longer term.** This should include more detail about the Government's position on market size and structure, when and how it is likely to intervene and indicators of future patterns of demand.

Part One

Schools' need for new teachers

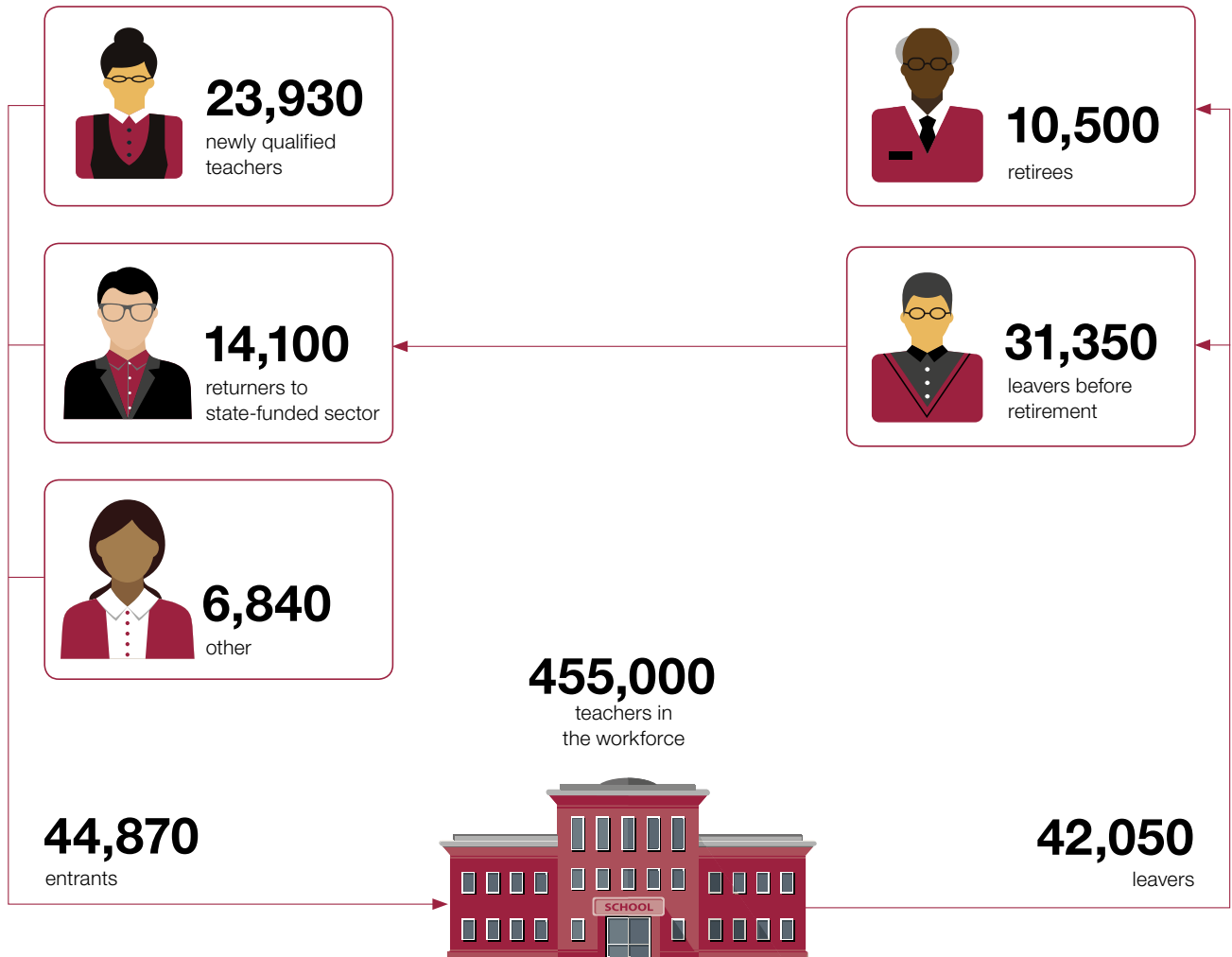
1.1 This part of the report sets out the number of teachers and explains flows of teachers into and out of state-funded schools. It considers the extent of teacher shortages, and how accurately the Department for Education (the Department) identifies the numbers of new trainees that are needed.

Teacher numbers and flows

1.2 Some 455,000 teachers work in the state-funded sector in England (216,000 in primary schools, 213,000 in secondary schools, 21,000 in special schools and 5,000 in local authorities). The total number of secondary teachers has changed little since 2005 but the number of primary teachers has increased by 19,000, reflecting changing pupil numbers. **Figure 3** shows the flows into and out of the state-funded sector. The system relies heavily on newly qualified teachers – 53% of 44,900 teachers entering state-funded schools in 2014 were newly qualified, compared with 31% who were returning to teaching after a gap and 15% from other sources. These proportions have changed little overall over the past 4 years.

1.3 The need for new and returning teachers is connected to the number of teachers leaving (**Figure 4** on page 16) and changing pupil numbers. Between 2011 and 2014, the number of pupils increased by 7% in primary schools and fell by 3% in secondary schools. Over the same period, the number of teachers leaving rose by 11% overall. Among leavers, the proportion leaving for reasons other than retirement rose from 64% to 75%. This suggests retention may be becoming an increasing problem.

Figure 3
Flows into and out of state-funded schools in 2014

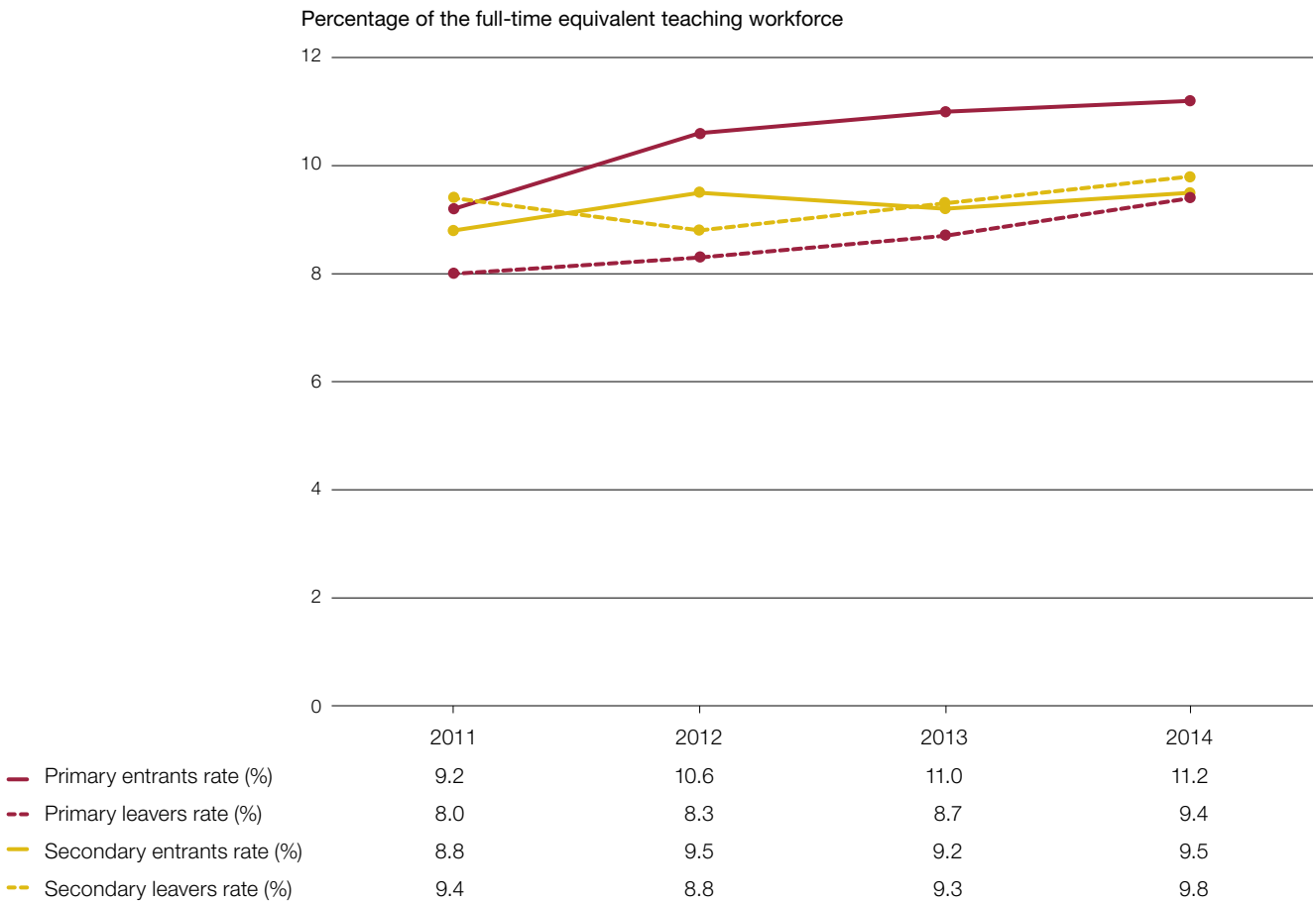


Notes

- 1 Other sources include qualified teachers from overseas and trainees who deferred entering the state-funded sector.
- 2 Entrants and leavers are for the period November 2013 to November 2014. The size of the workforce in November 2014 was 455,000.
- 3 The 42,050 leavers include 200 serving teachers who died during the year.
- 4 All figures are full-time equivalent.

Source: Department for Education school workforce data

Figure 4
Teachers entering and leaving state-funded schools, 2011 to 2014



Note

1 Dates are the year ending in November.

Source: Department for Education

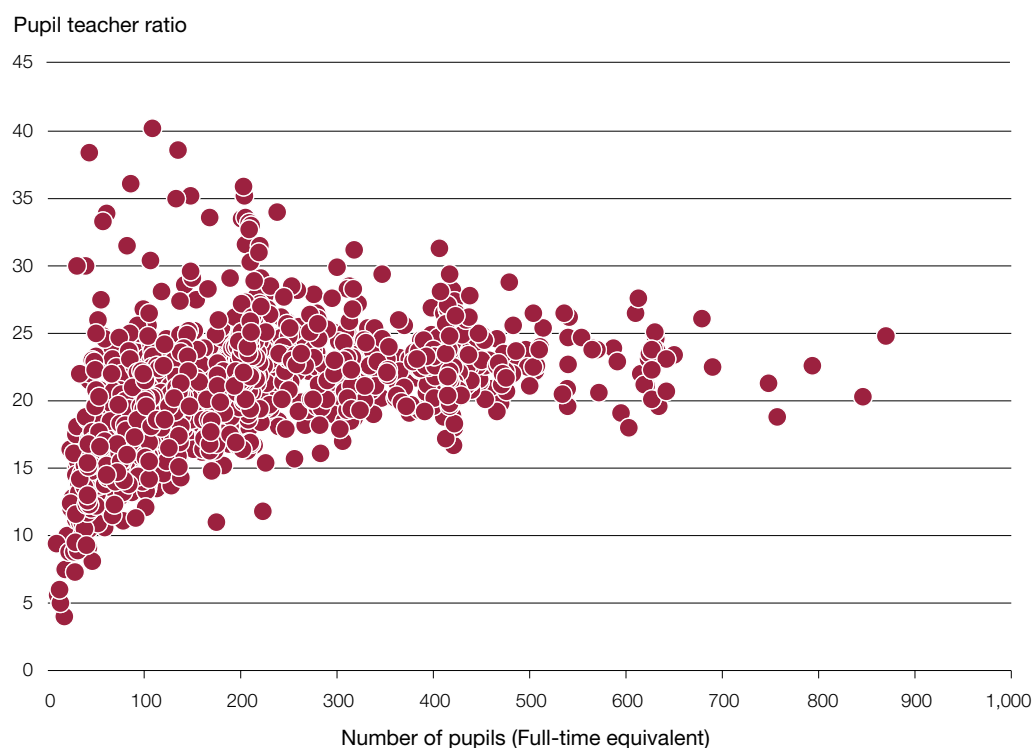
Teacher shortages

1.4 There has been much, and increasing, public discussion about teacher shortages but it is difficult on the basis of current data to quantify accurately the extent to which shortages exist. The number of teachers schools need, and the quality of those in post, is unclear. Schools in apparently similar circumstances employ very different numbers (Figure 5). For example, primary schools with approximately 210 children in areas of low deprivation can have as many as 12 full-time equivalent (FTE) teachers or as few as 7. Schools have a lot of freedom over how they use staff, particularly academies. Variations may indicate shortages or inefficiency but may be the consequence of appropriate choices by school leaders.

Figure 5

Pupil teacher ratios in primary schools in similar socioeconomic circumstances

Schools in apparently similar circumstances employ very different numbers of teachers



Notes

- 1 To limit variation caused by need, this data set includes only primary schools with fewer than 5% of pupils qualifying for free school meals.
- 2 Each point represents a single school.

Source: Department for Education

1.5 Overall, the number of teachers has kept pace with changing pupil numbers. There were 21.6 pupils to every teacher in primary schools in 2008 compared with 21.0 in 2014. In secondary schools the pupil teacher ratio was 16.2 to 1 in 2008 compared with 15.8 to 1 in 2014.¹ Certain other indicators have been similarly stable. For example, data show that of newly qualified teachers who entered state-funded schools between 2004 and 2013, approximately 12% left within a year of joining. Of those who entered service between 2000 and 2009, 28% had left within 5 years.

1.6 There are, however, growing signs of shortages. Most commonly discussed are shortages in maths and certain science subjects, which the Government recognises as shortage occupations for immigration purposes.² Teachers of these subjects are also among those most likely to leave, with leaving rates about 9% above average for men and 4% above average for women.³ More widely, shortages are signalled by vacancy rates, the proportion of lessons taught by teachers without a relevant degree, and surveys of school leaders.

1.7 Compared with the size of the workforce, reported vacancy rates remain low but have risen. Teacher vacancies increased from 350 (0.1% of the workforce) to 1,030 (0.3%) between 2011 and 2014. The number of temporarily filled positions increased from 1,450 (0.4%) to 3,210 (0.9%) over the same period. The Department accepts these data are unlikely to reflect recruitment difficulties fully. This is partly because they are collected in November when vacancy rates are comparatively low. Vacancy rates are higher in computer science (1.5%), maths (1.4%), science (1.4%), social science (1.3%) and English (1.3%).

1.8 In secondary schools, the proportion of lessons taught by teachers without a relevant post-A-level qualification has grown. For English Baccalaureate subjects (English, maths, sciences, languages, history and geography) the proportion rose from 14% in 2010, the first year for which data are available, to 18% in 2014. In some subjects, teaching by non-specialists is prevalent: computer science (44%), Spanish (43%), religious education (30%), physics (28%) and German (25%). In English and maths one-fifth of lessons are taught by teachers without relevant post-A-level qualifications.

1.9 School leaders also describe significant recruitment challenges. In 2015, we conducted a survey of 543 school leaders for our report, *Funding for disadvantaged pupils*.⁴ Some 54% of leaders in schools with large proportions of disadvantaged pupils said attracting and keeping good teachers was a major problem; 33% of leaders in other schools said the same. Similarly, in its 2015 survey of 1,992 (mainly primary) school leaders, the National Association of Head Teachers found that 58% of respondents who had tried to recruit a newly qualified teacher had difficulty doing so; 10% failed to recruit.⁵

1 Department for Education, *School workforce in England*, November 2014.

2 Tier 2 Shortage Occupation List, government-approved version, April 2015.

3 Department for Education, *Teacher supply model: user guide 2016 to 2017*, October 2015.

4 Comptroller and Auditor General, *Funding for disadvantaged pupils*, Session 2015-16, HC 90, National Audit Office, June 2015.

5 National Association of Head Teachers, *The NAHT school recruitment survey 2015*, December 2015.

Wider challenges

1.10 It is impossible to be certain what will happen to future teacher numbers but the challenge of having the right number of teachers in the right subjects may become more stretching for the following reasons:

- Secondary school pupil numbers are forecast to rise by 9% (276,000) between 2014/15 and 2019/20, and to increase further until at least 2026/27. Other things being equal, this would increase demand for secondary teachers.
- Changing curriculum requirements, notably the Department's expectation for all pupils to sit GCSEs in 5 English Baccalaureate subjects from 2020, will increase demand for teachers in some subjects (including shortage subjects) and reduce demand in others.
- The Department aspires to reduce teacher workloads. Recent official estimates of the time worked by the average full-time classroom teacher range between 48 and 59 hours per week, which is high relative to other countries.⁶ The Department is attempting to remove unnecessary tasks teachers currently perform, but schools keen to reduce staff workload may seek to employ additional teachers instead.⁷
- Based on past experience, the improved economy will make teacher recruitment more difficult, particularly given public-sector funding restraint. While the Department has protected total school funding in real terms, per-pupil school funding is expected to decline by 7% in real terms over the next 5 years as pupil numbers increase, limiting the sector's ability to pay teachers more.⁸

Teacher supply model

1.11 The Department has created a model to identify how many teachers it needs to train. The teacher supply model has existed for some years and the Department has made the last two iterations publicly available. The model incorporates many variables, including estimates of the overall need for teachers, leavers and joiners, and employment rates of recent trainees (**Figure 6** overleaf). The model is logical and carefully thought through, but may still inaccurately predict schools' need for trainee teachers.

1.12 The Department oversees the model through a steering group comprising analysts and policy and training specialists, chaired by the National College for Teaching and Leadership's (the Agency's) director of programme delivery. The steering group agrees the model's scope and development, the assumptions behind it and quality assurance arrangements. Quality assurance includes detailed review by analysts from elsewhere in the Department. The Department also plans to take advice from a group of external experts.

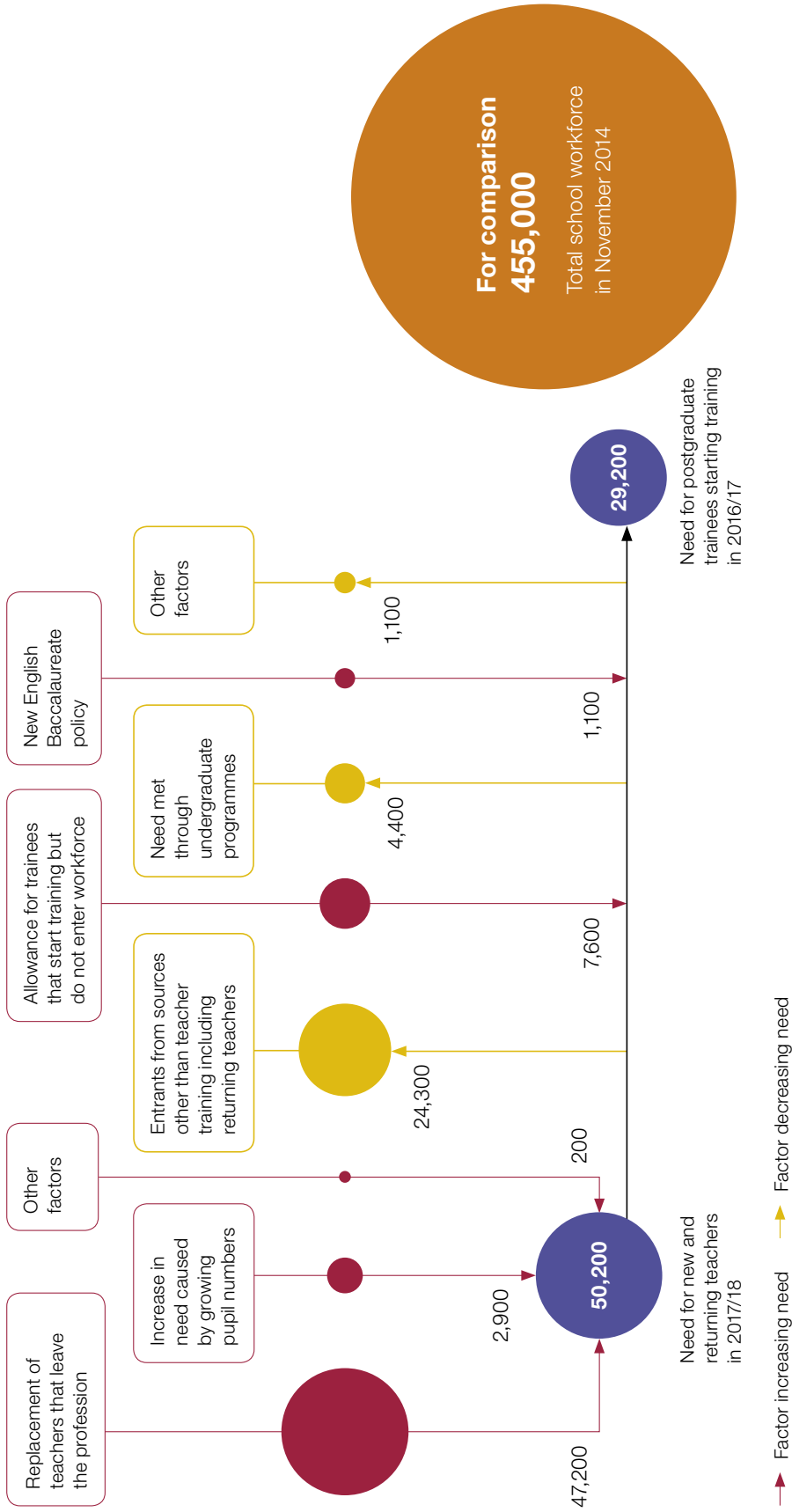
⁶ Department for Education, *Teachers' workload diary survey 2013*, February 2014. *Teachers in England's Secondary Schools: Evidence from TALIS 2013*, June 2014.

⁷ Department for Education, *Government response to the Workload Challenge*, February 2015.

⁸ HM Treasury, *Spending Review and Autumn Statement*, 2015, November 2015.

Figure 6
Calculating the postgraduate trainee target, 2016/17

The teacher supply model incorporates many variables. It forecasts that 29,200 trainees will need to be recruited in 2016/17



Notes

- 1 Figures show the impact of each factor on the number of trainees needed, as defined by the teacher supply model, and may not sum due to rounding.
- 2 Postgraduate trainees starting training in 2016/17 will be available to start teaching in 2017/18.
- 3 This is a simplified outline of the model not a detailed description.
- 4 Demand for secondary teachers is calculated by apportioning the total number of secondary teachers to individual subjects according to the current amount of time spent teaching each subject, adjusted for expected curriculum changes.

Source: Department for Education

Forecasting requirements

1.13 The Department's model forecasts schools needing to recruit more new or returning teachers in 2017/18 than in recent years, some 50,200 in total. The most significant driver of this need is existing teachers leaving state-funded schools (Figure 6). From 2018/19 onwards, the need for additional primary school teachers reduces, as the Department forecasts primary pupil growth slowing based on Office for National Statistics projections. As the same projections show pupil numbers starting to rise in secondary schools this will increase the need for new or returning teachers there.

1.14 The Department's forecasts of the need for new and returning teachers fall within a large range (**Figure 7** on pages 22 and 23). Therefore, while the Department's best estimate is that some 29,200 new trainees will be required in 2016/17 (Figure 6), the model's results vary between 25,000 and 38,000 depending on whether the most optimistic or pessimistic assumptions are chosen. The breadth of the range is caused by several uncertainties, such as pupil and economic projections and how schools might react to these. While it has not assessed the likelihood of various scenarios occurring, the Department believes its planned scenario is the most probable, and that the upper and lower values described by the model are unlikely.

1.15 Individual choices the Department makes can have significant impacts and are often based on previous patterns that may not be repeated. For example, based on patterns observed when pupil numbers last rose between 1986 and the late 1990s, the Department assumes that teacher numbers will increase at a lower rate than pupil numbers in the years ahead. Consequently, the forecast requirement for new or returning teachers in 2017/18 is 4,500 (9%) lower than it would have been had the Department assumed teacher numbers would rise in line with pupil numbers (Figure 7). Limiting teacher supply in this way may also accurately reflect financial limitations schools will face because of forthcoming real-terms, per-pupil funding reductions. However, if schools with rising pupil numbers do not behave as the Department expects, the Department's assumption could exacerbate existing teacher shortages and workload.

1.16 In some cases, there is insufficient information to make an informed judgement. For example, the Department is consulting on how schools might increase uptake of the English Baccalaureate. For now, the Department has decided to set recruitment targets for some of these subjects at a higher level than the model suggested and to make a more informed estimate in this year's model.

Model accuracy

1.17 The Department improved the teacher supply model in 2015/16, following evidence that the previous version had produced some inaccurate targets (due, among other issues, to not distinguishing between some subjects). In 2014/15, the Department manually adjusted the English trainee target after the model produced an unfeasibly low requirement. The target for art teachers increased by 97% following the decision, in the new model, to forecast this subject separately. The Department has not conducted a systematic analysis of all targets the previous model produced to determine by how much it may have been inaccurate overall.

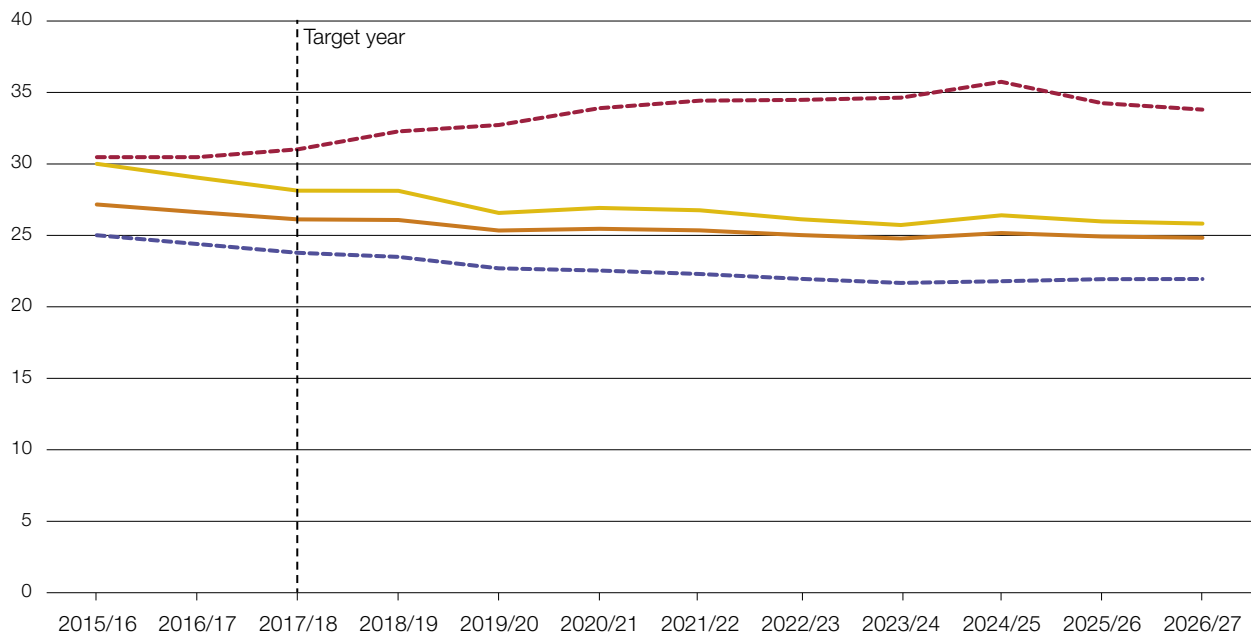
Figure 7

Forecast need for new or returning teachers

Different scenarios produce very different estimates of new or returning teachers needed

State-funded primary schools

Number of new or returning teachers needed (000)

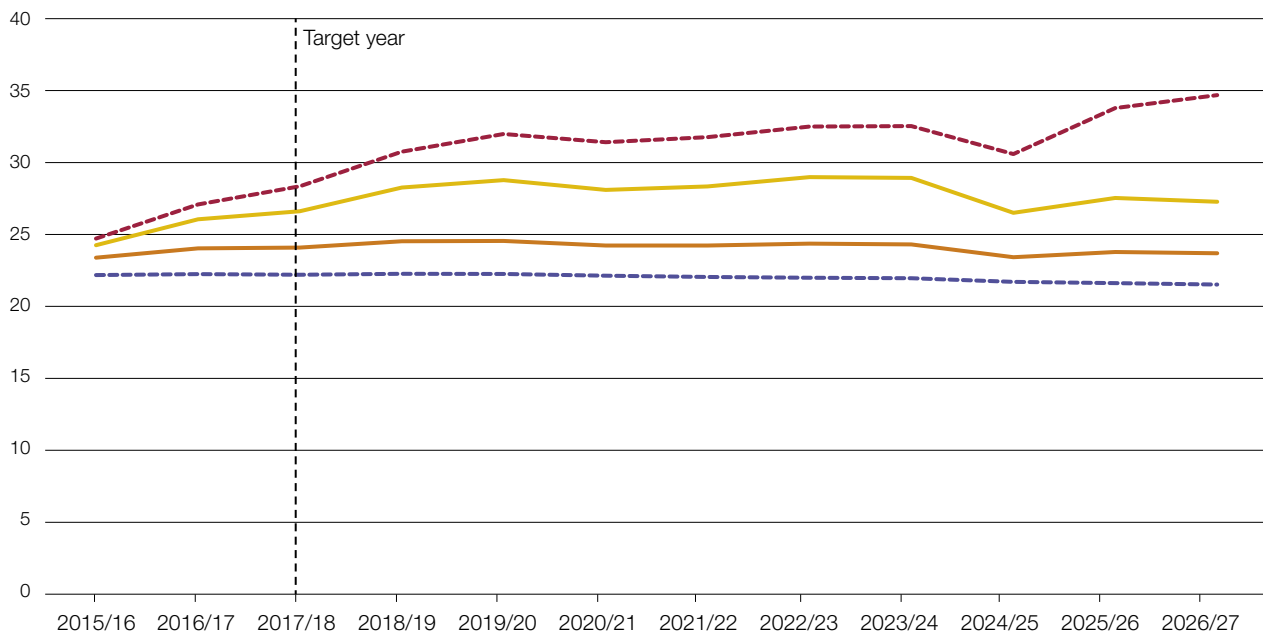


- High estimate
- The Department's modelled scenario with pupil teacher ratios held constant
- The Department's modelled scenario
- Low estimate

Figure 7 continued
Forecast need for new or returning teachers

State-funded secondary schools

Number of new or returning teachers needed (000)



- High estimate
- The Department's modelled scenario with pupil teacher ratios held constant
- The Department's modelled scenario
- Low estimate

Note

1 The principle aim of the October 2015 model is to forecast the number of new and returning teachers needed in 2017/18. This is then used to calculate the number of trainees needed in 2016/17.

Source: Department for Education

1.18 The Department uses the best data routinely available to inform its current model and now has more specific information on a wider number of subjects. It takes account of historic data adjusted, where necessary, through projections. It believes that the new model is better than its predecessor. However, the risk that the model will predict the need for new trainees incorrectly remains significant:

- Many decisions are matters of judgement because the model is forecasting inherently uncertain circumstances.
- The model has important knowledge gaps. For example, the Department does not have data that tell it explicitly whether and to what extent there are teacher shortages, and there is uncertainty about historic teacher re-entrant rates by subject and the proportion of trainees who will go on to teach in state-funded schools. The Department is currently working to fill some of these gaps.
- The model does not aim to resolve pre-existing shortages, including those caused by previously missed recruitment targets (where these have not been resolved by other initiatives, such as encouraging people to change career or return to teaching).
- The Department has not yet independently verified the model's accuracy. Outturn data are not yet available to test the model used in 2015/16 and 2016/17. In advance of this, the Department does not have independent evidence that might confirm whether its model has accurately reflected demand, such as surveys of school leaders and schools' long-term plans.

Meeting local needs

1.19 The Department does not use its teacher supply model to forecast demand or set targets for trainee teachers below the national level. It largely relies on the school system to resolve any local or regional shortages or other supply issues.

1.20 The Department has limited insight into what these issues might be and how they change over time. Data can provide conflicting messages, including from year to year, but recent analysis it carried out showed that demand could vary both regionally and locally. For example, based on data available to the Department in September 2015, teacher turnover, the percentage of posts temporarily filled and the percentage of teachers who were unqualified were all higher than average in the South East of England. Other evidence has shown how certain types of school may struggle to attract good teachers. For example, our own research suggests problems in poorer areas (paragraph 1.9), while Ofsted found difficulties in isolated parts of the country and in schools with low academic performance.⁹

⁹ Ofsted, *The Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2014/15: education and skills*, December 2015.

1.21 The Department does not systematically model these problems or collect school leaders' views about them and its recent analysis did not differentiate between primary and secondary schools or subjects. It is currently considering whether there are better indicators of the sufficiency of teacher supply that it could use, including how best to obtain school leaders' views. Such information could help to improve the Department's forecasting of the need for new trainees and its management of the initial teacher training market. It could also help support other ways of resolving local supply issues, such as the Department's plans to pilot a National Teaching Service of elite teachers to work in underperforming schools from September 2016.

1.22 In the meantime, the current geographical spread of initial teacher training providers means that trainee supply varies significantly by region (paragraph 2.5). As the Department's analysis indicates that where teachers initially teach is linked to where they train, any imbalances may have a long-term impact on existing shortages. Most trainees who want to become teachers are currently able to get jobs quickly in all regions, but this gives no indication of whether shortages are more acute in some regions rather than others.

Part Two

Training sufficient quality new teachers

2.1 This part examines the Department for Education's (the Department's) arrangements to train sufficient quality teachers. The 6 main routes to achieving qualified teacher status are set out in Figure 2. We examined the:

- number of training places filled;¹⁰
- quality of trainees; and
- number of newly qualified teachers recruited to teaching posts.

Filling training places

Nationally

2.2 The Department and the National College for Teaching and Leadership (the Agency) have missed their targets to fill training places for the last four years. Between 2012/13 and 2014/15 targets were missed by an increasing margin: 528 (1%) in 2012/13; 1,691 (5%) in 2013/14; and 3,201 (9%) in 2014/15. In 2015/16, the Department altered its target to include Teach First but exclude undergraduate training. The 2015/16 postgraduate target was missed by 1,639 (6%) trainees; within this, only 82% of secondary places were filled, whereas the primary places target was exceeded by 16%. In addition, 8% fewer undergraduates started training in 2015/16 than in 2014/15 (**Figure 8** and **Figure 9** on page 28).

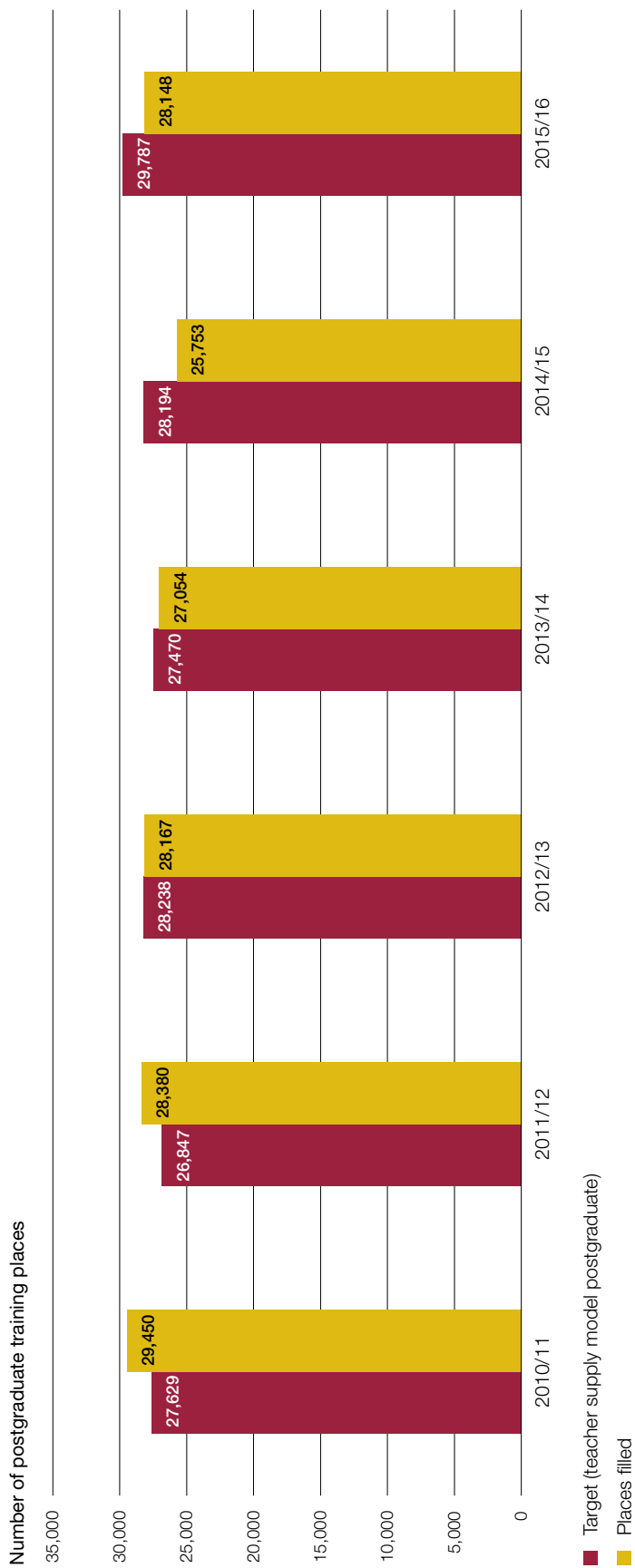
By subject

2.3 It has become increasingly difficult to achieve recruitment targets in most secondary subjects. Missing subject-specific targets over several years makes it more likely pupils will be taught by teachers without a relevant post-A-level qualification. In 2015/16, there were unfilled training places in 14 of 17 subjects (**Figure 10** on page 29), an increase from 2 subjects in 2010/11. In 2015/16, the subjects with the lowest proportion of training places filled were design and technology (41%), religious education (63%), art and design (63%), and business studies (64%). History exceeded its target (113%). The Department told us that it permits over-filling in some subjects to meet overall need, assuming that schools can use teachers flexibly.

¹⁰ Excludes Teach First unless otherwise stated.

Figure 8
 Postgraduate training places filled against targets, 2010/11 to 2015/16

The Department has missed its postgraduate targets for the past 4 years



Notes

- 2015/16 figures are provisional and include a small number of trainees that the Department forecasts will start courses after the academic year has begun.
- Teach First is excluded from targets and places filled in all years except 2015/16 when it filled 1,584 places.

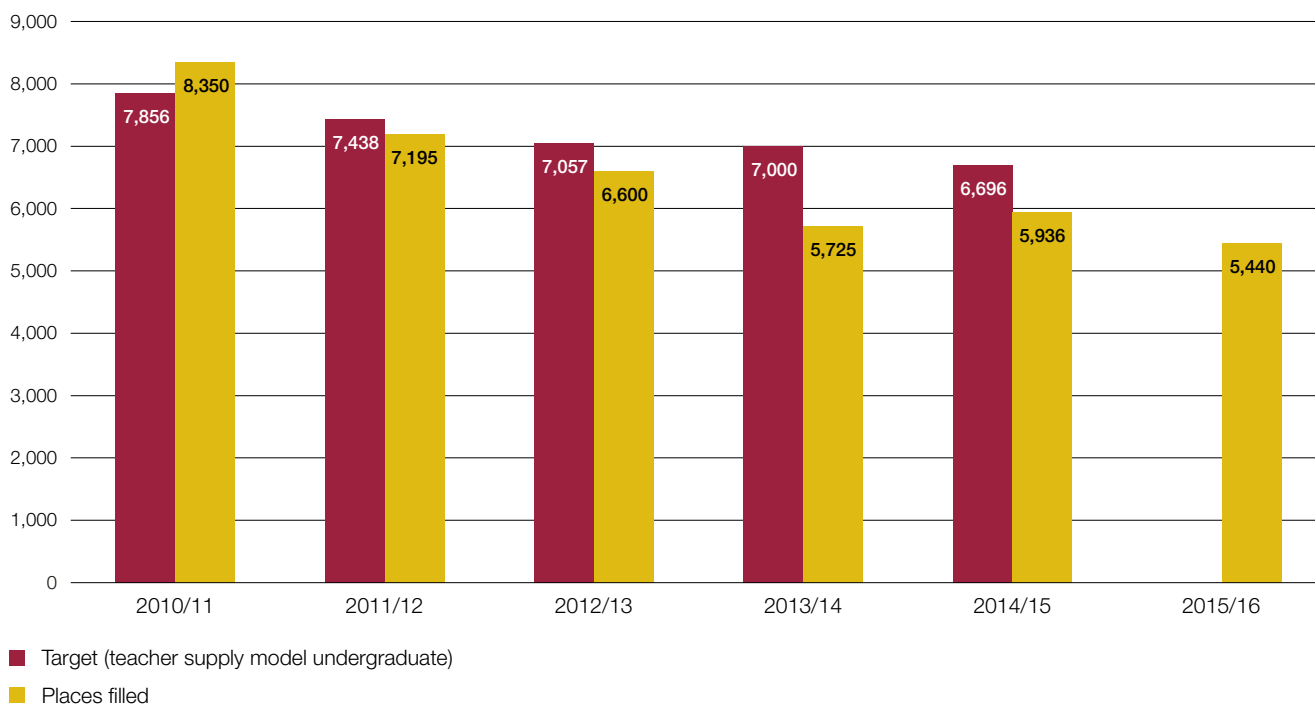
Source: National College for Teaching and Leadership

Figure 9

Undergraduate training places filled against targets, 2010/11 to 2015/16

The Department did not set an undergraduate target in 2015/16, but had missed its undergraduate targets in the previous 4 years

Number of undergraduate training places

**Note**

1 The Department has not set a target for 2015/16, for which figures are provisional.

Source: National College for Teaching and Leadership

2.4 It is important to note that some subjects are hard to fill because they are less popular with university students. To meet its 2014/15 target for history trainees, the Department needed to attract 1 in 25 history graduates; for maths and physics, it needed to attract 1 in every 5 maths and physics graduates.¹¹

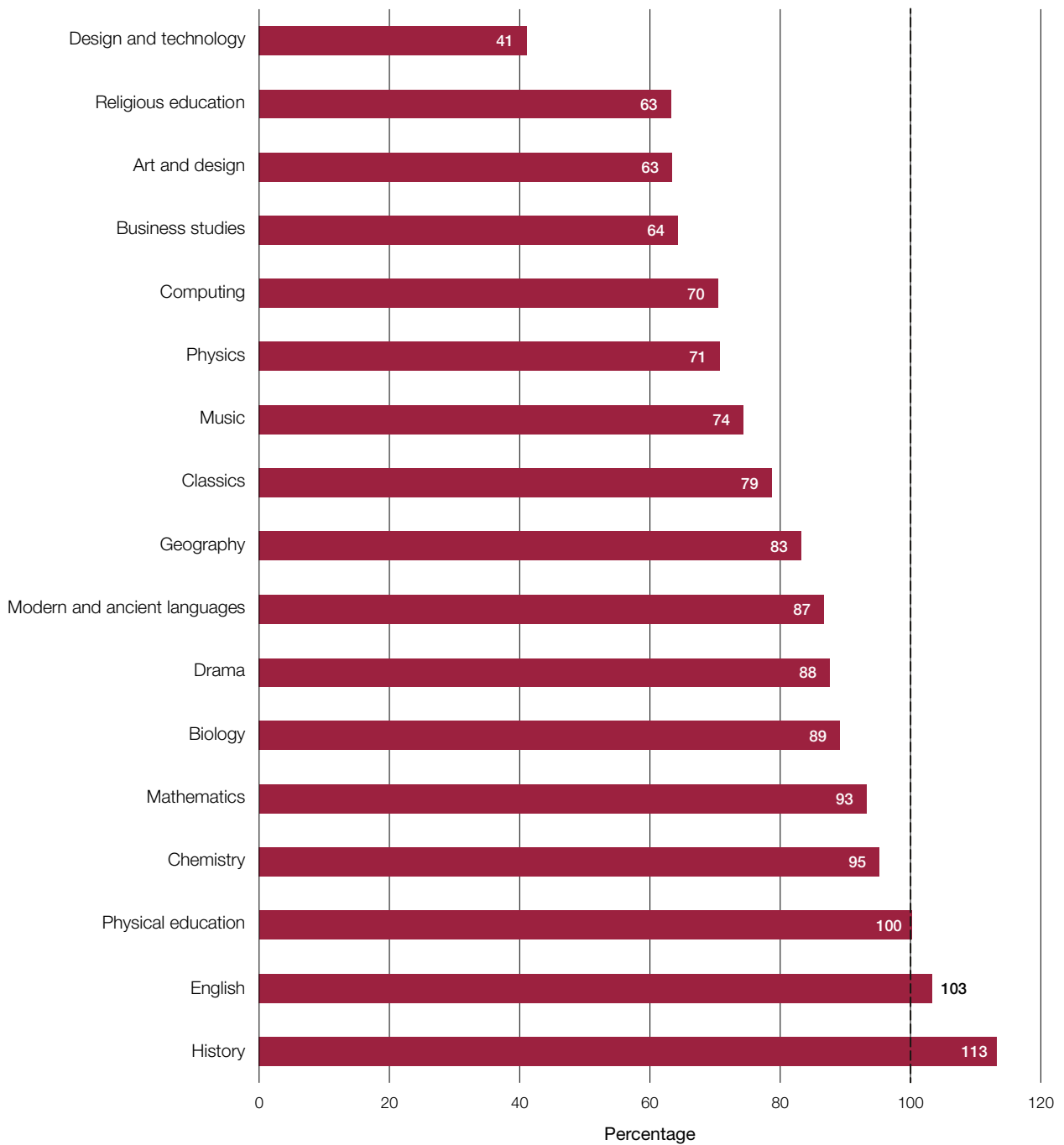
By region

2.5 The Department does not set regional targets for trainee recruitment. Although not all trainees go on to teach close to where they have trained, this is a common career choice. The location of providers means that the number trained in each region varies significantly relative to pupil population (**Figure 11** on page 30). The North West has 547 trainees for every 100,000 pupils, 19% more than the next best-served region, and more than 80% above the least well-served region – the East of England – which has 294 trainees per 100,000 pupils.

¹¹ Maths candidates may have other related degrees, for example economics or engineering.

Figure 10
 Training places filled against targets by subject, 2015/16

There is wide variation in the proportion of places filled by subject



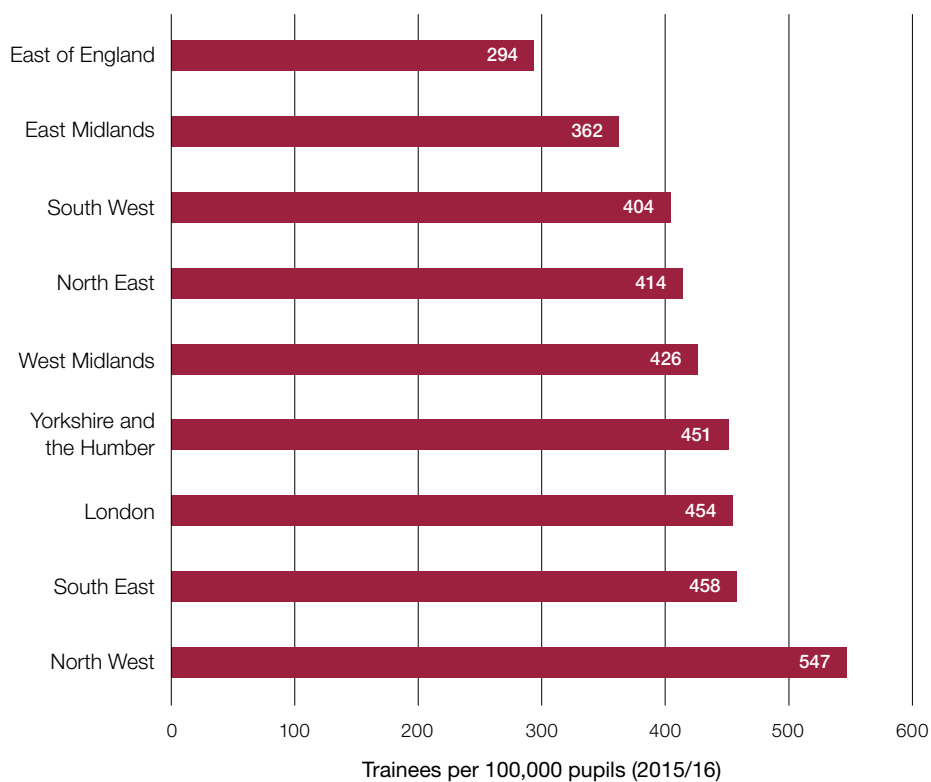
■ Percentage of Teacher Supply Model target filled
 - - Teacher Supply Model target – 100%

Source: National College for Teaching and Leadership

Figure 11

Trainees per 100,000 pupils by region, 2015/16

There were 547 trainees for every 100,000 pupils in the North West compared with 294 in the East of England in 2015/16



Note

1 2015/16 data are provisional.

Source: National College for Teaching and Leadership

Teach First

2.6 Teach First filled almost 1,600 places in 2015/16. This was the largest number to date, up from some 370 in 2008/09. Teach First places are more likely to be in urban areas. In 2015/16, around half were in the South East (443) and the West Midlands (360).¹²

Trainee quality

2.7 It is difficult to find meaningful and consistent measures of teacher and trainee quality. Teacher quality is to some extent subjective, dependent on context and likely to vary over a teacher's career. In general, the Department wants the teaching profession to lead improvements in teaching quality. It has set out its expectations in teachers' standards and appraisal regulations introduced in 2012. It has also commissioned an independent expert group to develop new standards for teachers' professional development. For new teachers, the Department has focused, as a matter of policy, on securing trainees with higher degree classes, while paying attention to Ofsted's independent inspections of training providers (paragraphs 3.13 to 3.15).

Degree class

2.8 Schools and providers told us that degree class was a reasonable indicator of subject knowledge but a weak predictor of other aspects of teacher quality. In a 2014 study, the Sutton Trust concluded that research on the link between degree class and student learning was "generally inconsistent and hard to interpret".¹³ Also, degree class only captures information about individuals before they start training.

2.9 Training providers have recruited a higher proportion of high-achieving graduates in recent years. The proportion of postgraduate trainee entrants with at least an upper-second degree increased from 63% in 2010/11 to 75% in 2015/16 (**Figure 12** overleaf). This increase exceeds changes in the overall proportion of graduates receiving upper-second and first-class degrees.

2.10 This achievement masks variation between subjects, with subjects that are harder to recruit to attracting lower proportions of trainees with upper-second degrees and above (**Figure 13** on page 33). Physics attracted the lowest proportion of entrants with at least an upper-second degree (63%) and maths attracted 70%, whereas history, which filled 113% of target places, attracted 88%.

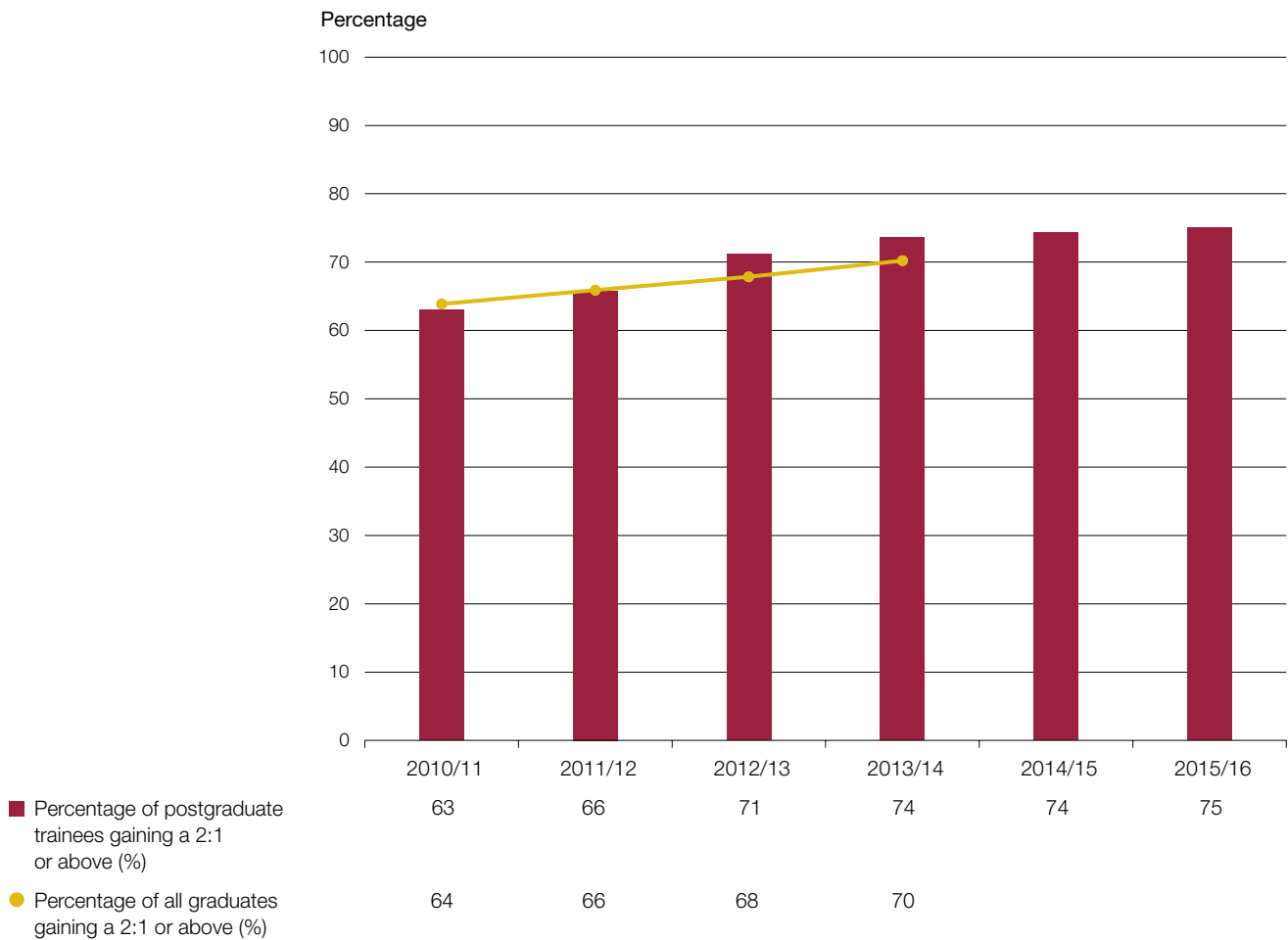
¹² Data provisional.

¹³ Sutton Trust, *What makes great teaching?*, October 2014, p. 22.

Figure 12

Postgraduate trainees with at least an upper-second degree

The increase in the proportion of postgraduate entrants to initial teacher training holding at least an upper-second degree exceeds changes in wider graduate results

**Note**

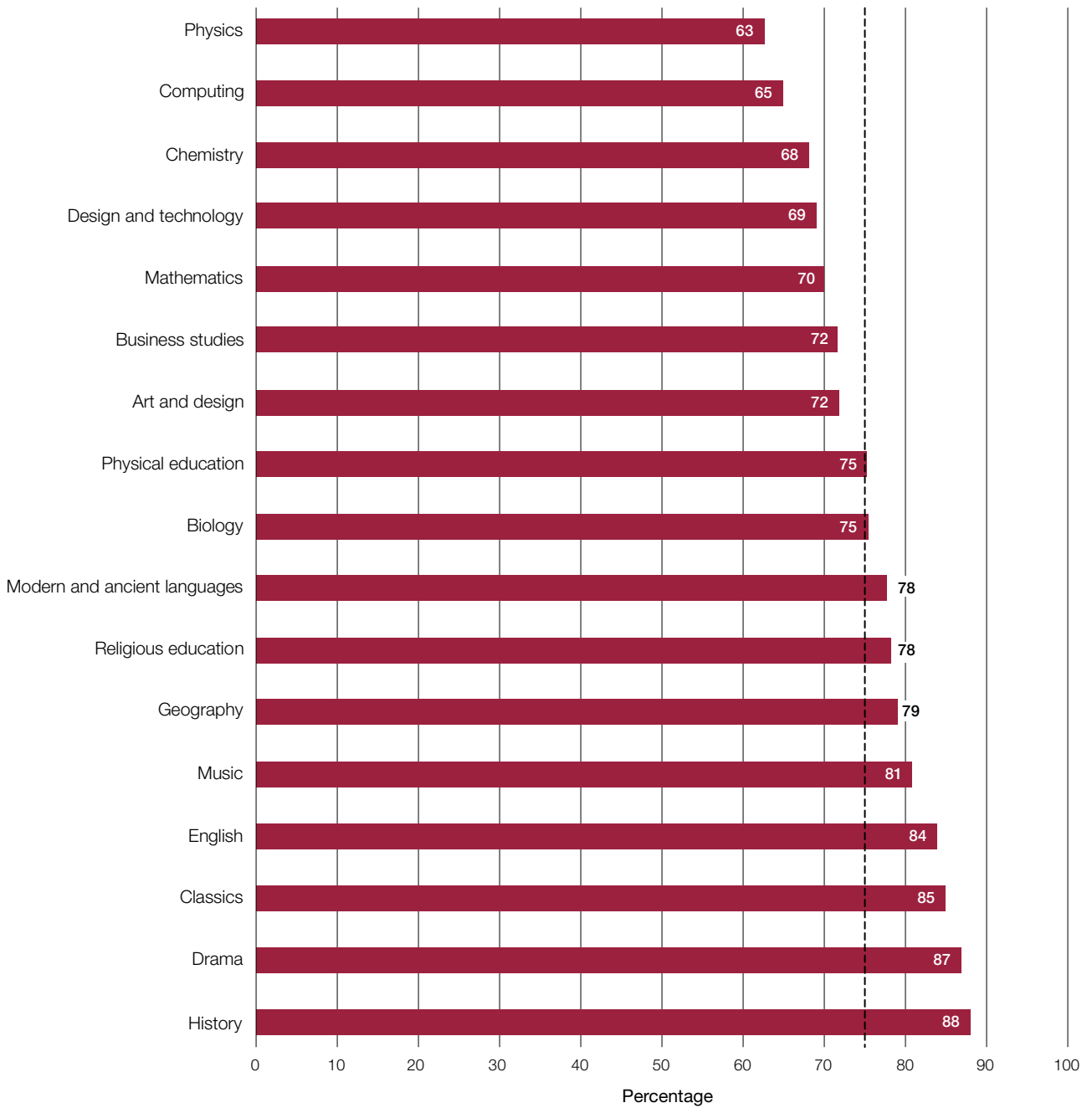
1 2014/15 and 2015/16 data on graduates gaining an upper-second degree or above are unavailable.

Source: National College for Teaching and Leadership; Higher Education Statistics Agency

Figure 13

Entrants with at least an upper-second degree by subject

There is wide variation between subjects in the proportion of entrants with at least an upper-second degree



- Percentage postgraduate entrants with a 2:1 degree or above
- Percentage of total entrants with at least a 2:1 degree – 75%

Source: National College for Teaching and Leadership

Financial incentives

2.11 The Department uses bursaries (tax-free payments paid in instalments) to attract more trainees. It spent £620 million on bursaries during the 5 years to 2014/15 (**Figure 14**), and plans to spend £167 million each in 2015/16 and 2016/17.

2.12 For 2016/17, the Department is changing its balance of investment to try to attract more applicants to the highest-priority shortage subjects with bursaries ranging from £3,000 to £30,000, depending on subject and degree class. The Department has increased bursary amounts for maths, chemistry, biology, languages, computing and geography, up to a ceiling of £25,000. It has also introduced an experimental payment of £30,000 for physics trainees with first-class degrees. It has reduced bursaries for design and technology, music and primary-school trainees.

2.13 Some bursary beneficiaries will receive significantly more than newly qualified teachers, whose basic salary in 2015/16 outside London is a taxable £22,244. The Department told us its intention in offering such large bursaries was partly to encourage headteachers to use their freedom to pay higher salaries. However, given funding constraints, there is a risk that recipients of bursaries will be disappointed by available salaries after qualification.

2.14 In the past, the Department has analysed the impact of bursaries and concluded that there was a statistical correlation between bursaries and the number of training applications. Its analysis found that an increase of £1,000 in bursary value led to a 2.9% increase in applications. The Department also analysed the impact of changes made in 2012/13, concluding that bursaries increased the proportion of applicants with first-class and upper-second degrees in some subjects, with a marked impact in physics. The Department told us it is planning to conduct a similar analysis of the impact of the new £30,000 physics bursary. The Department has also undertaken qualitative research about applicants in 2013/14, through in-depth interviews and focus groups. This research concluded that in some cases, particularly those changing careers, learning what funding was available to train had been the main initial trigger to explore teacher training.

Figure 14

Bursary spending

The Department spent £145 million on bursaries in 2014/15

	2010/11	2011/12	2012/13	2013/14	2014/15
Total spend on bursaries (£m)	149.5	51.1	138.5	136.4	144.9

Source: National Audit Office analysis of departmental data

2.15 There are risks, including that individuals might have applied anyway, regardless of the bursary, or might not have gone on to teach for long, or at all. Given the level of its investment and the critical importance of this spending to achieving its goals, we consider that the Department's analysis to date has been insufficient to demonstrate longer-term impact. This is because:

- the Department's statistical analysis examined only the impact on applications, without assessing the relationship between bursaries and the number of applicants who succeeded in starting training, subsequently qualified, or took up a teaching job. The Department now plans to link data sets so it can do this analysis. Similarly, its qualitative analysis focused on applicants up to the point of taking a training place;
- the statistical analysis excluded 30% of applications where no degree class was provided; and
- the Department's quantitative research cannot conclude that the effect of bursaries in 2012/13 continued in later years. In part, this is because its analysis in 2013/14 did not incorporate School Direct data.

Newly qualified teachers

2.16 Of the 35,300 trainees in their final year of training in 2013/14, almost 28,400 (80%) are known to have been recruited to a teaching post in England within 6 months of qualifying (**Figure 15** overleaf). Around 1,800 (5%) are known not to have been recruited to teaching. This may have been because they were unable to find a position, moved overseas or pursued different careers. Some 3,400 (9%) did not qualify and the status of the remaining approximately 1,800 (5%) is unknown. Of the 28,400 who were recruited to teaching, at least 1,990 (7%) started working in the independent, fee-paying sector, which does not contribute to the cost of initial teacher training. The Department anticipates that some of these teachers will return to the state-funded sector later in their careers. But its analysis suggests that attempts to increase the net flow of teachers from the independent sector to the state-funded sector may simply be offset by more teachers moving in the opposite direction.

Figure 15

Trainees entering teaching

The proportion of trainees starting work as newly qualified teachers in 2013/14 ranged between routes

**Notes**

- All trainees spend some time teaching in schools and some are salaried. On some school-based routes and the Teach First programme, trainees routinely teach from the outset of their training. Teach First is a 2-year programme, the first of which is training leading to qualified teacher status. In the second year, participants go on to teach as newly qualified teachers.
- This figure examines the number and proportion of trainees in training, gaining qualified teacher status and starting work as newly qualified teachers. Excludes minor routes.

Source: National Audit Office analysis of National College for Teaching and Leadership data

Part Three

The market for training new teachers

3.1 To meet its objectives to improve the quality of teaching and give schools greater autonomy, the Department for Education (the Department) has encouraged the expansion of school-led training. This part considers the effectiveness of the teacher training market where trainees are customers and training providers are suppliers.

Supplying teacher training

3.2 The Department and the National College for Teaching and Leadership (the Agency) have increased the supply of school-led training while keeping universities in the market. The Agency has designed its communications to support this strategy. It engages closely with universities and has a field force of some 40 senior educationalists who engage with the schools thought most likely to join Schools Direct. So far, the approach has been successful with large numbers of new entrants to the market and few exits by university providers (**Figure 16** overleaf). However, the Agency has not assessed the risk of under- or over-provision in particular geographic areas when deciding how to grow the market. Meanwhile, the market is more fragmented than it was before; the largest provider has 1,362 (4.1%) first-year trainees in 2015/16.¹⁴

3.3 The Department has increased school-led provision because it wants schools to have greater autonomy over how they deliver education, although it recognises that universities have an important role to play in teacher training. Some providers, including universities, told us the new approach had strengthened partnerships between schools and training providers. We saw examples of providers and schools entering into different types of formal partnership. However, some providers also expressed concerns that greater competition had a negative effect on previous partnership working and the sharing of best practice.

3.4 The Department estimates that the total cost to central government and schools of teacher training through all routes in 2013/14 was approximately £700 million (**Figure 17** overleaf). The Department calculates that its own expenditure on initial teacher training has reduced in recent years. The Department has not assessed how other stakeholders' costs, for example in schools and training providers, have been changing. It cannot, therefore, calculate whether the overall cost of training new teachers has risen or fallen.

¹⁴ Department for Education, *Initial teacher training census for the academic year 2015/16, England*, November 2015.

Figure 16

Number of providers, 2011/12 to 2015/16

Provider type	2011/12	2012/13	2013/14	2014/15	2015/16
Higher education institutions ¹	75	75	75	74	70
School-centred providers	56	61	71	118	155
School Direct lead schools ²	0	98	788	911	841
Employment-based providers ³	99	95	26	5	5

Notes

- 1 Includes universities providing training to Teach First trainees, of which there were 9 in 2015/16.
- 2 School Direct lead schools vary in the extent to which they provide training.
- 3 Employment-based initial teacher training schemes allow trainees to be employed in school while following a training programme. These have now largely been replaced by the School Direct salaried route and Teach First.

Source: National Audit Office analysis of departmental data

Figure 17

Total cost to central government and schools of teacher training, 2013/14

Training route	Number of trainees (000)	Cost to central government ¹ (£m)	Cost to schools ² (£m)	Total cost (£m)
University-led	23.8	381	71	452
School-centred provider	2.3	37	12	48
School Direct (fee)	4.2	67	17	84
School Direct (salary)	2.5	40	10	50
Teach First	1.2	30	13	43
Total	34	555	123	677

Notes

- 1 Costs to central government includes bursaries, grants to schools, tuition costs, and maintenance loans and grants.
- 2 Costs to schools includes the cost of staff time and other fees.
- 3 Costs may not sum owing to rounding.

Source: Department for Education

Market oversight

Accreditation

3.5 Schools can only provide courses leading to qualified teacher status if the Agency accredits them. The Agency only considers schools for accreditation if Ofsted has judged them 'good' or 'outstanding'. Potential providers submit bids to the Agency, which assesses them against published criteria including: the recruitment and assessment of trainees; quality assurance; and financial administration.¹⁵ To increase school-led provision the Agency provides advice to schools that consider bidding. This has helped a number of schools improve their applications when the Agency might otherwise have rejected them, while other schools have decided to withdraw or delay their applications following the advice.

3.6 The Agency may intervene at any point with accredited providers if they fail to comply with initial teacher training criteria, which can lead to accreditation being removed. The Agency also removes accreditation from providers which close their provision. Ten providers closed provision at the end of 2014/15 for reasons including poor Ofsted inspections and problems recruiting sufficient trainees.

Allocation

3.7 The Agency oversees where people train by allocating training places. Until 2015/16, the Agency allocated places to the schools involved in School Direct and to individual providers. Between 2013/14 and 2015/16, the proportion of training places allocated to school-led routes increased from 30% to around 50%. This is at least partly because of government policy to expand school-led training, including allocating more places to school-led routes to stimulate this part of the market while capping university places. In 2015/16, the Agency initially allocated some 43,500 places to 5 routes.

- University-led undergraduate and postgraduate routes filled the highest proportion of their allocations (85%).
- School-centred routes filled 65% of their allocations.
- School Direct filled 58% of its allocations (including 54% of the 'salaried' route and 70% of the 'fee' route).

The Department aims to encourage school-led routes to expand, by reducing its allocation of places to university-led routes and capping the number of places those routes can fill. This means the Agency cannot say which routes recruit best.

3.8 The Agency has changed the details of its allocations method each year. Providers told us this restricts their ability to plan for longer-term expansion and they are reluctant to risk nugatory investment in facilities and newly recruited staff. The Agency has sent a clear message that it wants new school-led routes to expand, with a continuing role for university providers, but it has also said that the current allocation arrangements will be for 2016/17 only.¹⁶

3.9 The Agency set out how allocations for 2016/17 would work in its published guidance and meetings with providers. For 2016/17, the Agency has set overall maximum recruitment numbers by subject but, unlike previously, has not put limits on individual providers. Using data from the Universities and Colleges Admissions Service (UCAS), it will intervene to ensure that the proportion of trainees in school-led provision grows compared to 2015/16, by stopping university recruitment if it reaches a certain level. The Agency has also said it may intervene to prevent individual providers expanding their market share beyond a certain level and to control recruitment in individual regions.

3.10 As the use of controls is driven by recruitment activity, it may sometimes be difficult for individual providers to know when or where the Agency will intervene. However, the Agency's statements about interventions would be more helpful if it set out the indicators on which it will base its judgements and the thresholds that will give it cause for concern. Otherwise, there is a risk of incentivising providers to recruit as quickly as possible at the expense of quality. The Agency told us it might act where providers appear to accept an unusually high proportion of applications.

3.11 The Agency said it would provide advance warning of controls being applied. However, it intervened for the first time on 18 November 2015 to notify universities that 75% of physical education places had been filled and, due to the speed of recruitment, without further warning instructed universities to stop recruiting trainee physical education teachers from 20 November. On 27 November it intervened to stop universities recruiting trainee history teachers, except where universities were yet to recruit at least 75% of the trainees they had in 2015/16. On 28 November, it intervened in English and primary recruitment to guarantee universities a minimum of 75% and a maximum of 95% of the trainees they had in 2015/16.

3.12 In our fieldwork, some stakeholders expressed concern that schools participating in school-led teacher training could have an unfair advantage, as they are able to offer permanent jobs to their own trainees as well as having access to the wider market. The Department does not have information about the extent to which this is an issue. Currently, 57% (approximately 11,000) of state-funded schools do not participate in School Direct, with some kinds of schools less likely to participate. For instance, only 29% of primary schools in rural areas are involved in School Direct, compared with 41% in urban areas. Only 65% of secondary schools in areas of high deprivation are involved, compared with 77% in areas of low deprivation.

Oversight of quality

3.13 The Department relies on Ofsted to oversee provider quality. Ofsted aims to inspect all providers within a 6-year cycle, grading them on its usual 4-point scale. The cycle began in September 2012, when Ofsted introduced a new inspection framework that, for the first time, looks at trainees' performance in classrooms post-qualification. It revised this framework in June 2014 to create 2 distinct stages. The first stage, in the summer term, focuses on the quality of training. The second stage, in the autumn term, focuses on the quality of newly qualified teachers in the classroom. Results of the first inspections under this 2-stage process were published in November 2014. Ofsted plans to publish further inspection outcomes, for 2015, in spring 2016. This should improve visibility of the short-term impact of initial teacher training on teaching in schools.

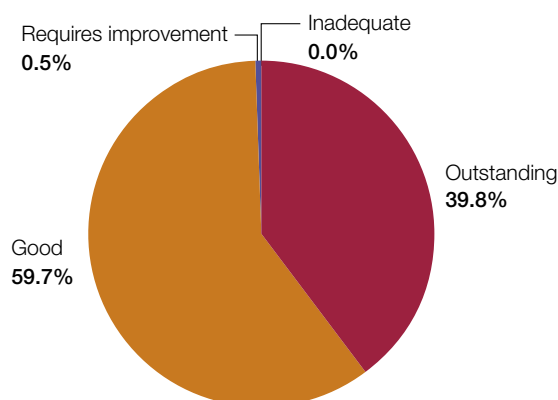
3.14 Of all current teacher training inspections, 99.5% have resulted in ratings of 'good' or 'outstanding' (**Figure 18**). A provider can only recruit new trainees if Ofsted rates it 'good' or better. If a provider receives an 'inadequate' or 'requires improvement' rating in 2 successive inspections, the Agency will start the process of withdrawing accreditation.

3.15 Ofsted's independence is a strength of the Department's approach to overseeing quality, but there are weaknesses. The 6-year inspection cycle, introduced in 2012 to save money, replaced the previous 3-year cycle, increasing the likelihood that judgements will no longer reflect current performance. Currently, all university providers have been inspected, but 47% of school-centred providers have not. This is because 8 out of 10 uninspected school-centred providers opened only recently: providers are not inspected until the end of their second year of provision. Ofsted schedules its inspections on an assessment of risk. Its current inspection cycle will complete inspections of all existing providers by December 2018. In the meantime, the Department can take some assurance from its accreditation process, which requires schools to be 'good' or 'outstanding' before they become providers, but these inspection data can also be several years old since 'outstanding' schools are exempt from routine inspection.

Figure 18

Ofsted's most recent teacher training ratings, January 2015

Of all current teacher training inspections, 99.5% have have been rated 'good' or 'outstanding'



Financial oversight

3.16 The Agency relies on various sources of information to oversee providers' financial health. The Higher Education Funding Council for England publishes an annual assessment of universities' financial health, which the Agency uses. In our 2011 report, we concluded that financial oversight of this sector was managed well, although we have not returned to examine the sector's response to subsequent changes.¹⁷

3.17 For school-centred providers, the Agency examines financial viability, governance and financial control during the accreditation process, including checks with the Education Funding Agency. After accreditation the Agency issues providers with a financial governance document and new providers must submit a financial management and governance self-assessment, which the Agency scrutinises, including through an on-site visit. Providers must also file accounts in accordance with the relevant regulations, whether for academies, charities, private companies or maintained schools. The Agency carries out a risk-based sample of audits.¹⁸

Cost-effectiveness

3.18 It is difficult for the Department to demonstrate the cost-effectiveness of the initial teacher training market. For most routes, there is little differentiation on price (**Figure 19**) or quality to enable consumer behaviour to shape the market, with the quality of many providers unknown. Some of these problems will disappear over time and a growing body of independent inspection data will show how newly qualified teachers are performing at the start of their careers.

3.19 To date, cost-benefit analyses have focused on the short term. In 2014, the Institute for Fiscal Studies concluded that for most routes, the net benefit to schools involved with initial teacher training was small compared with the costs for central government. These conclusions were limited to the costs and benefits of the year of initial teacher training.¹⁹ The Department undertook its own analysis of costs for 2013/14 (**Figure 19**) but cannot show the relative impact of different routes. It plans to link census data on teacher training with in-school data to track and compare the extent to which different routes impact on teaching quality and retention (as discussed below, Teach First already collects such data).

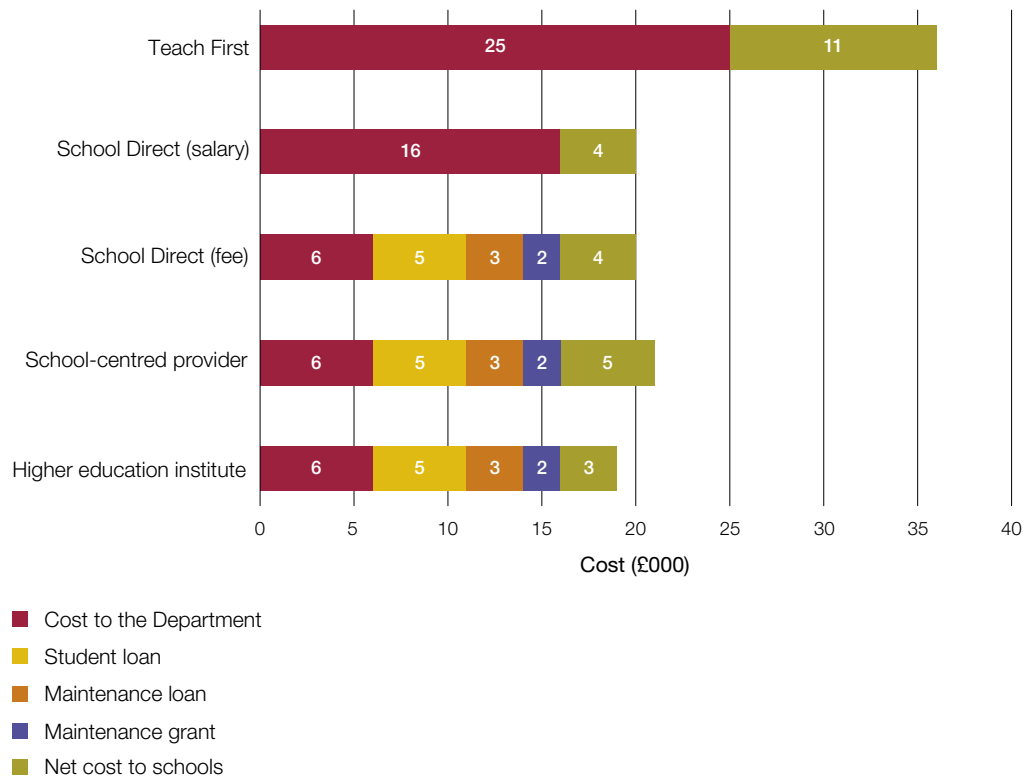
17 Comptroller and Auditor General, *Regulating financial sustainability in higher education*, Session 2010-11, HC 816, National Audit Office, March 2011.

18 National College for Teaching and Leadership, *School-centred initial teacher training providers financial guide*, September 2015.

19 Institute for Fiscal Studies, *The costs and benefits of different initial teacher training routes*, November 2014.

Figure 19
Cost of training per trainee, 2013/14

The cost to central government and schools of training per trainee ranges between the routes



Notes

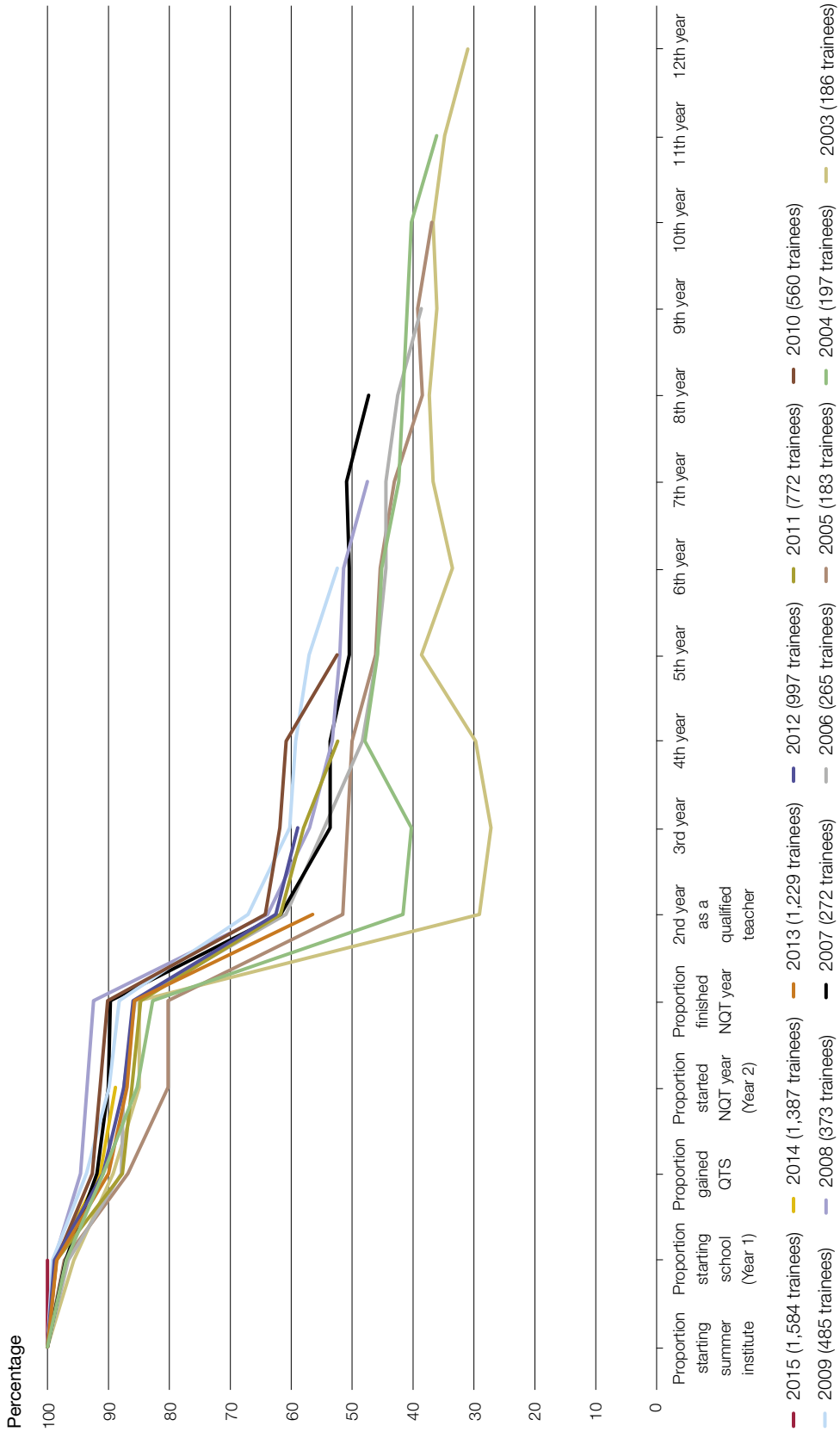
- 1 The cost for individual trainees varies significantly by subject and degree class due to the cost of the bursary, which is not available in salaried routes such as Teach First. For example, in 2013/14 physics, maths, chemistry and modern languages trainees with a first-class degree could receive a tax-free bursary of £20,000.
- 2 The cost for trainees will vary by location to reflect salary differences between London and elsewhere.
- 3 Teach First includes recruitment costs (£2,600 per trainee).

Source: Department for Education

3.20 The Department justifies the expense of Teach First on the basis that it provides access to graduates with leadership potential who would not otherwise teach. Additionally, trainees on this route begin teaching in classrooms more quickly, teach in underperforming schools serving low-income communities which may struggle to recruit and, the Department believes, go on to be advocates for teaching. Data on retention of Teach First trainees (**Figure 20** overleaf) show an improvement in the proportion of trainees remaining in teaching 3 years after starting their first post-qualification job: from 27% of those who started in 2003 to a peak of 62% of those who started in 2010.

Figure 20
Retention of Teach First trainees

A significant proportion of teachers trained through Teach First leave after 2 years



Notes

- 1 Teach First expects trainees to stay in teaching for 2 years.
- 2 The newly qualified teacher (NQT) year is the first year as a qualified teacher.

Source: National Audit Office analysis of Teach First data

Trainees' choices in the market

3.21 The Department has, in line with policy, introduced a range of training routes, involving a number of providers, so that potential applicants for teacher training can have a choice about where and how to train. However, several limitations restrict some potential applicants' ability to choose.

Information

3.22 There is a lot of information available about teacher training including adverts, the Department's 'Get into Teaching' website, UCAS, 'Train to Teach' events and information from providers and schools. However, most providers and schools we visited described the current range of routes into teaching as confusing, both for providers to explain and potential applicants to understand. Examples included applicants who thought they had to choose between a PGCE or school-led training and trainees who did not understand which route they had joined. Similarly, the Carter Review, conducted at the request of the Department, concluded that it was "clear from the evidence... gathered from potential applicants, trainees, schools and ITT providers that the current picture is confusing".²⁰ The review said this was "a concern... not only because it prevents applicants choosing the best courses... but also because a confusing entry point could deter strong applicants".

3.23 To improve the information available, the Department relaunched the 'Get Into Teaching' website in summer 2015. It plans to spend £10 million in 2015/16 on a marketing campaign including television and print adverts, social media and events for potential applicants. The Cabinet Office has scrutinised and approved the Department's marketing plans.

Location

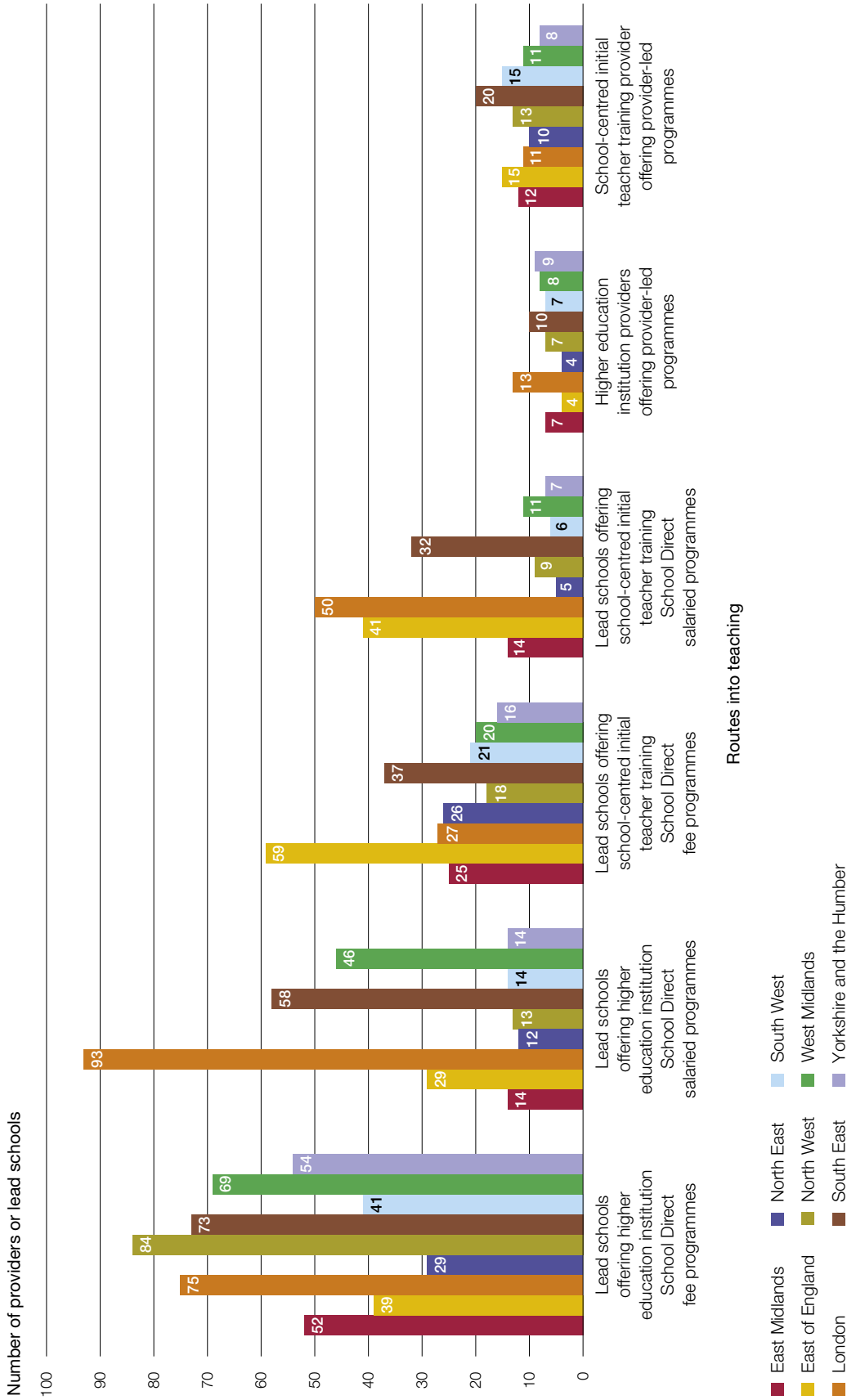
3.24 Potential applicants do not have the same choice of providers across the country if they wish to train near where they are living – as research indicates that many do.²¹ There are, for instance, many more providers of salaried routes into teaching in London and the South East (**Figure 21** overleaf).

3.25 There is a lack of differentiation between most providers in terms of price and, where they have been inspected, quality. For potential applicants, except those opting for salaried routes, the price is usually set at the maximum level of tuition fees, £9,000. In addition to Ofsted grades, where they are available, would-be trainees can see data that the Agency publishes about the proportion of trainees gaining qualified status and the proportion in employment after 6 months.

²⁰ Sir Andrew Carter OBE, *Carter review of initial teacher training (ITT)*, January 2015.

²¹ See footnote 20.

Figure 21
Levels of choice vary by region



Source: National Audit Office analysis of departmental data

Appendix One

Our audit approach

1 In the context of the workforce as a whole, our study assesses whether the Department is achieving value for money through its arrangements to train new teachers. We reviewed whether:

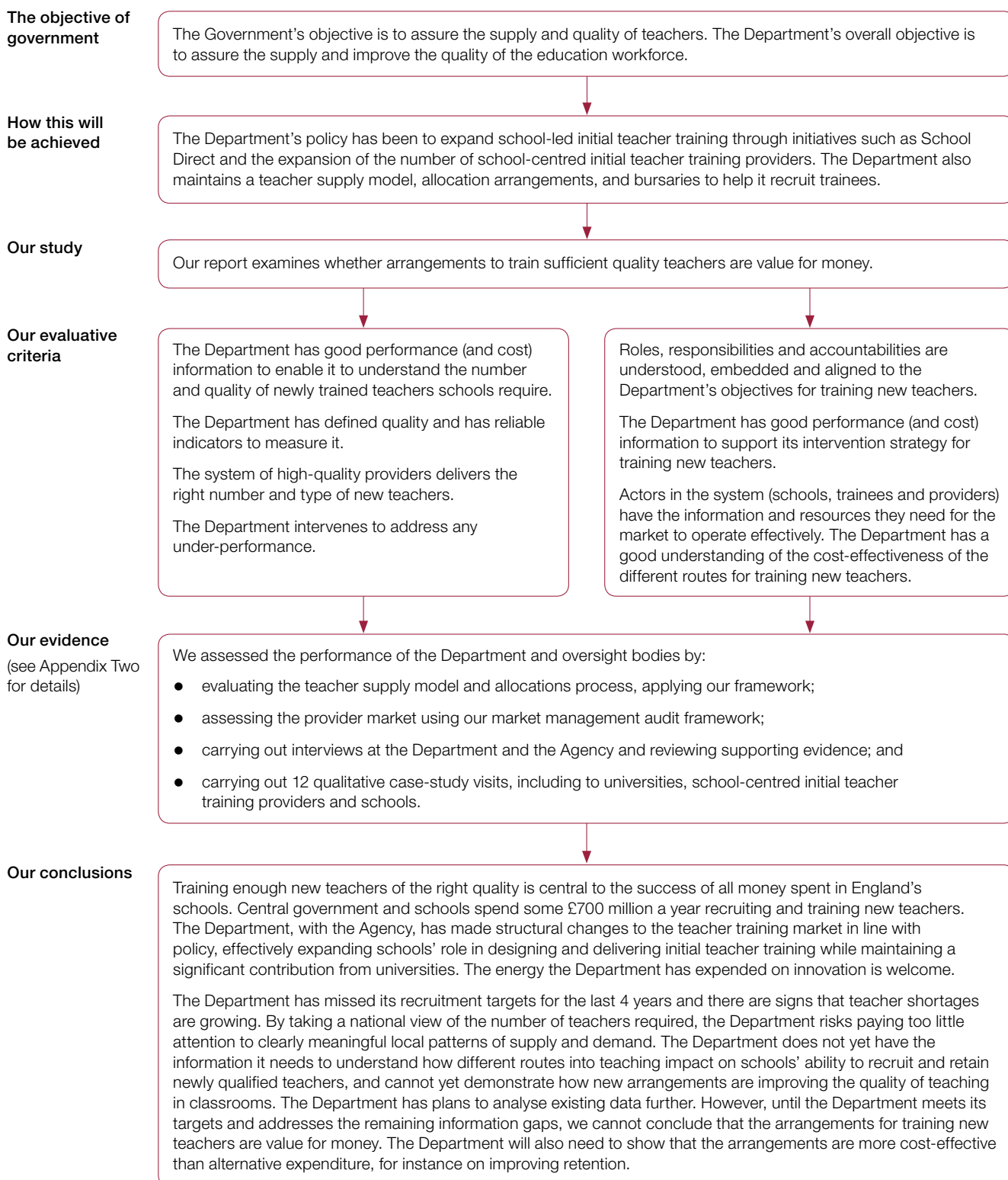
- the system for training new teachers produces sufficient numbers of the right quality for schools; and
- the Department has effective oversight of the market for training new teachers.

2 We used a model review framework to assess the Department's teacher supply model and a market management audit framework to assess the provider market.

3 Our audit approach is summarised in **Figure 22** overleaf. Our evidence base is described in Appendix Two.

Figure 22

Our audit approach



Appendix Two

Our evidence base

1 Our independent conclusions on whether the Department's arrangements to train sufficient quality new teachers provide value for money were reached following our analysis of data collected between July 2015 and January 2016.

2 We applied an evaluative framework to consider the arrangements in place to train sufficient quality teachers, in particular to assess the Department's modelling of demand and management of providers. Our audit approach is outlined in Appendix One.

3 We examined whether the Department's existing system for training new teachers produced sufficient teachers of the right quality for schools:

- We **carried out a literature review** to understand research to date on the existing system of producing sufficient numbers of quality teachers.
- We **interviewed departmental officials and reviewed the Department's documentation** to understand how it calculated and achieved sufficient numbers of quality teachers. Departmental officials included those from the Department for Education and Department for Business, Innovation & Skills. We used our best-practice tool to assess the teacher supply model.
- We undertook **semi-structured interviews with client stakeholders, including;** the National College for Teaching and Leadership and Ofsted; **non-client stakeholders** including the Association of School and College Leaders, Teach First, the Universities and Colleges Admissions Service (UCAS), Universities' Council for the Education of Teachers and Universities UK; and **representative bodies**, including National Association of Head Teachers, The Voice and NASUWT.
- We undertook **semi-structured interviews** with 4 higher education institutions, 4 schools and 4 school-centred initial teacher training providers. These providers were chosen on a stratified sample basis, based on type of provision, phase, level of study, Ofsted grade and geographical area. We used qualitative analysis to identify recurring findings and triangulated these findings with other quantitative analyses.

- We **analysed existing data** collected by the Department, Ofsted and the Agency to establish how the Department understands and forecasts the number of trainees required, allocates training places and uses the data to incentivise behaviour and intervene to address under-performance.
 - We **reviewed 216 Ofsted inspection reports** published between 2009 and 2015 to understand how the quality of providers and trainees is assessed.
 - We **carried out geospatial analysis with descriptive statistics** to try to understand whether the system for training new teachers was delivering the right number and quality of teachers across England.
 - We **examined descriptive statistics** to understand the performance of different routes in filling training places, their success in attracting trainees with at least an upper-second degree and their geographical distribution.
- 4 We examined whether the Department had effective oversight of the market for training new teachers using our tool for assessment of public service markets:**
- We **reviewed the Department's documentation** to understand how it distributes responsibilities between itself, Ofsted and the Agency to achieve its objectives for training new teachers.
 - We **conducted semi-structured interviews** with 4 higher educational institutions, 4 schools and 4 school-centred initial teacher training providers to establish whether they have the information, support and resources for the market to operate effectively.
 - We **interviewed departmental officials and reviewed the Department's documentation** to understand how it hold schools to account for the use of funding, supports best practice and intervenes when it has identified poor performance, alongside Ofsted.
 - We **carried out financial analysis** of data on cost drawn from financial audits of the Department's accounts and reviewed the Department's evaluation of the cost-effectiveness of the different routes for training new teachers.

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