National Audit Office

Departmental Overview 2020-21

Department for Education

April 2022

This overview summarises the work of the Department for Education including what it does, how much it costs, recent and planned changes and what to look out for across its main business areas and services.

We are the UK's independent public spending watchdog

What this guide is about

This guide summarises the key information and insights that can be gained from our examinations of the Department for Education (the Department) and related bodies in the sector in England.

The guide includes:

- how the Department is structured and where it spends its money;
- how the Department manages its money and its people;
- major programmes and key developments within the Department and the education sector over the past year; and
- information drawn from relevant NAO reports on the work of the Department including how it responded to the COVID-19 pandemic.

How we have prepared this guide

The information in this guide draws on the findings and recommendations from our financial audit and value-for-money programme of work, and from publicly available sources, including the annual reports and accounts of the Department and related bodies.

We have cited these sources throughout the guide to enable readers to seek further information if required. Where analysis has been taken directly from our value-for-money or other reports, details of our audit approach can be found in the appendix of each report, including the evaluative criteria and the evidence base used.

Other analysis in the guide has been directly drawn from publicly available data and includes the relevant source as well as any appropriate notes to help the reader understand our analysis.

Other relevant publications

We published a *Guide to the education sector annual report and accounts 2019-20* in May 2021. This provides a summary of key information and insights that can be taken from the annual report and accounts of the Department and related bodies.

More information about our work on the Department and the education sector in England, as well as information about our other recent and upcoming reports can be found on the NAO website.

About the National Audit Office

The National Audit Office (NAO) is the UK's independent public spending watchdog. We scrutinise public spending for Parliament and are independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2020, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £926 million.

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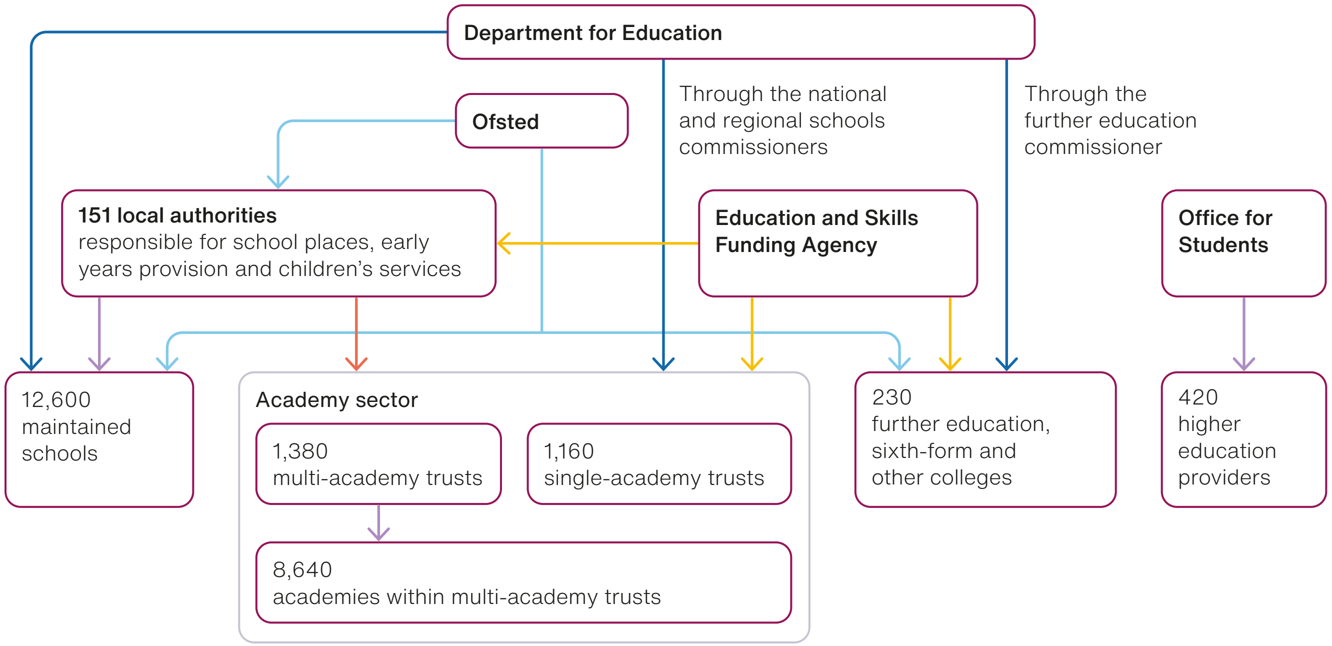
Throughout this overview, central and local government and maintained school financial years are written as, for example, '2020-21' and run from 1 April to 31 March; school academic years and academy trust financial years are written as, for example, '2020/21' and run from 1 September to 31 August; and higher education sector academic and financial years are written as, for example, '2020/21' and run from 1 August to 31 July.

About the Department

The Department for Education (the Department) is responsible for education and children's services in England, including early years, schools, higher and further education policy, apprenticeships and wider skills.

In 2020-21, 12,400 staff worked in the Department, its agencies and its non-departmental public bodies (5,500 in the Department alone).

Oversight arrangements for education and children's services in England



Inspection
Oversight of education performance
Oversight of financial management and governance
Oversight of all aspects of performance
Oversight of safeguarding

Notes

1 This is a simplified diagram showing only the main delivery and oversight bodies in the education system. For example, it does not include private early years providers such as childminders, or employers of people undertaking apprenticeships.

2 Number of maintained schools is at January 2021, number of further education, sixth-form and other colleges is at October 2021, numbers of single-academy trusts, multi-academy trusts and academies within multi-academy trusts are at December 2021, and number of higher education providers is at February 2022.

3 Higher education providers comprise providers funded via the Office for Students and alternative higher education providers which are regulated, but not funded, by the Office for Students.

The Department's vision is to enable children and learners to thrive, by protecting the vulnerable and ensuring the delivery of excellent standards of education, training and care. It intends that this will help realise everyone's potential, and power the economy, strengthen society and increase fairness.

The Department aims to achieve its vision by focusing on four priority outcomes:

1. Driving economic growth through improving the skills pipeline, levelling up productivity and supporting people to work.
2. Levelling up education standards so that children and young people in every part of the country are prepared with the knowledge, skills and qualifications they need.
3. Supporting the most disadvantaged and vulnerable children and young people through high-quality local services so that no one is left behind.
4. Providing the best start in life through high-quality early education and childcare to raise standards and help parents to work.

How the Department is structured

The Department for Education is led by the Secretary of State, Ministers and the Permanent Secretary. At March 2021, it comprised six operational groups, one of which (the Education and Skills Funding Agency) is also an executive agency of the Department.

Early years and schools group

Responsibilities include: early years; the curriculum and qualifications; the teaching workforce; school funding; and academies and free schools.

Contributing bodies

- ● Standards and Testing Agency
- ● Teaching Regulation Agency
- ● School Teachers' Review Body
- ● Office of the Schools Adjudicator

Higher education and further education group

Responsibilities include: student finance; funding for sixth forms and the adult education budget; careers advice; student choice; and international education.

Contributing bodies

- ● Construction Industry Training Board
- ● Engineering Construction Industry Training Board
- ● Office for Students
- ● Student Loans Company

Social care, mobility and disadvantage group

Responsibilities include: reforms to children's social care; the special educational needs and disabilities strategy; and improving the outcomes of disadvantaged children and young people.

Contributing bodies

- ● Office of the Children's Commissioner
- ● Social Work England
- ● Child Safeguarding Practice Review Panel
- ● Independent Review Mechanism

Operations group

Responsibilities include: the Department's people, data/information, finance and IT.

Oversees the management of the school estate.

Contributing bodies

- ● Located Property Limited (LocatED)
- ● Aggregator Vehicle plc

● Education and Skills Funding Agency

Responsibilities include: distributing funding to schools, colleges and independent training providers; and providing assurance over how grant funding is deployed.

Contributing bodies

- ● Institute for Apprenticeships and Technical Education

COVID response and recovery group

Responsibilities include: coordinating the Department's approach to the COVID-19 pandemic.

There are two non-ministerial departments working in the sector:

Ofqual: Regulates qualifications, examinations and assessments.

Ofsted: Inspects and regulates services that care for children and young people, and inspects services that provide education and skills for learners of all ages.

- ● Executive agencies
- ● Executive non-departmental public bodies
- ● Advisory non-departmental public bodies
- ● Other bodies

Note

1 LocatED is responsible for buying and developing sites to build new free schools. Aggregator Vehicle plc raises funding from investors to support the construction of new buildings for maintained schools and academies.

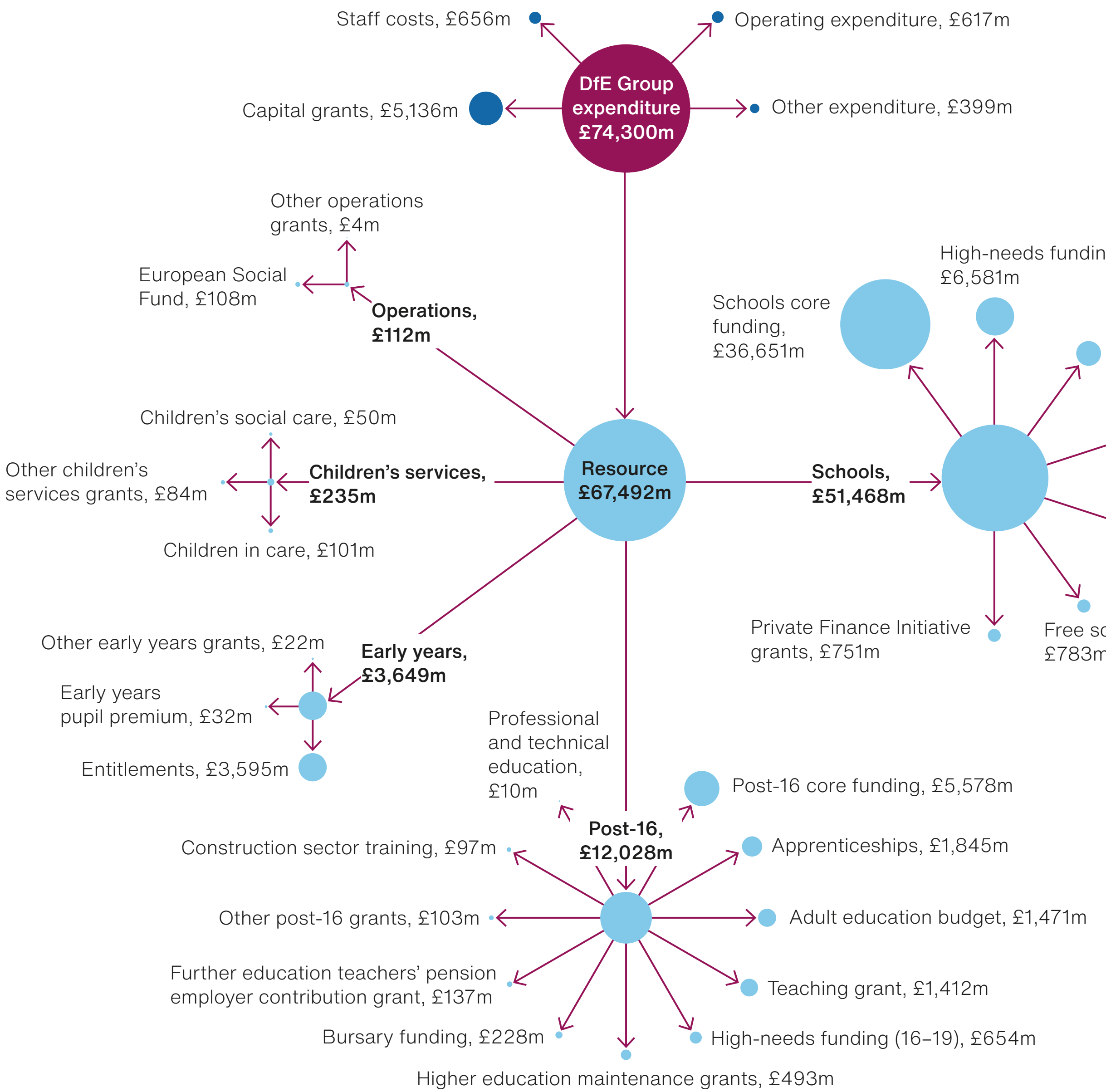
How the Department spends its money

Department for Education Group expenditure 2020-21

The Department for Education Group consists of the core Department, its executive agencies and its non-departmental bodies. Group operating expenditure totalled £74.3 billion in 2020-21.

Resource (non-capital) grants (£67.5 billion) constituted 91% of the Group's expenditure; £62.3 billion (92% of resource grant expenditure) was spent via the Education and Skills Funding Agency.

- Total departmental expenditure
- Central departmental expenditure
- Resource grants



Notes

1 In addition, the Department is responsible for the Teachers' Pension Scheme (England and Wales). This falls outside the Departmental Group and has a separate supply estimate and produces its own resource account. In 2020-21, the scheme had a net cash requirement of £1.7 billion. The scheme's net expenditure was £16.4 billion.

2 Ofsted and Ofqual are non-ministerial departments and, because they are not part of the Department for Education Group, their expenditure is not included in the total Group expenditure. In 2020-21, Ofsted's net expenditure was £116 million and Ofqual's net expenditure was £22 million.

3 Operating expenditure includes spending such as consultancy and other professional fees; IT and telecommunications costs; building, maintenance and premises costs; advertising and publicity; and research and development costs.

4 Other expenditure includes depreciation and other non-cash items.

5 Capital grants include school condition allocations (£1,830 million); free schools (£1,339 million); the Priority Schools Building Programme (£561 million); the Get Help with Technology service (£374 million); basic needs schools grants (£150 million); school capital improvement (£103 million); and the college Condition Improvement Fund (£240 million).

Source: Annual report and accounts for 2020-21 of: Department for Education; Education and Skills Funding Agency; Teachers' Pension Scheme (England and Wales); Ofsted; and Ofqual

Section Two

The Department's activities in 2020-21

Accounting for student loans

Student loans, issued to students to encourage participation in higher education and further education, are held by the Department for Education but administered by the Student Loans Company. The government's student loans portfolio is by far the largest asset balance held by the Department, representing approximately 96% of the total asset value of the Departmental Group, and the portfolio continues to grow each year.

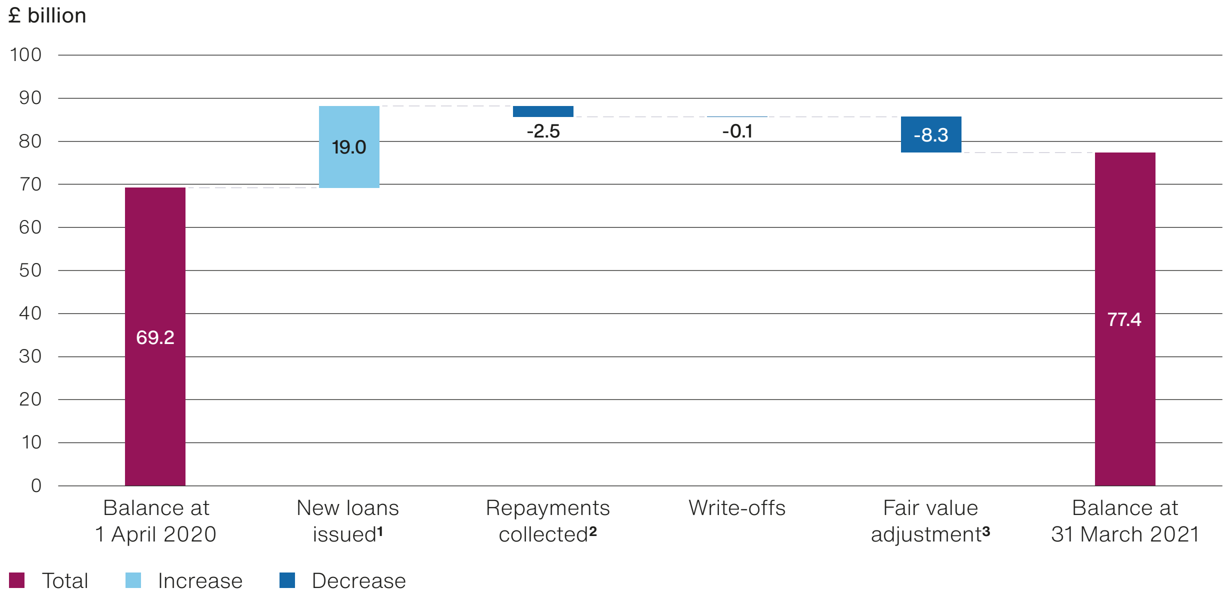
Changes to the student loan portfolio in 2020-21

The face value of all outstanding student loans on 31 March 2021 was £156.8 billion. In 2020-21, the government issued £19.0 billion of new loans.

In its financial statements, the Department records student loans in terms of their 'fair value', which is an estimate based on expected future cash receipts from repayments by borrowers. The terms of student loans include writing off loans after a fixed period, which means that the fair value is lower than the face value of the outstanding loans. The fair value of student loans increased from £69.2 billion in 2019-20 to £77.4 billion in 2020-21.

Change in the fair value of student loans in 2020-21

The fair value of student loans increased from £69.2 billlion in 2019-20 to £77.4 billion in 2020-21



Notes

1 New loans are issued to students by the Student Loans Company.

2 Repayments are collected from students by HM Revenue & Customs (through PAYE and self-assessment) and by the Student Loans Company (direct repayments).

3 The fair value adjustment aligns the student loans balance with the fair value, which is estimated as at 31 March each year, effectively as a balancing figure.

4 The expected future repayments that form the fair value balance include the accrued interest expected to be repaid.

Source: National Audit Office analysis of Department for Education consolidated annual report and accounts, 2020-21

Uncertainties inherent in the valuation of student loans

There is a high degree of inherent estimation uncertainty in the student loan valuation, as repayments are highly dependent on macroeconomic circumstances over the long term. In particular, the Department's valuation is highly dependent on the estimate of graduates' earnings over the next 30–35 years, and from this their loan repayments. Significant changes to the valuation could occur as a result of subsequent information and events which are different from the current assumptions adopted by the Department.

In his report on the Department's accounts for 2020-21, and for all years since 2016-17, the C&AG drew attention to the uncertainty relating to the valuation of student loans through an 'emphasis of matter'. This matter did not alter the C&AG's 'true and fair' opinion on the Department's accounts.

Financial management within the Department

Overall, the Department's voted outturn fell by 0.5% in cash terms from £103.5 billion in 2019-20 to £103.0 billion in 2020-21, comprising £77.0 billion of resource outturn and £26.0 billion of capital outturn. These outturn figures include the effect of revaluing student loans.

The Department's 2021 Spending Review settlement provides an £18.4 billion cash increase over the course of the Parliament (to 2024-25). This includes funding for a schools rebuilding programme, supporting delivery of an increase in teacher starting salaries to £30,000, and funding to help the most disadvantaged pupils recover learning lost due to the COVID-19 pandemic. In 2021-22, resource outturn is expected to increase by 6% in cash terms to £81.7 billion and capital outturn is expected to increase by 11% to £28.8 billion.

Financial management issues include:

Grant regularity

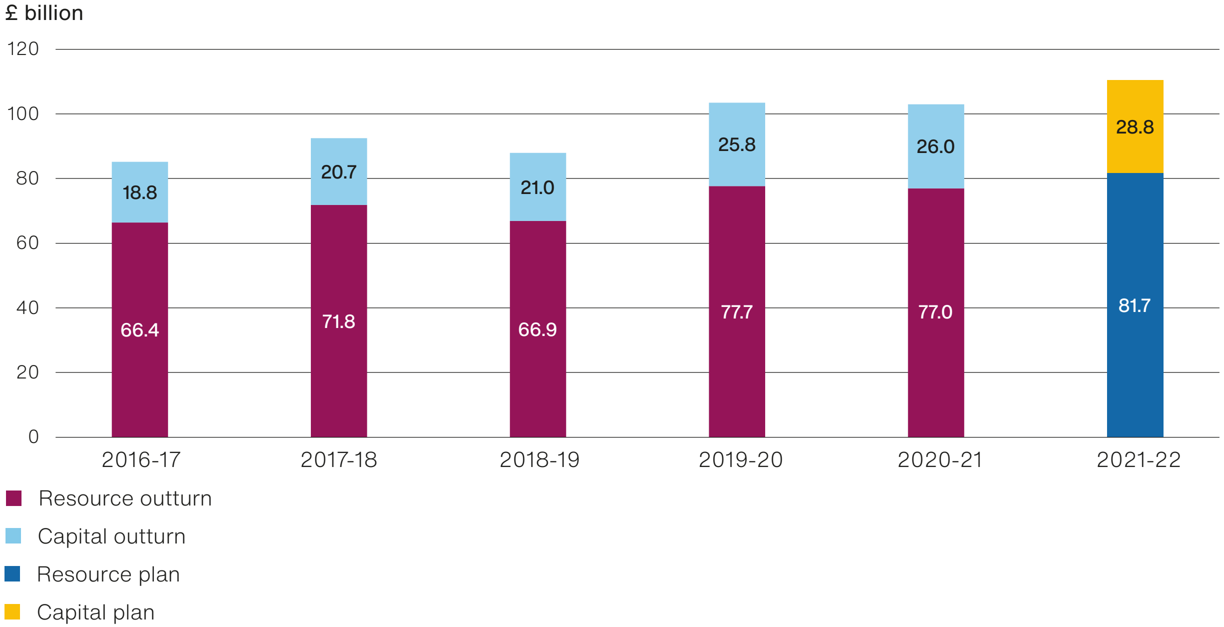
Regularity means that resources have been used in the way that Parliament intended and authorised. The Department continued to face significant grant regularity risks in 2020-21, largely due to the increase in COVID-19 grant schemes which the Department had to implement quickly. The level of irregularity identified was deemed immaterial. However, the Department did identify areas where the evidence available to assure grant streams was limited. It has undertaken to strengthen risk identification and assurance arrangements in new and continuing grant schemes.

Government Internal Audit Agency rating

The Government Internal Audit Agency gave the Department an overall 'moderate' rating for 2020-21. This rating indicates that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. The Department states that it has either implemented or is working to implement suggested improvements.

Departmental voted outturn from 2016-17 to 2020-21 and planned outturn in 2021-22

The Department's voted outturn is planned to increase in 2021-22



Notes

1 Resource spending relates to day-to-day operations. Capital budgets are spent on investments that add to the public sector's fixed assets, including grants to improve the condition of school buildings and the development of sites for new free schools.

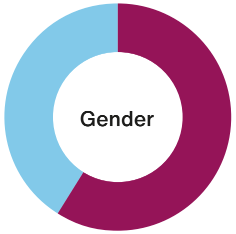
2 Expenditure is in cash terms, without adjustment for inflation.

3 These data are consistent with the amounts voted by Parliament reflected in the supply estimates. They include adjustments (mainly due to the revaluation of student loans), compared with the Department's Group operating expenditure in 2020-21 as shown on page 6.

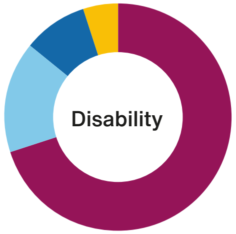
Source: Department for Education consolidated annual report and accounts, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21; HM Treasury Supplementary Estimates 2021-22, HM Treasury Autumn Budget and Spending Review 2021

People and pay

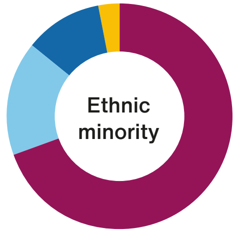
Workforce in the Department for Education 2020-21



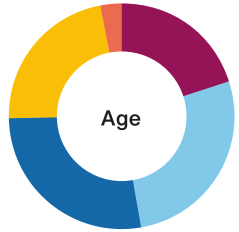
Women	59%	
Men	41%	



Non-disabled	70%	5,400
Not reported	16%	1,260
Disabled	9%	700
Not declared	5%	360
All employees		7,720



White	69%	5,320
Ethnic minority	16%	1,260
Not reported	11%	880
Not declared	3%	260
All employees		7,720



16–29	21%	1,590
30–39	27%	2,060
40–49	27%	2,070
50–59	22%	1,660
60+	4%	330
All employees		7,720

Notes

1 Employee numbers represent headcount. All employee numbers have been rounded to the nearest 10, therefore adding the sub-totals does not always equal the number shown for totals.

2 Percentages may not sum to 100% due to rounding.

3 The figures include data for the core Department and its associated agencies – the Education and Skills Funding Agency, the Standards and Testing Agency, and the Teaching Regulation Agency.

Source: Civil Service Statistics: 2021, available at: www.gov.uk/government/statistics/civil-service-statistics-2021. Figures are for the Department for Education including its agencies as at 31 March 2021

Staff breakdown 2020-21 (full-time equivalent)

	Core Department	Education and Skills Funding Agency	Standards and Testing Agency	Teaching Regulation Agency
Staff numbers	5,509	1,749	124	74

	Core Department	Education and Skills Funding Agency	Standards and Testing Agency	Teaching Regulation Agency
Total employment cost (£m)	323.5	100.6	5.9	3.0
Pay multiples 2020-21				
Ratio	4.0	4.0	2.3	3.4
Band of highest paid director's total remuneration (£000)	160–165	150–155	95–100	90–95
Median total remuneration (£)	40,578	38,179	42,112	28,000

Source: Annual report and accounts for 2020-21 of: Department for Education; Education and Skills Funding Agency; Standards and Testing Agency; and Teaching Regulation Agency

Annual Civil Service People Survey

The annual Civil Service People Survey looks at civil servants' attitudes to, and experience of, working in government departments. The results of the most recent survey were published in May 2021. Fieldwork for the 2020 survey opened on 1 October 2020 and closed on 3 November 2020.

Theme	Result in 2020 (%)	Result in 2019 (%)	Change (Percentage points)	Civil service median in 2020 (%)
Employee engagement index	69	69	0	66
My work	82	81	1	80
Organisational objective and purpose	83	84	-1	85
My manager	78	77	1	74
My team	89	88	1	84
Learning and development	63	65	-2	56
Inclusion and fair treatment	86	85	1	82
Resources and workload	76	78	-2	75
Pay and benefits	53	50	3	40
Leadership and managing change	65	57	8	58
Response rate	91	91	0	80

The biggest changes since 2019 for the Department were in the 'Leadership and managing change' and 'Pay and benefits' themes. The proportion of positive responses increased by eight and three percentage points respectively.

The most significant drops in positive responses were in the 'Resources and workload' and 'Learning and development' themes, both fell by two percentage points. However, the results remain higher than the civil service median scores.

Comparing the Department with other civil service organisations, the Department's civil servants are more positive in nine out of the 10 themes.

Increase
Decrease
No change

Notes

1 The employee engagement index methodology is available in the Cabinet Office technical guide to the survey.

2 For all other themes, we provide the proportion of respondents giving an "agree" or "strongly agree" response to questions on these subjects.

Source: Civil Service People Survey: 2020 results, available at: www.gov.uk/government/publications/civil-service-people-survey-2020-results

Section Three

Findings from recent National Audit Office work

National Audit Office report findings

Our July 2021 report *School funding in England* found that, although the Department's total funding for schools increased by 7.1% in real terms between 2014-15 and 2020-21, the growth in pupil numbers meant real-terms funding per pupil rose by just 0.4%.

The Department estimates that, between 2015-16 and 2019-20, cost pressures on mainstream schools exceeded funding increases by £2.2 billion, mainly because of rising staff costs (see graph opposite). Teaching staff costs increased by an estimated £3.6 billion (17%) between 2015-16 and 2020-21, because of rises in teachers' pay costs and higher pension and national insurance costs.

Overall, funding increases were projected to exceed cost pressures in 2020-21, giving the school system as a whole some financial headroom. However, the Department did not take account of the potential impact of COVID-19 costs and funding in this assessment.

At the time of our report, the Department planned to increase mainstream school funding so that total and per-pupil funding was expected to rise by around 4% in real terms between 2020-21 and 2022-23.

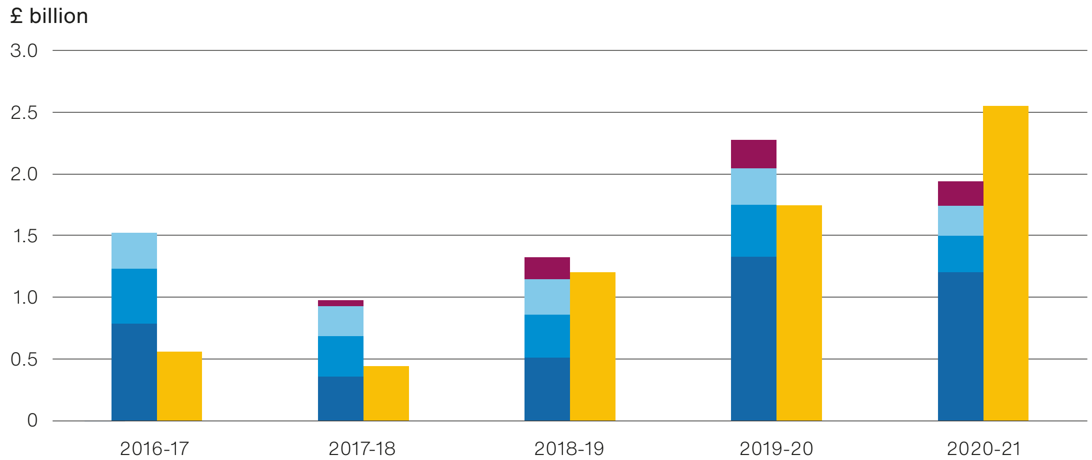
Funding mainstream schools in England

State schools receive most of their funding from the Department. In 2020-21, the Department provided mainstream (primary and secondary) schools with core revenue funding of £43.4 billion (excluding any additional COVID-19 related funding). Some 84% of this funding was the schools block, part of the dedicated schools grant.

Since our report, in the 2021 Spending Review, the government announced that it would provide an additional £4.7 billion by 2024-25 for the core schools budget in England, over and above the Spending Round 2019 settlement for schools in 2022-23.

Cost pressures facing mainstream schools, 2016-17 to 2020-21

The Department for Education (the Department) estimates that, between 2016-17 and 2019-20, cost pressures on schools were greater than funding increases



	2016-17	2017-18	2018-19	2019-20	2020-21
Cost pressures (£bn)					
High-needs demand	0.0	0.0	0.2	0.2	0.2
Non-staff	0.3	0.2	0.3	0.3	0.2
Non-teaching staff	0.5	0.3	0.4	0.4	0.3
Teaching staff	0.8	0.4	0.5	1.3	1.2
Total cost pressures	**1.5**	**1.0**	**1.3**	**2.3**	**1.9**
Increase in funding (£bn)	0.6	0.4	1.2	1.7	2.5
Net headroom/cost pressure (£bn)	**-1.0**	**-0.5**	**-0.1**	**-0.5**	**0.6**

Note

1 See full report for notes.

Source: Comptroller and Auditor General, *School funding in England*, Session 2021-22, HC 300, National Audit Office, July 2021 (Figure 4)

Funding mainstream schools in England continued

Before 2018-19, local authorities received a per-pupil funding rate largely determined by the rate they had received in the previous year. The Department did not calculate funding at school level or explicitly base funding on need. As a result, local authorities with similar characteristics could receive quite different levels of funding.

In 2018-19, the Department introduced a national funding formula to allocate funding for schools. Its aims included that the new funding system should be transparent, allocate funding consistently across the country and allocate funding fairly with resources matched to need.

National Audit Office report findings continued

Our July 2021 report *School funding in England* found that school funding is now allocated more transparently and consistently. The Department allocates nearly three-quarters of schools block funding based on pupil numbers, with the remainder based on factors relating to the characteristics of pupils and schools.

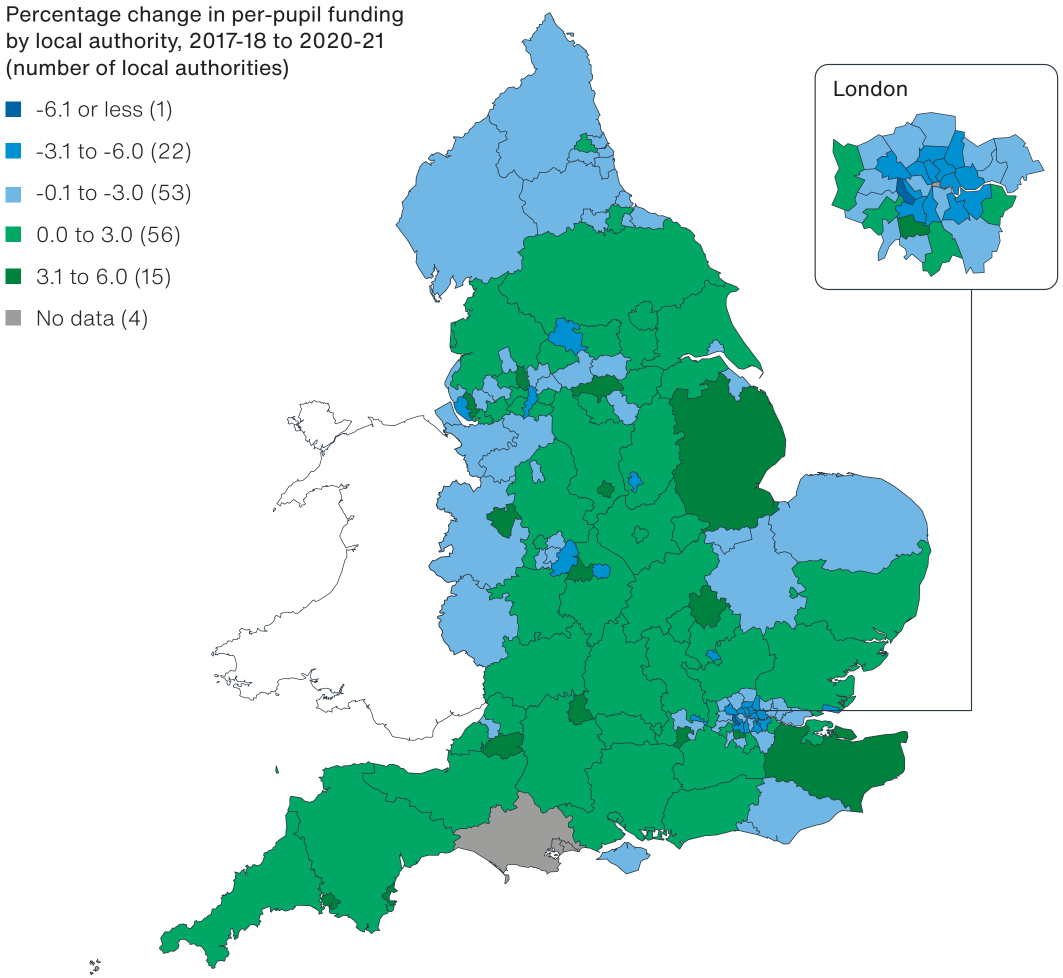
In recent years, the Department has allocated the largest funding increases to previously less well funded areas, which tend to be less deprived. Under the national funding formula, more deprived local areas receive more per-pupil funding than less deprived areas as funding is linked to need, but the difference has decreased.

Most London boroughs and cities with relatively high levels of deprivation, such as Nottingham and Birmingham, experienced real-terms decreases in per-pupil funding between 2017-18 and 2020-21. On average, local authorities with relatively low levels of deprivation in the South West, the East Midlands and the South East received real-terms increases of around 1% or more in their per-pupil funding allocations (see map opposite).

The main reasons for the relative re-distribution of funding between local authorities were the introduction of minimum per-pupil funding levels and changes in relative need. For some years before the national funding formula, the Department had not adjusted allocations to reflect changing patterns of need. As a result, funding had not kept pace with relative need such as the proportion of pupils eligible for free school meals, which fell by 11.6 percentage points on average in Inner London between 2010 and 2018 compared with a slight rise in the North East.

Real-terms changes in the Department for Education's per-pupil funding allocations by local authority in England, 2017-18 to 2020-21

The Department for Education reduced per-pupil funding in real terms for 76 local authorities, while per-pupil funding for 71 local authorities increased or was unchanged



Note

1 See full report for notes.

Source: Comptroller and Auditor General, *School funding in England*, Session 2021-22, HC 300, National Audit Office, July 2021 (Figure 11)

Funding mainstream schools in England continued

National Audit Office report findings continued

Our July 2021 report *School funding in England* highlighted that, as part of the national funding formula, the Department introduced minimum per-pupil funding levels for all schools in England in support of the government's aim of 'levelling up education funding'. In 2020-21, the levels were £3,750 per primary pupil and £5,000 per secondary pupil. This means that if schools' allocations based on the funding formula are below these levels, they are 'topped up' to meet these thresholds.

Most schools, particularly those with high levels of deprivation, have not been affected by the minimum funding levels since their per-pupil allocations have already been higher than the minimum. In 2020-21, no school in the most deprived quintile was allocated funding under the minimum per-pupil funding arrangement, compared with 37.1% of schools in the least deprived quintile.

Partly because of the minimum per-pupil funding levels, in recent years, there has been a relative redistribution of funding from the most deprived schools to the least deprived schools (see graph on page 14). This change reflects both how the Department has allocated schools block funding to local authorities and how local authorities have distributed funding to maintained schools and academy trusts. Between 2017-18 and 2020-21, average per-pupil funding for the most deprived fifth of schools fell in real terms by 1.2% to £5,177; over the same period, average per-pupil funding for the least deprived fifth increased by 2.9% to £4,471.

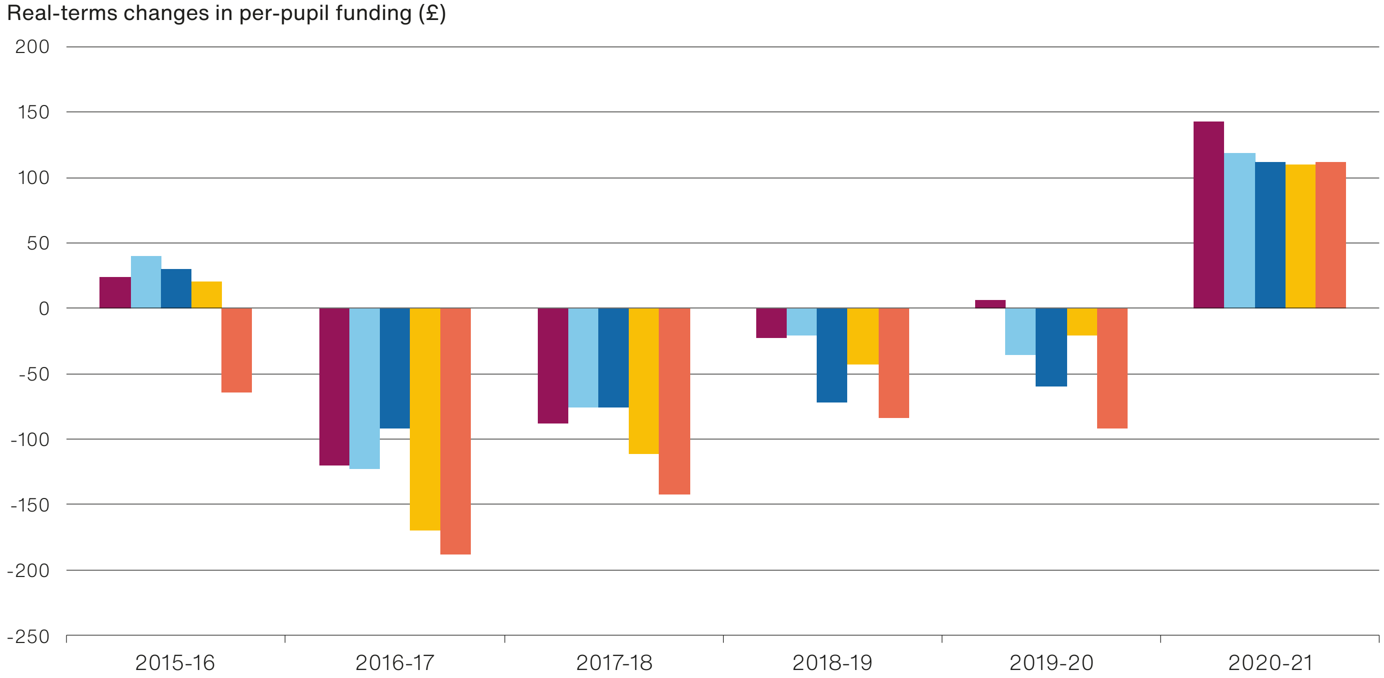
Since 2018-19, the Department has used the national funding formula to calculate schools' funding allocations, but local authorities have not been obliged to follow these allocations in distributing funding. The government has said that it intends to move to a 'hard' or 'direct' national funding formula, where schools' budgets would be set directly by the Department based on the formula. This move would require legislative change.

The Department ran a consultation *Fair school funding for all: completing our reforms to the National Funding Formula* between 8 July and 30 September 2021. This included the proposal that all funding distributed by the national funding formula will be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae.

Funding mainstream schools in England continued

Real-terms changes in per-pupil funding received by maintained schools and academy trusts, 2015-16 to 2020-21

On average, the most deprived schools had larger real-terms reductions in per-pupil funding than the least deprived schools



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1 – Least deprived	24	-120	-88	-22	6	143
2	40	-123	-76	-21	-36	119
3	30	-92	-76	-72	-60	112
4	20	-170	-111	-43	-21	110
5 – Most deprived	-64	-188	-142	-84	-92	112

Note

1 See full report for notes.

Source: Comptroller and Auditor General, *School funding in England*, Session 2021-22, HC 300, National Audit Office, July 2021 (Figure 12)

Financial impact of supporting pupils with special educational needs and disabilities (SEND)

Our September 2019 report *Support for pupils with special educational needs and disabilities in England* found that some pupils with SEND were receiving high-quality support that met their needs. However, the significant concerns that we identified indicated that many other pupils were not being supported effectively, and that pupils with SEND who did not have education, health and care plans were particularly exposed.

We also concluded that the SEND support system was not, on current trends, financially sustainable. Pressures – such as incentives for mainstream schools to be less inclusive, increased demand for special school places, growing use of independent schools and reductions in per-pupil funding – were increasing financial pressures on both schools and local authorities to meet pupils' needs.

Also in September 2019, the Department launched a review into the system for supporting pupils with SEND. The review took longer than expected, partly due to the impact of the COVID-19 pandemic. The Department published the results of the review in March 2022.

National Audit Office report findings

Impact on mainstream schools

Our report *School funding in England* found that a significant cost pressure on mainstream schools is supporting pupils with SEND. The Department estimated that, in 2020-21, this cost was around £650 million higher than in 2015-16.

The cost pressure relates to the growing proportion of children with education, health and care plans (EHC plans) in mainstream schools. Pupils with more complex needs have legally enforceable entitlements to packages of support, set out in EHC plans. Between January 2015 and January 2020, the number of pupils in mainstream schools with a statement of special educational needs or an EHC plan rose by 19.7%. Mainstream schools are expected to cover from their core budgets the first £6,000 of extra support costs for each pupil with SEND. Beyond this threshold, schools can apply to their local authority for top-up funding from the high-needs block of the dedicated schools grant.

Financial impact of supporting pupils with special educational needs and disabilities (SEND) continued

National Audit Office report findings continued

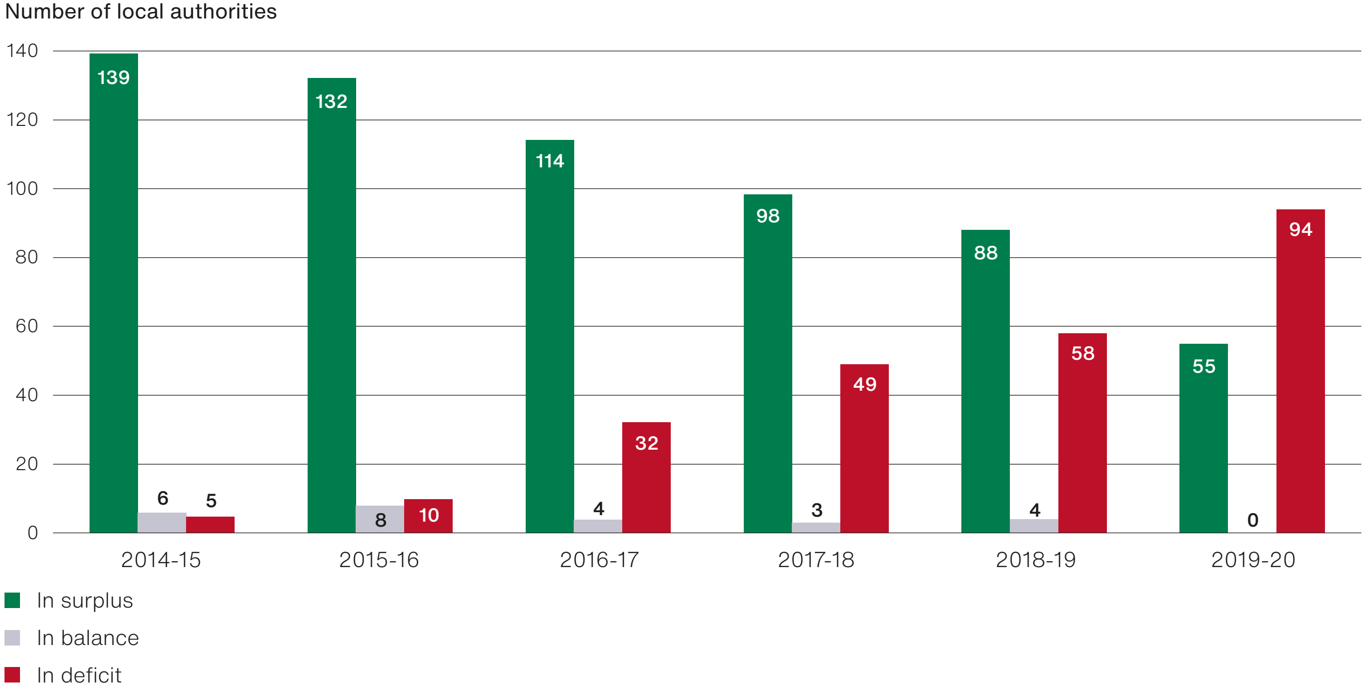
Impact on local authorities

Our November 2021 report *Financial sustainability of schools in England* found that the number of local authorities reporting a deficit on their dedicated schools grant increased from five of 150 in 2014-15 to 94 of 149 in 2019-20 (see graph opposite). The main reason for the declining financial position is the increasing pressure many local authorities are facing from supporting children with SEND.

In 2019-20, for all local authorities, the net overspend on high-needs budgets was £385 million (9%), compared with a break-even position in 2014-15. The Department is supporting some local authorities directly. In March 2021, it reached an agreement with five local authorities with very high dedicated schools grant deficits. The Department required these local authorities to develop and implement plans to reform their high-needs systems and make them more sustainable, and will, in turn, support them with extra funding.

Number of local authorities reporting a dedicated schools grant surplus or deficit, 2014-15 to 2019-20

The number of local authorities reporting a dedicated schools grant deficit has increased every year since 2014-15



Note

1 We excluded City of London and Isles of Scilly from this analysis because of the low number of schools.

Source: Comptroller and Auditor General, *Financial sustainability of schools in England*, Session 2021-22, HC 802, National Audit Office, November 2021 (Figure 6)

Financial position of mainstream maintained schools

The Department works with the Education and Skills Funding Agency (the ESFA), which distributes funding for schools and provides assurance about how the money has been used. The ESFA distributes funding to local authorities which fund and oversee maintained schools. Local authorities are required to include the Department's minimum per-pupil funding levels in their local funding formulae.

Maintained schools report their finances for the year ending in March.

National Audit Office report findings

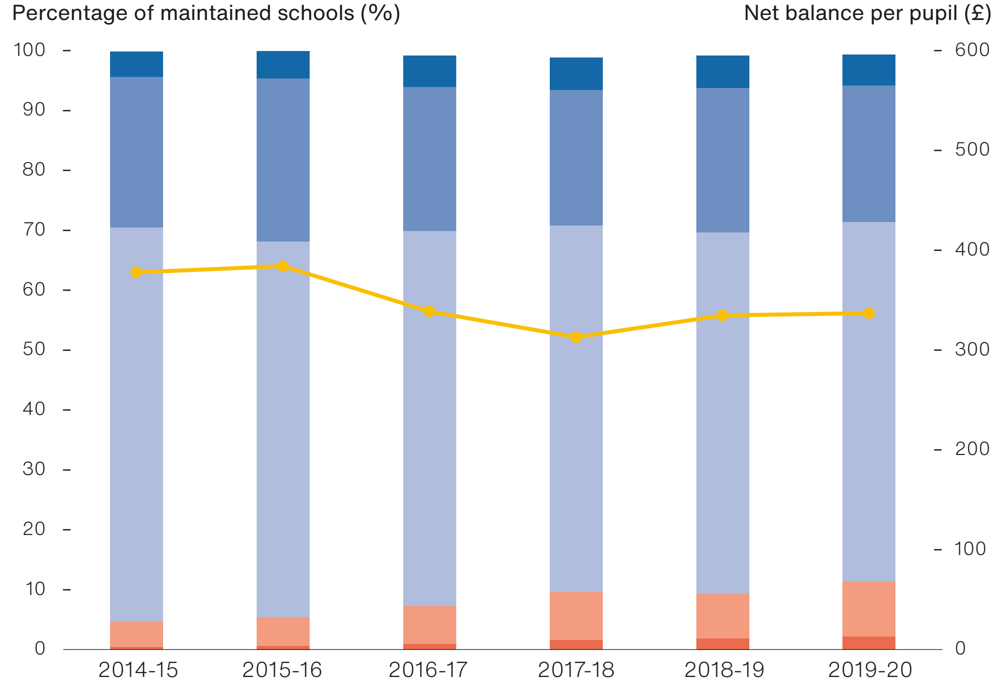
Our November 2021 report *Financial sustainability of schools in England* found that, despite facing financial pressures, most maintained schools were in surplus from 2014-15 to 2019-20, although the proportion reporting a deficit more than doubled. In 2019-20, 88% of maintained schools reported a cumulative surplus; 11% reported a cumulative deficit, up from 5% in 2014-15 (see graph opposite).

A larger proportion of maintained secondary schools have been in deficit than primary schools, although the gap narrowed from 2017-18 to 2019-20. We reported in 2016 that there were signs of financial challenges in secondary schools. The proportion of maintained secondary schools reporting a cumulative deficit peaked at 30% in 2017-18, falling to 27% in 2019-20. In contrast, the proportion of maintained primary schools in deficit was 10% in 2019-20, although this was up from 4% in 2014-15.

The relatively worse financial health of the secondary school sector may partly arise from the fact that the balance of school funding shifted from secondary schools to primary schools between 2014-15 and 2020-21.

Proportion of maintained schools in cumulative surplus or deficit, 2014-15 to 2019-20

Most maintained schools have reported a cumulative surplus every year since 2014-15



	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Percentage of schools in surplus by more than 20% of income	4	5	5	5	5	5
Percentage of schools in surplus by more than 10% but less than or equal to 20% of income	25	27	24	23	24	23
Percentage of schools in surplus by 10% or less of income	66	63	63	61	60	60
Percentage of schools in deficit by 10% or less of income	4	5	6	8	7	9
Percentage of schools in deficit by more than 10% of income	0	1	1	2	2	2
Net balance per pupil (£)	**378**	**384**	**339**	**313**	**335**	**337**

Note

1 See full report for notes.

Source: Comptroller and Auditor General, *Financial sustainability of schools in England*, Session 2021-22, HC 802, National Audit Office, November 2021 (Figure 1)

Financial position of academy trusts

Each academy school must be part of an academy trust, a charitable company which manages the school budget. Most are part of multi-academy trusts that bring together groups of academy schools.

The Department works with the ESFA, which distributes funding for schools and provides assurance about how the money has been used. The ESFA distributes funding to academy trusts, which fund and oversee academy schools. The Department allows multi-academy trusts to pool funding centrally, for example to support struggling schools. Multi-academy trusts can also re-distribute funding between their schools based on their own assessment of need. They are not required to provide schools with the Department's minimum per-pupil funding levels.

Academy trusts report their finances for the year ending in August.

National Audit Office report findings

Our November 2021 report *Financial sustainability of schools in England* found that around 90% of academy trusts were in surplus from 2017/18 to 2019/20. In 2019/20, 93% of academy trusts reported a cumulative surplus, up from 88% in 2017/18, the earliest year for which reliable data are available (see graph opposite).

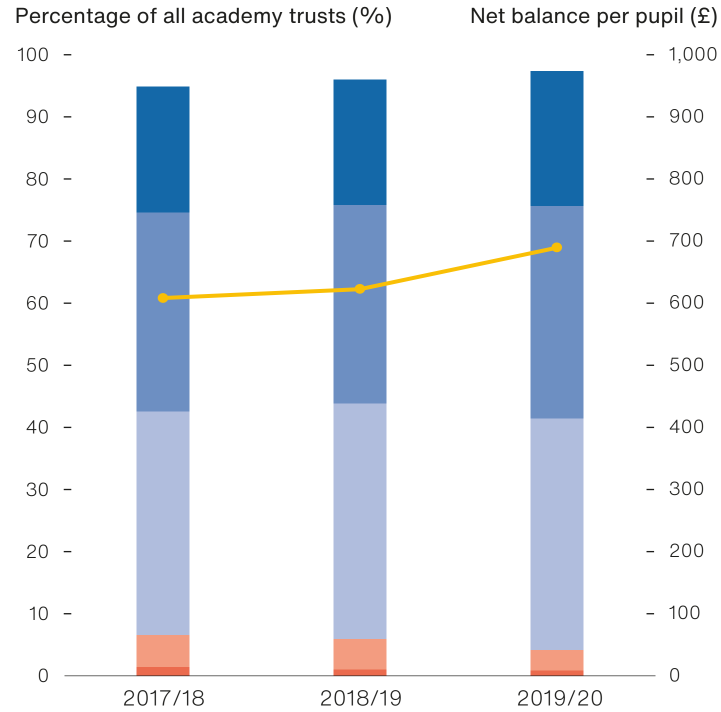
The net position for the academy sector as a whole in 2019/20 was a cumulative surplus of £3.1 billion, an increase from £2.5 billion in 2017/18. The average balance per pupil across all academy trusts was £689 per pupil (an increase from £608 per pupil in 2017/18). This was higher than the average for maintained schools of £337.

Some academy trusts have built up substantial reserves. For example, in 2019/20, 22% of academy trusts reported cumulative surpluses equivalent to 20% or more of their income. This means these academy trusts are spending less than their annual income on their pupils. The Department does not have information on whether academy trusts have earmarked reserves for particular projects.

In order to maintain financial stability and protect educational provision, the ESFA has also provided extra funding to some academy trusts in financial difficulty. As a result, the financial position of the academy trusts concerned and the sector overall has been enhanced. The ESFA provided a total of £45 million in 'non-recoverable' deficit funding to academy trusts from 2014-15 to 2019-20. In addition, over the same period, it provided 'recoverable' deficit funding of £79 million.

Proportion of academy trusts in cumulative surplus or deficit, 2017/18 to 2019/20

Around 90% of academy trusts have reported a cumulative surplus every year since 2017/18



	2017/18	2018/19	2019/20
Percentage of trusts in surplus by more than 20% of income	20	20	22
Percentage of trusts in surplus by more than 10% but less than or equal to 20% of income	32	32	34
Percentage of trusts in surplus by 10% or less of income	36	38	37
Percentage of trusts in deficit by 10% or less of income	5	5	3
Percentage of trusts in deficit by more than 10% of income	1	1	1
Net balance per pupil (£)	**608**	**623**	**689**

Note

1 See full report for notes.

Source: Comptroller and Auditor General, *Financial sustainability of schools in England*, Session 2021-22, HC 802, National Audit Office, November 2021 (Figure 2)

Overview of the academy sector

Related-party transactions

Academy trusts require approval from the ESFA for certain areas of spending or activity, as set out in the *Academies Financial Handbook* now known as the Academy Trust Handbook.

Following concerns that the rules around related-party transactions (transactions with people or organisations with control or significant influence over the academy trust or members of the same group of companies) were too weak to prevent abuse, the ESFA strengthened the rules from April 2019. Academy trusts must seek approval from the ESFA before entering into related-party transactions cumulatively exceeding £20,000 in the same financial year. The requirement for such transactions to be 'at cost' when they exceed £2,500 cumulatively in the same financial year also remains. The amount that academy trusts paid to related parties fell from £93 million (2,209 transactions) in 2018/19 to £87 million (1,807 transactions) in 2019/20.

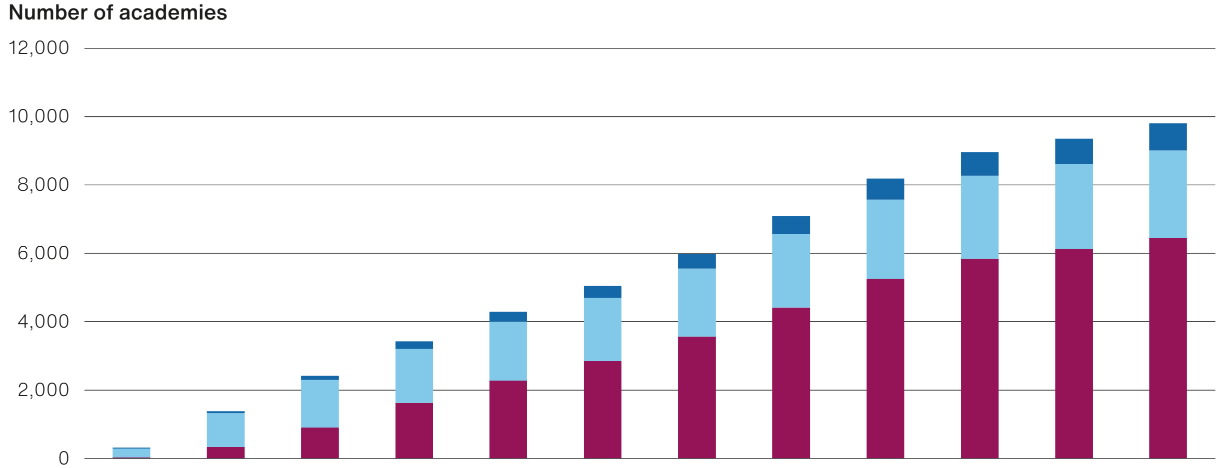
Executive pay

The Department has taken steps to reinforce to the academy sector that there is a need for robust evidence-based processes in setting pay, and to ensure that the pay of leadership teams is transparent, proportionate and justifiable.

The number of academy trusts paying some individual members of staff more than £150,000 increased from 340 (12% of trusts) in 2018/19 to 473 (17%) in 2019/20. The number of academy trusts paying some staff between £100,000 and £150,000 increased from 1,535 (53%) in 2018/19 to 1,772 (64%) in 2019/20.

Number of open academies by phase, 2010 to 2021

The number of academies rose from 315 in 2010 to 9,803 in 2021



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary	23	337	908	1,621	2,274	2,843	3,566	4,415	5,250	5,839	6,131	6,449
Secondary	264	983	1,383	1,582	1,729	1,849	1,987	2,148	2,316	2,429	2,488	2,563
Other	28	57	128	219	294	358	434	534	616	689	739	791

Notes

1 These data include all academies that were open in December 2021.

2 'Other' academies include special schools, alternative provision, post-16 academies and all-through schools.

Source: National Audit Office analysis of Department for Education data

Sector growth

The Department reported in the *Academy schools' sector in England, Consolidated Annual Report and Accounts for the year ended 31 August 2020* that, at 31 July 2020, 43% (9,200) of state-funded schools were academies. More than three-quarters (78%) of secondary schools were academies, while more than half of primary schools (64%) and special schools (61%) were maintained by local authorities.

The number of academies increased by 472 (5%) in the year to 31 July 2020. The rate of growth was slower than in previous years. The Department explained that from April 2020 the number of academy conversions and the time they took would have been affected by the COVID-19 pandemic. This was due to the Department, along with schools and academy trusts, focusing on the safe re-opening of schools during the start of the pandemic.

Financial sustainability of higher education providers

Higher education sector

Universities, and other higher education providers, are autonomous institutions with a high degree of financial and academic independence. They are free to conduct commercial activities in addition to teaching and research. For a provider to access government funding for research or teaching, however, or for its students to receive government tuition fee and maintenance loans, it must be registered by the Office for Students.

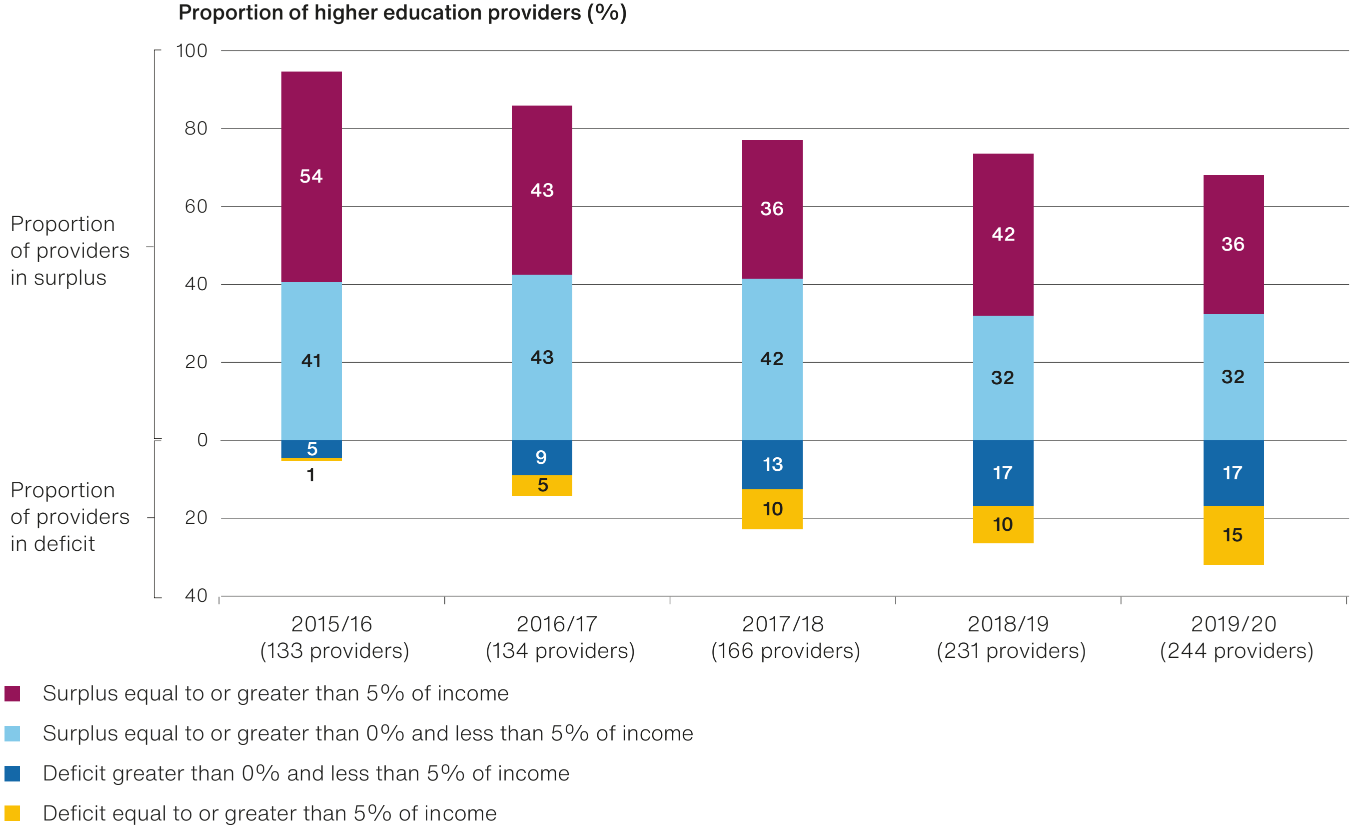
Office for Students

The Office for Students is the regulator of the higher education sector and became fully operational in August 2019. It is sponsored by the Department for Education, which has overall responsibility for the oversight framework. The Office for Students charges fees to registered providers to cover most of its running costs.

The Office for Students has adopted a deliberately data-led approach to regulation. It collects the same base set of annual financial and performance data from all regulated providers. It also places a responsibility on providers to report exceptional events, such as breaches of banking covenants, changes to teaching provision or other events that might increase financial risk. It relies on these data to identify providers for further scrutiny.

Proportion of higher education providers with an in-year surplus or deficit (excluding pension provision adjustments), 2015/16 to 2019/20

The proportions of higher education providers with an in-year deficit, and those in deficit by 5% of income or more, have grown each year from 2015/16 to 2019/20



Notes

1 Data exclude volatility caused by accounting adjustments arising from pension revaluations and changes in provisions.

2 Surplus or deficit includes: gains or losses on investments and disposal of assets; shares of surpluses in joint ventures and associates; and taxation.

3 This figure excludes two providers for 2018/19 and three providers for 2019/20 reporting no income, for which it is not possible to calculate the surplus/deficit as a percentage of income.

Source: Comptroller and Auditor General, *Regulating the financial sustainability of higher education providers in England*, Session 2021-22, HC 1141, National Audit Office, March 2022 (Figure 4)

2/3

Financial sustainability of higher education providers continued

National Audit Office report findings

Financial risk in the sector

Our March 2022 report *Regulating the financial sustainability of higher education providers in England* found that the higher education sector is facing financial stress. The proportion of providers with an in-year deficit increased from 5% in 2015/16 to 32% in 2019/20 (see graph on page 20).

The number of providers of all types that appear to be facing short-term risks to their financial sustainability and viability is small but not insignificant, and financial stress is not confined to one part of the higher education sector.

Providers of all types face short-term financial risks dominated by the COVID-19 pandemic, and medium- and long-term systemic risks. These include higher pension contribution requirements, the costs of teaching exceeding domestic tuition fees, and potentially unrealistic assumptions on the continued growth of overseas and domestic student numbers. Despite this, higher education providers proved more resilient during the pandemic than government had feared.

Effective regulation of financial sustainability

We found that the Office for Students makes good use of the financial data it collects, analysing the data in a systematic and structured way to identify higher education providers for closer scrutiny. During 2021 it identified some 98 out of 245 providers (40%) for detailed review of their financial viability and sustainability and, as at December 2021, had made 10 providers subject to enhanced monitoring because of concerns about increased risk.

The Department and the Office for Students have not yet been successful, however, in achieving a good understanding among providers of why the Office for Students collects all the data it does, and how it uses these data.

There is also more the Office for Students could do to help the sector and other stakeholders understand its regulatory approach.

The Office for Students does not yet have a complete and transparent set of performance measures to demonstrate its own performance as a regulator and does not routinely ask providers and sector stakeholders for feedback on its own performance as a regulator.

Consequences for students and providers

Student satisfaction fell sharply during the COVID-19 pandemic – the overall satisfaction rating had been stable in recent years at 82%–83% but in 2021 this dropped to 75% (see graph on page 22). The proportion of students viewing their course as good value for money decreased from 38% to 33% between 2020 and 2021.

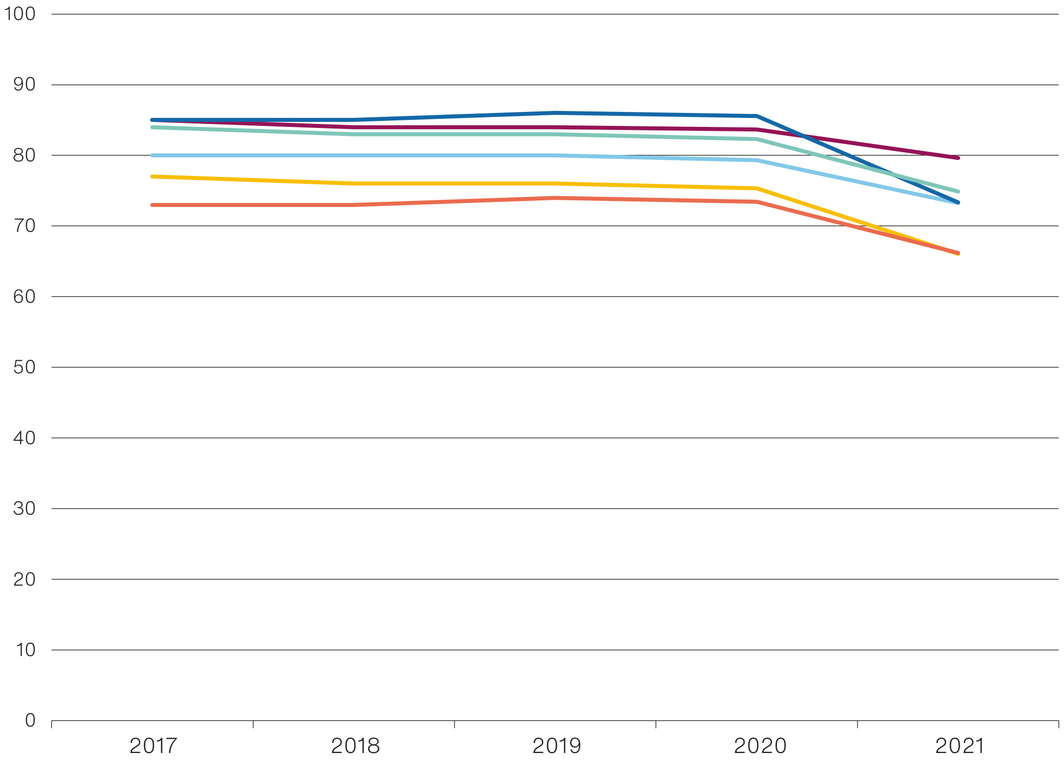
The Office for Students found during the COVID-19 pandemic that it needed stronger powers of intervention to protect students' education when a provider is at material risk of market exit. Higher education providers proved more resilient during the COVID-19 pandemic than government had feared but one of the smaller providers we spoke to told us that, had government applied more pressure to offer significant tuition fee refunds, this would have caused it, and likely some similar providers, to fail.

Financial sustainability of higher education providers continued

Higher education student satisfaction, 2017 to 2021

Student satisfaction fell sharply between 2020 and 2021

Proportion of students who 'definitely' or 'mostly' agreed with each question (%)



Percentage point change from previous year	2016 to 2017	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021
The teaching on my course	-2	-1	0	0	-4
Academic support	-2	0	0	-1	-6
Learning resources	-1	0	+1	0	-12
Learning community	n/a[3]	-1	0	-1	-9
Student voice	n/a[3]	0	+1	-1	-7
Overall satisfaction	-1	-1	0	-1	-7

Notes

1 Teaching moved almost entirely online during the COVID-19 pandemic lockdown, with reductions in teaching hours, staff contact and access to resources affecting overall satisfaction. Individual experiences of online teaching will have varied by course and students' personal situations.

2 The data in this figure reflect responses only in respect of higher education providers in England. Provider-level data are published at: www.officeforstudents.org.uk/advice-and-guidance/student-information-and-data/national-student-survey-nss/nss-data-provider-level/.

3 Questions relating to 'learning community' and 'student voice' were added to the survey in 2017, meaning there are no comparative data for 2016.

Source: Comptroller and Auditor General, *Regulating the financial sustainability of higher education providers in England*, Session 2021-22, HC 1141, National Audit Office, March 2022 (Figure 11)

The Department's response to COVID-19: Children's education

On 18 March 2020, the government announced that, to help limit transmission of the COVID-19 virus, from 23 March schools would close to all pupils except vulnerable children and children of critical workers. Education for most children would therefore take place remotely at home.

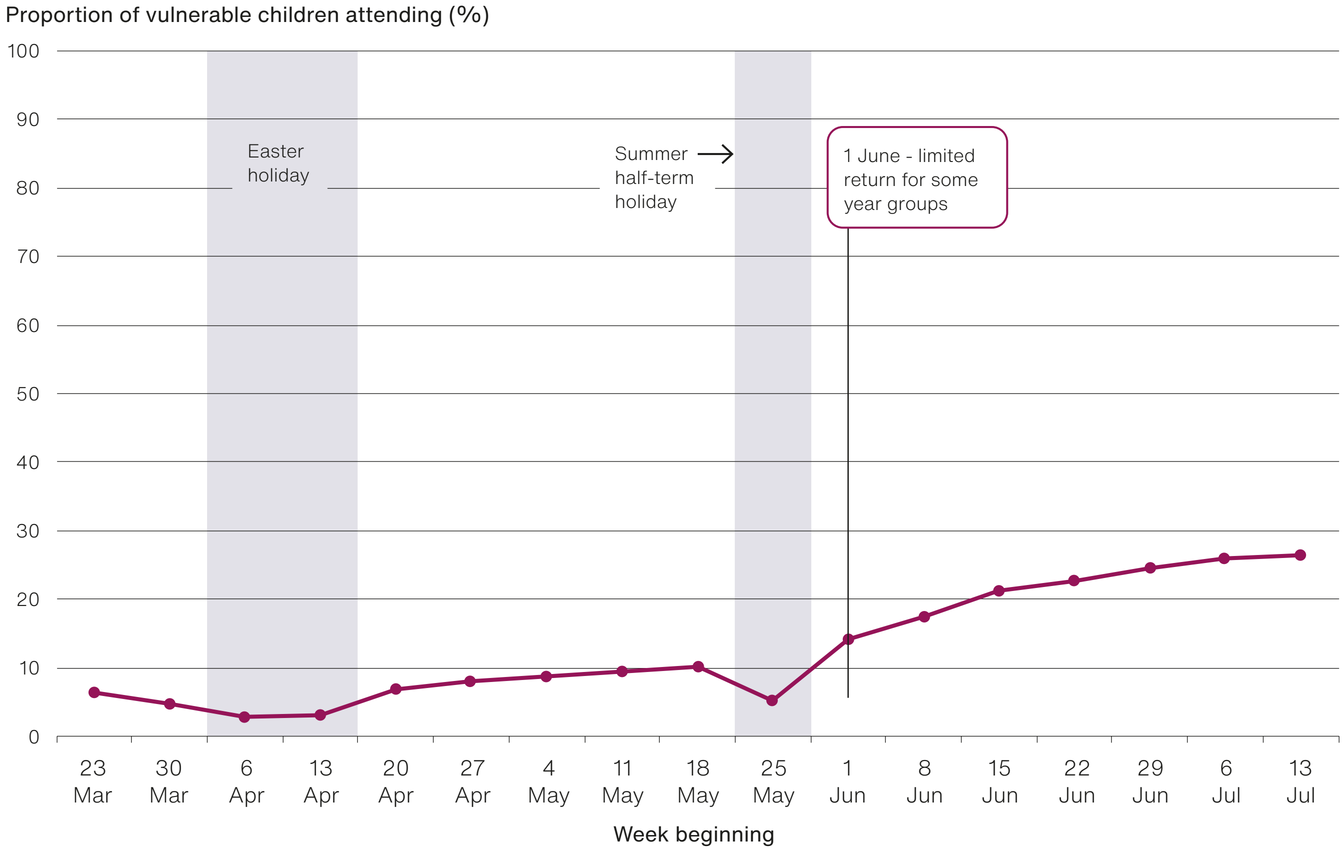
National Audit Office report findings

The Department's initial response

Our March 2021 report *Support for children's education during the early stages of the COVID-19 pandemic* found that the Department had no pre-existing plan for managing mass disruption to schooling on the scale caused by COVID-19. Without an established plan, the Department's response to the pandemic was largely reactive. It prioritised continuing to fund schools and other providers, and communicating with the sectors it oversees.

Proportion of vulnerable children who attended school or college in England, March to July 2020

Attendance rates generally rose over the period, but only around one-quarter of vulnerable children were in school or college by the end of the summer term



	23 Mar	30 Mar	6 Apr	13 Apr	20 Apr	27 Apr	4 May	11 May	18 May	25 May	1 Jun	8 Jun	15 Jun	22 Jun	29 Jun	6 Jul	13 Jul
Proportion of vulnerable children attending (%)	6.4	4.8	2.8	3.2	6.8	8.0	8.8	9.6	10.2	5.2	14.2	17.4	21.2	22.6	24.6	26.0	26.4

Notes

1 This figure shows the average proportion of children defined as in need under the Children Act 1989, or with an education, health and care plan, attending school or college each week. It does not include children assessed as 'otherwise vulnerable'.

2 Attendance data cover state and independent schools, and sixth-form and further education colleges.

Source: Comptroller and Auditor General, *Support for children's education during the early stages of the COVID-19 pandemic*, Session 2019–2021, HC 1239, National Audit Office, March 2021 (Figure 4)

The Department's response to COVID-19: Children's education continued

National Audit Office report findings continued

Learning in school

The Department viewed continued school attendance as an important way of safeguarding and supporting vulnerable children. However, most vulnerable children did not attend school between late March 2020 and the end of the summer term, increasing risks to their safety and welfare. The proportion of vulnerable children who attended school or college remained below 11% from 23 March to late May. Attendance increased gradually after schools partially re-opened in June and reached a weekly average of 26% by the end of the summer term (see graph on page 23). The Department and Ofsted were concerned that low school attendance could result in increased levels of hidden harm.

Provision for children attending school varied widely, with evidence suggesting those in the most deprived schools were less likely to be taught the curriculum. A survey by the National Foundation for Educational Research in May 2020 found that just less than half of schools reported teaching those pupils attending school the same curriculum content as was being sent to those learning remotely.

Learning remotely

From 23 March 2020, education for most children took place remotely at home until the new school year began in September.

The Department funded a well-received national online resource to support schools and pupils with remote learning from April onwards. Oak National Academy offers video lessons and other online resources. Its data indicate that, on average, 220,000 people used its website daily from 20 April to 12 July, mainly to access content for primary school pupils.

The Department also provided laptops, tablets and 4G routers to a proportion of the children in need of support, but did not deliver most of the equipment until June. The Department decided to focus on all children with a social worker and care leavers, alongside disadvantaged pupils in year 10. By the last full week of term in July 2020, it had delivered a total of 212,900 laptops and tablets, and 49,700 routers. The Department continued to distribute IT equipment during the 2020/21 academic year.

Children had contrasting experiences in terms of the remote learning resources schools themselves provided and the level of contact teachers maintained. Some 82% of secondary pupils in private schools received active help, such as online classes, or video and text chat. By contrast, 64% of secondary pupils in state schools from the richest one-fifth of households received active help, compared with 47% of pupils from the poorest one-fifth.

Education recovery

The period of disrupted schooling is likely to have longer-term adverse effects on children's learning and development, particularly those from disadvantaged backgrounds. The Education Endowment Foundation projected that school closures in the 2019/20 academic year might widen the attainment gap between disadvantaged children and their peers by between 11% and 75%, with a median estimate of 36%, likely reversing progress made to narrow the gap since 2011.

Our July 2021 report *School funding in England* reported that the Department had committed £3.1 billion over the period 2020-21 to 2024-25 to help children and young people catch up on learning lost. In the 2021 Spending Review the government committed a further £1.8 billion over the Spending Review period for education recovery.

Key elements of the Department's recovery strategy for schools

National Tutoring Programme – £1,550 million

Intended to provide additional, targeted support for those children and young people in schools who have been most affected by disruption to their education as a result of the COVID-19 pandemic. In 2021/22 schools can apply for subsidised tutors or academic mentors, or can apply for funding to provide locally sourced tutoring provision. The remaining costs will be funded by schools.

Catch-up and recovery premiums – £950 million

The catch-up premium was a £650 million one-off grant to all schools to support pupils in state education for 2020/21, recognising that all young people had lost time in education as a result of the pandemic.

The recovery premium was a £300 million one-off grant aimed at supporting disadvantaged pupils, based on pupil premium eligibility.

Training and development for teachers and early years professionals – £400 million

Funding to expand existing teacher training and development and provide professional development for early years practitioners.

Summer schools – £200 million

Funding for secondary schools to provide face-to-face summer schools in summer 2021. This allowed schools to deliver a short summer school offering a blend of academic and enrichment activities. The Department expected schools to focus on pupils transitioning into year 7.

Note: This table does not include the additional funding for education recovery announced in the 2021 Spending Review.

Source: Data from National Audit Office, *School funding in England*, June 2021

The Department's response to COVID-19: Risks and spending in 2020-21

The Department set out its key risks and mitigations in its *Consolidated annual report and accounts 2020-21*. It reported that the COVID-19 pandemic has had an impact on its activities across all educational sectors. It said that COVID-19 risks are being managed as part of the key risks it has identified, which include the following:

- A sustained cyber-attack could result in the loss of access to critical systems and services.
- The Department's approach may be insufficient to adequately respond to the lost learning that has occurred during the COVID-19 pandemic.
- Pupils have poor-quality outcomes as a result of not having enough high-quality teachers.
- Widespread localised failure of the early years market.
- One or more higher education providers has to close due to financial failure.
- A significant number of further education colleges are not financially resilient enough to support the productivity of their local economies and government priority programmes.

Spending on the Department's COVID-19 response

During 2020-21, as part of its response to COVID-19, the Department incurred £1.7 billion in resource spending and £384 million in capital spending. Of the capital spending, £374 million was for the 'Get Help with Technology' programme, to support remote learning for disadvantaged pupils. In addition, the Department reported that it made other changes to existing spending as part of its response to the pandemic, for example bringing forward capital spending on the school estate.

National Audit Office COVID-19 cost tracker

The *COVID-19 cost tracker* provides estimates of the cost of government measures announced in response to the pandemic and how much the government has spent on these measures so far. The tracker shows that the Department had spent £2.4 billion responding to COVID-19 to September 2021, with plans for further spending of £3.0 billion.

Key resource expenditure in response to the COVID-19 pandemic in 2020-21 by sector

The Department for Education (the Department) provided a total of £1.7 billion in resource spending in 2020-21

Schools – £1,399 million (83.4% of expenditure)

Free school meals voucher scheme – £475 million
The scheme was a temporary substitute during school closures for free school meals provided in schools. The Department gave eligible families vouchers, worth £15 per child per week, that they could use to buy food from participating supermarkets.

Catch-up premium – £376 million
See page 24.

Exceptional costs – £139 million
Funding for the extra costs of providing free school meals, opening premises during holidays and cleaning due to COVID-19 outbreaks. Covered costs incurred between March and August 2020.

Home to school transport – £99 million
Provided to local authorities to increase school transport capacity and provide alternatives to public transport.

National Tutoring Programme – £84 million
See page 24.

Early years – £11 million (0.7% of expenditure)

Early language intervention – £8 million
To improve the spoken language skills of reception-age children during the 2020/21 academic year.

Post-16 and skills – £236 million (14.1% of expenditure)

Plan for jobs – £67 million
Funding to support the UK's economic recovery including payments for employers who hired new apprentices or provided trainees with work experience.

Office for Students hardship fund – £68 million
For universities to support students facing hardship as a result of the pandemic.

16–19 tuition fund – £56 million
Distributed to further education settings to provide small group tuition to pupils aged 16 to 19 whose learning had been disrupted by the pandemic.

Children's services – £30 million (1.8% of expenditure)

Adoption support fund – £7 million
Funding from the existing adoption support fund to meet new pressures arising from the pandemic for families within the adoption system.

Unaccompanied asylum-seeking children – £6 million
Provided to local authorities for costs related to supporting unaccompanied asylum-seeking children looked after in their local areas.

Note
1 This table shows total COVID-19 resource grant expenditure by sector and highlights key grants for each sector. It does not include all grants.

Source: Department for Education consolidated annual report and accounts 2020-21

Things to look out for

Spending Review 2021

In October 2021, the Department's settlement in the Autumn Budget and Spending Review 2021 provided an £18.4 billion cash increase over the Parliament to £86.7 billion in 2024-25. The government said that this settlement provides "significant investment in skills and supports the government's commitment to level up education, through additional funding for schools and a package of support to recover lost learning".

The settlement includes:

- an additional £4.7 billion by 2024-25 for the core schools budget in England;
- an additional £1.8 billion bringing total funding to support education recovery to £4.9 billion;
- £2.6 billion for school places for children with special educational needs and disabilities;
- an increase in total spending on skills of £3.8 billion over the Parliament (to 2024-25); and
- additional funding of £208 million by 2024-25 for early years and family services.

Look out for further details about how the Department plans to spend the additional funding.

Levelling up

In February 2022, the government published its white paper Levelling up the United Kingdom. The document sets out how the government plans to spread opportunity more equally across the country through a programme of "systems change" including 12 UK-wide missions alongside specific policy interventions.

For the Department, the key missions are that by 2030:

- the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean that 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third; and
- the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

Measures to support achievement of these missions include:

- 55 new Education Investment Areas in places where educational attainment is currently weakest;
- a UK National Academy, a new digital education service, to support pupils from all backgrounds and areas of the UK to succeed at the very highest levels; and
- Local Skills Improvement Plans to set out the key changes needed to make technical skills training more responsive to skills needs.

Look out for further details on how the Department will implement the commitments in the white paper and monitor their impact.

Things to look out for continued

Review of the Education and Skills Funding Agency

In February 2022, the Department published the findings of its review of the Education and Skills Funding Agency. The review was carried out between July 2021 and January 2022, and its aim was to ensure that the ESFA remains effective, efficient and aligned to the government's priorities. The review recommended that the ESFA should remain an arm's-length body, and should refocus on its core funding delivery role, as well as assurance and compliance.

Look out for how the Department takes forward the review's 46 detailed recommendations.

Special educational needs and disabilities (SEND) review

In September 2019, the government announced a review into support for children with SEND. The results of the review were published in a green paper in March 2022. The government is proposing to establish a single national SEND and alternative provision system that will introduce new standards in the quality of support given to children across education, health and care.

Look out for feedback to the consultation on the proposals, which runs until July 2022, and the Department's response.

Schools white paper

In March 2022, the government published a white paper outlining plans to make sure every child can realise their potential. It has committed that any child who falls behind in maths or English will get the support they need to get back on track. The plans include a programme of teacher development and the intention that by 2030 all schools will be part of, or in the process of joining, a multi-academy trust.

Look out for how the Department takes forward the plans in the white paper.

Future DfE programme

The Future DfE programme aims to provide the Department with a clear sense of purpose, a renewed organisational culture and a series of transformation projects to ensure the organisation is fit for the future. In February 2022, the Department announced it would be making changes from 1 April 2022 onwards. The changes will include creating new groups focused on families, schools and skills, together with a regions group, aligned with the nine regions used across the rest of government.

Look out for how the Department implements organisational and other changes from April 2022.

Independent review of children's social care

In January 2021, the government announced an independent review of the needs, experiences and outcomes of the children supported by social care. The review published *The Case for Change* in June 2021, setting out its early thinking about what needs to change in the children's social care system. The review expects to publish its final report in spring 2022.

Look out for the review's final report and recommendations to improve children's social care, and the government's response.

Reforms to the national funding formula for schools

In March 2022, in its response to the consultation on proposals to complete its reforms, the government confirmed its intention to move forward with plans to introduce the direct national funding formula and to bring forward the legislation required "at the earliest opportunity". It will start the process of transition by bringing local authority formulae closer to the national formula in 2023-24.

Look out for how the Department takes forward its plans and a further consultation on implementation of the reforms later in 2022.

Reforms to post-18 education and funding

In 2018, the government launched a review of post-18 education and funding, known as the 'Augar review'. The independent panel reported to the Department in May 2019. The report made 53 recommendations including on the post-18 sector's structure and how it is funded. In February 2022, the Department announced some higher education reforms and launched a consultation on others. The proposals include possible student number controls and minimum eligibility requirements to access student finance.

Look out for feedback to the consultation, which runs until May 2022, and the Department's response.