DEPARTMENTAL OVERVIEW

A summary of the NAO's work on the Department for Education 2010-11

Our vision is to help the nation spend wisely.

We apply the unique perspective of public audit to help Parliament and government drive lasting improvement in public services.

The National Audit Office scrutinises public spending on behalf of Parliament. The Comptroller and Auditor General, Amyas Morse, is an Officer of the House of Commons. He is the head of the NAO, which employs some 880 staff. He and the NAO are totally independent of government. He certifies the accounts of all government departments and a wide range of other public sector bodies; and he has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources. Our work led to savings and other efficiency gains worth more than £1 billion in 2010-11.

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Introduction

Aim and scope of this briefing

The primary purpose of this Departmental Overview is to provide the Education Select Committee with a summary of the work by the National Audit Office on the Department for Education since June 2010. It is one of seventeen we have produced covering our work on each major government department. The briefing draws on the Department's Annual Report and Accounts for 2010-11 and other published sources where relevant, but its main focus is the findings of work published by the NAO, in particular those areas where we believe the Department's performance could be improved. The contents of the briefing have been shared with the Department to ensure that the evidence presented is factually accurate, but the content of the briefing is the sole responsibility of the NAO.

We will continue to support all select committees in 2011-12, providing briefing on each major department and supporting specific inquiries wherever our expertise and perspective can add value.

Part One

About the Department

The Department's responsibilities

1   The Department for Education (the Department) was formed on 12 May 2010, and succeeded the Department for Children, Schools and Families. The Department is responsible for education and services for children and young people up to age 19 in England.[1] Further and higher education continue to be the responsibility of the Department for Business, Innovation and Skills.

How the Department is organised

2   The Department provides its services primarily through other organisations. In 2010-11, these included:

● 13 sponsored bodies (Appendix One)[2]

● 24,507 schools, (including around 1,070 academies);[3] and

● 103,000 providers of childcare and early years' education.[4]

3   The Department directly employs more than 2,500 staff. Within the education sector there are approximately 448,000 teachers and 363,000 teaching support staff.[5]

4   The Department Board is chaired by the Secretary of State. Members include the full Ministerial team, the Permanent Secretary, Directors General and non-executive members of the Board. The Executive Management Board and the Delivery Assurance, Risk and Audit Committee support the Board in the effective and efficient management of the Department, and in the management of risk, governance and internal control. From March 2011, the Board established the Performance Committee, a new sub-committee of the Board, which meets before each Board meeting to review performance information. It is chaired by the lead non-executive member of the Departmental Board.

5   The Department spent around £58 billion in 2010-11, with over two thirds going to schools and services for young people via local authorities. Non-Departmental Public Bodies received around £16 billion of funding, of which £9.5 billion was provided to the Young People's Learning Agency. Most of this was spent on academies, school sixth forms and 16-19 further education, and £0.5 billion on Education Maintenance Allowances.

Recent developments

The Education Bill (2010-11)

6   The Education Bill takes forward proposals in the Schools White Paper and measures from the Department for Business, Innovation and Skills to improve skills and reform higher education funding.[6] The Bill:

● includes the introduction of targeted free early years care for young children;

● makes changes to provisions on school discipline;

● abolishes five arm's-length bodies and transfers new powers to the Secretary of State;

● removes certain duties on school governing bodies, local authorities and further education institutions; and

● makes changes to the arrangements for setting up new schools, and amends the Academies Act 2010 to make further provisions.

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1   Throughout this guide we refer to the Department for Education as 'the Department' and to its predecessors by their full titles.

2   Many of the Department's non-departmental public and arm's length bodies will be replaced by four in-house executive agencies in 2012. Three (British Educational Communications and Technology Agency, Teenage Pregnancy Independent Advisory Group and Teachers TV Board of Governors) have already ceased operating. (http://media.education.gov.uk/assets/files/pdf/c/current%20 status%20of%20ndpbs%20and%20albs.pdf)

3   Figures for the number of academies as at 1 August 2011. www.education.gov.uk/schools/leadership/typesofschools/academies/ b0069811/open-academies-and-academy-projects-in-development
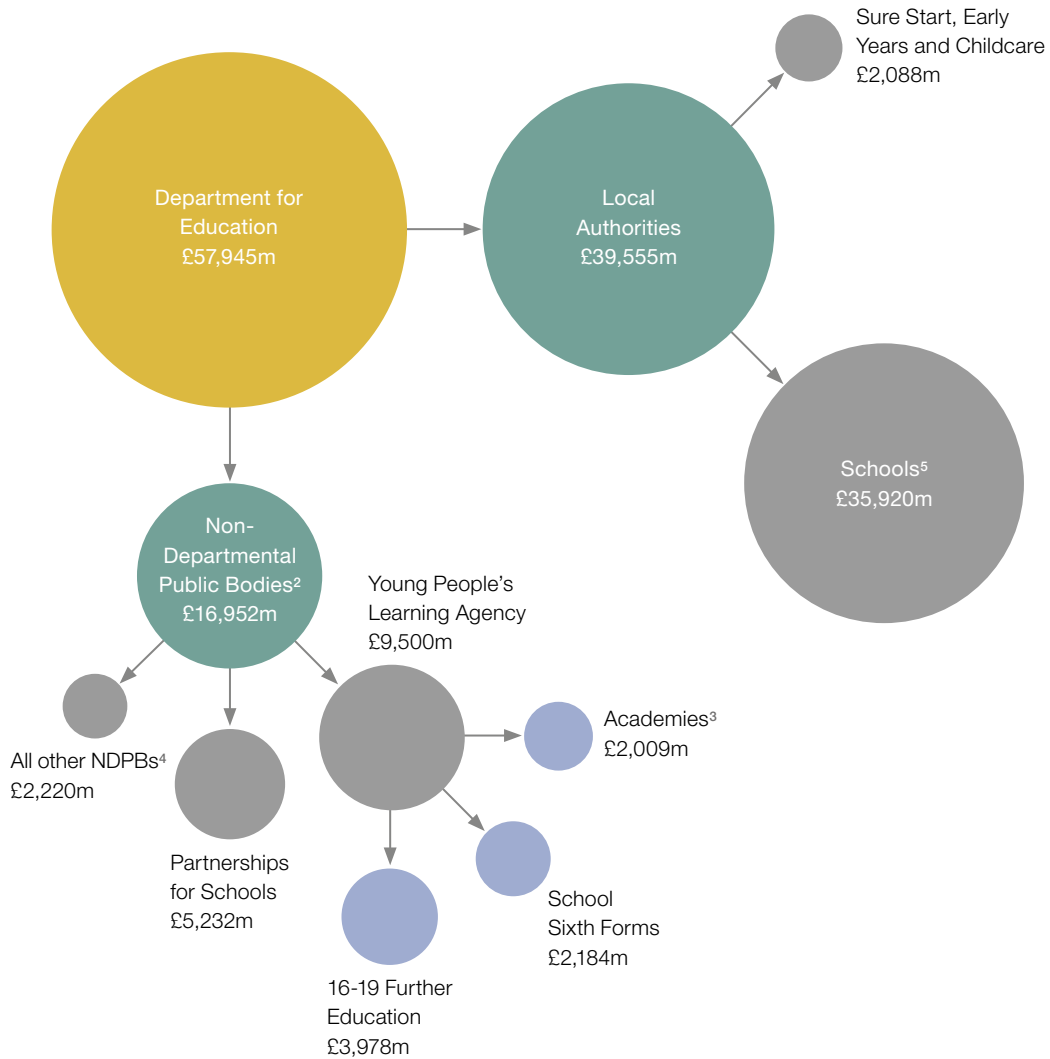
4   2009 figure as defined and reported in the Childcare and Early Years Providers Survey 2009. Data collection for the 2010-2013 study is underway; updated provider figures are not yet available.

5   www.education.gov.uk/rsgateway/DB/SFR?s000927/index.shtml

6   *Education Bill*, HL Bill 67, 2010-12.

Figure 1

Where the Department spent its money in 2010-11

Department for Education £57,945m

Local Authorities £39,555m

Sure Start, Early Years and Childcare £2,088m

Schools[5] £35,920m

Non-Departmental Public Bodies[2] £16,952m

Young People's Learning Agency £9,500m

All other NDPBs[4] £2,220m

Partnerships for Schools £5,232m

Academies[3] £2,009m

School Sixth Forms £2,184m

16-19 Further Education £3,978m

NOTES

1   Figures for low spend areas are omitted; therefore sub-total figures do not always total.

2   Includes £797 million to Department for Business, Innovation and Skills for Departmental programmes delivered by the Skills Funding Agency.

3   Includes Academy Sixth Forms.

4   Includes £727 million to the Training and Development Agency, the largest of the Department's NDPBs.

5   Includes £30,478 million Dedicated Schools Grant.

Source: Department for Education, Annual Report and Accounts, 2010-11, July 2011

The Academies Act 2010

7 The provisions of the Academies Act 2010 have come into force and, since August 2010, more than 850 academies have been established. The Act also allowed for the setting up of Free Schools; all-ability state-funded schools set up in response to locally identified need and demand.

8 On the 30 August 2011, the Department announced that 24 Free Schools will open during September 2011. The Department is considering the second round of applications to open Free Schools from 2012.

Schools capital expenditure

9 In July 2010, it was announced that the £55 billion 'Building Schools for the Future' programme to rebuild or refurbish all secondary schools in England by 2023 was to be wound down. The Government has since made £500 million of capital funding available in 2011-12 for those local authorities where rising pupil numbers are putting severe pressure on school capacity, and a new privately financed school rebuilding programme has been launched with the aim of rebuilding schools in the worst state of disrepair.

10 A government-launched review of all capital investment funded by the Department[7] called for clarity on the goals for capital expenditure, greater use of local information in determining capital allocation and standardised specifications for new buildings to improve quality at reduced cost. The review also called for larger projects to be overseen by a responsible body which should also be accountable for the maintenance of the facilities they own and manage.

11 The Department's response to the review accepted many of the report's recommendations, subject to consultation.[8]

Schools revenue expenditure

12 The Schools White Paper *The Importance of Teaching* described the current 'spend plus'[9] schools revenue system as "opaque, full of anomalies and unfair".[10] Our review of formula funding of local public services reviewed the Dedicated Schools Grant. We concluded that the Grant's current approach was unresponsive to changing needs, given that the underlying formula designed to assess the relative needs of pupils in different authorities has not been updated since 2005-06.[11]

13 In July 2011, the Government launched *Proposals for a fairer system*, a further consultation on school funding reform. The consultation details plans to introduce a new national funding formula, expand eligibility criteria of the Pupil Premium (additional funding for deprived pupils), and proposals for funding high need pupils (including those with special educational needs) and early education.[12]

Capability and leadership

14 In 2006, the Cabinet Office launched Capability Reviews to assess departments' leadership, strategy and delivery – to improve departmental readiness for future challenges and to enable departments to act on long-term key development areas. Since publication of the last round of external assessments between April 2008 and December 2009, departments are now required to conduct and publish self-assessments and resultant action plans against standard criteria set out in the Cabinet Office model of capability, which was updated in July 2009.[13] Departments must rate their capability against ten criteria under three themes:

- **Leadership criteria** – 'set direction'; 'ignite passion, pace and drive'; and 'develop people'.

- **Strategy criteria** – 'set strategy and focus on outcomes'; 'base choices on evidence and customer insight'; and 'collaborate and build common purpose'.

- **Delivery criteria** – 'innovate and improve delivery'; 'plan, resource and prioritise'; 'develop clear roles, responsibilities and delivery models'; and 'manage performance and value for money'.

7   Sebastian James, *Review of Education Capital*, April 2011.
8   Department for Education, *Implementation of the 2010-11 review of Education Capital (The James Review)*, July 2011.
9   Based on spend in year one, lifted for year two.
10 Department for Education, *The importance of teaching – Schools White Paper 2010*, Cm 7980, November 2010.
11 National Audit Office, *Formula funding of local public services*, HC1090, 2010-12.
12 Department for Education, *Consultation on school funding reform: Proposals for a fairer system*, July 2011.
13 More information about Capability Reviews is available at: www.civilservice.gov.uk/about/improving/capability/index.aspx

15 All self-assessments are due for completion by March 2012, with the first self-assessment nearing completion. In addition to self-assessment, departments also have the option of asking the Cabinet Office to undertake a full external Capability Review assessment.

16 The Civil Service People Survey aims to provide consistent and robust metrics to help government understand how it can improve levels of engagement across the Civil Service. As part of this survey, civil servants across all participating organisations are asked a range of questions across nine themes which seek to measure their experiences at work. We present here the results of the second annual people survey for the Department for Education – undertaken between mid-September 2010 and the end of October 2010 – covering the themes of leadership and managing change, and understanding of organisational objectives and purpose (**Figure 2**). Results of 17 major departments are in Appendix Two.

17 As part of the annual survey, each department receives an engagement index, assessing the level of staff engagement determined by: the extent to which staff speak positively of the organisation, are emotionally attached and committed to it and are motivated to do the best for the organisation. In 2010, the Department for Education achieved an engagement index of 60 per cent, 3 percentage points lower than last year and 4 percentage points higher than the 2010 civil service average.

Figure 2

2010 Civil Service People Survey: Department for Education

Theme	Theme score (% positive)[1]	Difference from 2009 survey	Difference from Civil Service 2010[2]
Leadership and managing change			
I feel that the Department as a whole is managed well	55	-3	+14
Senior Civil Servants in the Department are sufficiently visible	60	+3	+15
I believe the actions of Senior Civil Servants are consistent with the Department's values	49	+3	+10
I believe the Departmental Board has a clear vision for the future of the Department	40	-12	+5
Overall, I have confidence in the decisions made by the Department's Senior Civil Servants	46	-1	+10
I feel that change is managed well in the Department	41	-1	+14
When changes are made in the Department they are usually for the better	23	-10	0
The Department keeps me informed about matters that affect me	64	-5	+10
I have the opportunity to contribute my views before decisions are made that affect me	34	-8	+2
I think it is safe to challenge the way things are done in the Department	41	-5	+2
Organisational objectives and purpose			
I have a clear understanding of the Department's purpose	79	-11	-5
I have a clear understanding of the Department's objectives	69	-17	-9
I understand how my work contributes to the Department's objectives	73	-13	-7

NOTES

1   Percentage positive measures the proportion of respondents who selected either 'agree' or 'strongly agree' for a question.

2   The 2010 benchmark is the median per cent positive across all organisations that participated in the 2010 Civil Service People Survey. The difference between the Department and the Civil Service (Appendix Two) may differ due to rounding.

Source: Department for Education People Survey Results, Autumn 2010

Part Two

Financial management

18 The ability of departments to control costs and drive out waste requires professional financial management and reporting. In particular, departments need to be better at linking costs to services and benchmarking performance to determine whether costs are justified and value for money can be improved. Organisations also need to move their risk management arrangements from a process-led approach to one which supports the efficient and effective delivery of services. Organisations have to publish Statements on Internal Control[14] with their Annual Financial Statements which describe their arrangements for risk management, internal control and governance.

Financial outturn for 2010-11 and comparison with budget

19 The Department reported a total net resource outturn of £57,945 million in 2010-11, an increase of 3.8 per cent on the £55,817 million in 2009-10. In 2010-11, the Department underspent by £273 million, 0.5 per cent of the funds voted by Parliament. Ninety-six per cent of resource spend was accounted for by 'Request for Resources 1', which aims to help build a competitive economy and inclusive society by creating opportunities for learning, realising potential in people and achieving excellence in standards of education.

20 The Teachers' Pension Scheme (the Scheme) is managed by the Department and has the same Accounting Officer, but its results are reported in separate accounts. In 2010-11, the Scheme exceeded its cash limit by £11.875 million or 0.5 per cent of the £2,522 million authorised. The excess was due to a combination of receipts from employers and employees being lower than forecast and payments to retired members and dependents being higher

than forecast.[15] At the start of July 2011, the Scheme was seeking an additional grant by way of an Excess Vote.

Progress on cost reduction

21 Departments are under increasing pressure to reduce costs. The scale of cost reduction required means that they are having to look beyond immediate short-term savings and think more radically about how to take cost out of the business and how to sustain this longer term. Our Short Guide to Structured Cost Reduction,[16] published in June 2010, sets out the high level principles that we would expect departments to follow in taking a structured approach to cost reduction. It covers the three stages of cost reduction – tactical efficiency savings, strategic operational realignment, and sustainable cost reduction – and outlines nine principles underlying structured cost reduction, including, having a data-driven approach to understanding, comparing and interrogating costs.

22 We have published detailed information and guidance on a number of the principles underpinning effective structured cost reductions, including Managing risks in government,[17] Progress in improving financial management in government,[18] and Taking the measurement of government performance.[19]

23 During the three-year Comprehensive Spending Review 2007 period (April 2008 – March 2011), the Department was required to achieve value for money savings of £5.14 billion. In December 2009, the Department reported that it had achieved savings of £1.017 billion by 31 March 2009. In July 2010, our review[20] of a sample of these savings assessed 9 per cent as green, 89 per cent as amber and 2 per cent as red.[21] The savings rated as amber were rated in this way because the Department could not demonstrate that schools have reinvested savings in priority areas. We rated £13 million of savings as red because the Department revised the calculation of savings which was based on estimated data; using actual data led to a reduction compared to the reported saving.

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14   From 2011-12, Departments will produce a Governance Statement rather than a Statement on Internal Control.

15   Forecasts are supplied by Capita Business Services (contracted to manage the day to day administration of the Teachers' Pension Scheme) and are reviewed, challenged and revised by the Department during the year.

16   http://www.nao.org.uk/publications/1011/structured_cost_reduction.aspx

17   National Audit Office, *Managing risks in government*, June 2011 (http://www.nao.org.uk/publications/1012/managing_risks_in_government.aspx)

18   National Audit Office, *Progress in improving financial management in government*, HC 487, 2010-11.

19   National Audit Office, *Taking the measure of government performance*, HC 284, 2010-11.

20   National Audit Office, *Independent review of reported CSR07 value for money savings*, HC 294, 2010-11.

21   The criteria against which reported savings were calculated can be found National Audit Office, *Independent review of reported CSR07 value for money savings*, HC 294, 2010-11, Appendix Two.

Figure 3
Total Departmental spending, 2010-11 to 2014-15

	2010-11 (£bn)	2011-12 (£bn)	2012-13 (£bn)	2013-14 (£bn)	2014-15 (£bn)
Resource	51.3	51.3	52.4	52.9	53.9
Capital	7.1	5.1	4.2	3.3	3.4

Source: Department for Education Annual Report and Accounts 2010-11, HC983, pages 34-35

Spending Review 2010

24 The Department will have to make efficiencies in order to reduce departmental resource spending by 3 per cent by 2014-15. The Department plans to increase the schools budget in each year of the Spending Review period, and reduce capital spending by 60 per cent in real terms by 2014-15.[22]

NAO reports on financial management and efficiency

25 A key theme in our reports this year has been the use of resources, and the benefits of having a structured approach to evaluation in order to make improvements to programme delivery. Linked to this, we have made a number of observations on the application of benchmarking, and how comparisons can be used to identify savings and, if examined from a cost-benefit stance, improve performance. Both themes have relevance to how the Department monitors spending.

26 Use of resources: A structured approach to improvement and evaluation is necessary to ensure the continued efficient use of public resources. Our report *Educating the next generation of scientists* found that the Department had focused resources on the appropriate critical success factors to improve take-up and achievement in school science and maths, but needed to have a more structured approach to improvement and evaluation.

27 This theme was also highlighted in our report *Getting value for money from the education of 16- to 18-year-olds*, where we noted that increases in expenditure year on year have been matched by improvements in outputs, in particular, learner achievements and increasing participation. While these are positive indicators we concluded that there is further work to be done in understanding how expenditure can most efficiently and effectively generate learner achievement and progression.

28 Benchmarking: Benchmarking helps providers improve performance by facilitating comparisons of expenditure, processes and achievements. In our report *Getting value for money from the education of 16- to 18-year-olds* we commented on two examples of how benchmarks can support improved value for money. We noted that, partly in response to support from the Department, many schools and colleges have improved their management of back office costs, including benchmarking to identify areas where they can make savings. We also found that while schools can use the national schools financial benchmarking site to compare their expenditure with similar schools, not all use the tool and it does not separate data on sixth-form costs.

22   Department for Education Annual Report and Accounts 2010-11, HC 983, page 34.

29 Monitoring Spending: Determining effective and appropriate financial oversight arrangements is essential where funding is devolved. In our report on *The Academies Programme*, we observed that academies' greater independence brings risks to governance and accountability which will need to be managed as the Programme expands. We noted the need for rigorous programme monitoring and a systematic framework to secure good practice and compliance by all academies. To address this issue, we recommended that the Department and the Young People's Learning Agency should standardise as far as possible the arrangements for funding academies and plan resources for administration and risk management to keep pace with the planned expansion. Following our report, and given the need to consolidate academies into the Department's accounts for 2011-12 under the Alignment Project, the Department working through the Young People's Learning Agency has been trying to improve safeguards, including auditor independence and the quality of audit service offered. The Academies Act 2010, included a requirement for the Secretary of State to prepare, publish and lay before Parliament an Annual Report on the performance of academies for the academic year beginning 1 August 2010.

30 In *Cafcass's response to increased demand for its services*, we concluded that a number of budgetary increases between 2008 and 2010 were a necessary consequence of The Children and Family Court Advisory and Support Service ('Cafcass') efforts to meet increased demand. The report noted a number of steps Cafcass has identified and/or taken following this overspend, including improvements to budgetary controls, financial forecasting, management of the contracts of its flexible workforce and involving the Chief Executive in monitoring service areas likely to exceed the expected budget by more than 15 per cent.

NAO financial audit findings

31 The Department's accounts were certified by the Comptroller and Auditor General on 5 July 2011, before Parliament's summer recess, with an unqualified audit opinion. The 2010-11 accounts of all of the Department's related bodies audited by the Comptroller and Auditor General were certified before the recess and, with the exception of the Teachers' Pension Scheme, no qualifications were issued. In October 2010, the Department announced

that it would close a number of its arm's-length bodies as part of its plans to improve accountability, transparency and efficiency. As a result, concerns were raised over some of the Department's bodies' ability to continue operating.

Issues raised in Statements on Internal Control

32 We work with the Department and its sponsored bodies to improve their published Statements on Internal Control. We aim to ensure that the process by which Statements are produced are robust and that the Statements comply with Treasury guidance.

33 In addition to the risks presented by the general fiscal climate, the Department highlighted control issues relating to arm's-length body reform and Academies and Free Schools in its Statement on Internal Control.

34 The Department's arm's-length body reform programme aims to ensure that the new organisations created meet the objectives given to them by the Department, including the support of government policy and delivery of administrative cost savings. The Department set up an arm's-length body group to ensure that these changes are appropriately managed and that service delivery is maintained during the transition period.

35 The expansion to all schools of the eligibility to apply for academy status following the Academies Act 2010 resulted in rapid growth of academies (since August 2010, more than 850 academies have been established). The Department put in place a number of controls designed to manage issues arising from this rate of expansion. These included: the recruitment of additional staff to support programmes, a review of the Academy and Free Schools funding review mechanisms, and commissioning work to determine the accounting treatment of grant payments to academies.

36 The Young People's Learning Agency 2010-11 Annual Report and Accounts stated that, in terms of internal control issues, there remain significant challenges for the YPLA to build the systems that are needed for effective delivery of the Academies Programme.

Part Three

Use of information

37 Government needs robust, timely information on context, activities, costs, progress against its objectives, and the cost-effectiveness of its activities. It also needs to be able to interpret that information, by reference to trends, expectations, benchmarks and other comparisons, to identify problems and opportunities. Departments need reliable information on which to design and deliver services and monitor quality, be confident about their productivity, and drive continuous improvement.

38 The Coalition Government have pledged, under the transparency agenda, to make more government information available to the public to help improve accountability and deliver economic benefits. In June 2010, the system of Public Service Agreements ended and instead, departments are to be held accountable to the public based on the data they use to manage themselves.

Reporting performance: Annual Reports and Business Plans

39 Each government department now reports its performance against the priorities and objectives set out in its Business Plan. The Plan's transparency section includes performance indicators selected by the department to reflect its key priorities and demonstrate the cost and effectiveness of the public services it is responsible for. These indicators fall broadly into two categories:

- input indicators: a subset of the data gathered by the department on the resources used in delivering services; and

- impact indicators: designed to help the public judge whether departmental policies are having the desired effect.[23]

40 The Plan's structural reform section provides a detailed list of actions and milestones designed to show the steps the Department will take to implement the Government's reform agenda.

41 Departmental progress against indicators is published regularly in a Quarterly Data Summary, most recently in July 2011. The Quarterly Data Summary is designed as a standardised tool for reporting selected performance metrics for each government department in a way that facilitates comparison across departments where appropriate. Data published in the summary can be compared to the previous quarter (April 2011) which will also be the baseline for this data set. The information in the summary has not been audited and the Cabinet Office has said that the accuracy of the data for all departments needs to improve.[23] However, the Cabinet Office expects that over time, with improvements in data quality and timeliness, the public will be able to judge the performance of each department in a meaningful and understandable manner. An annual version of this information is expected to be formally laid in Parliament in departments' Annual Reports and Accounts from 2012 onwards. The Department provides monthly returns to Number 10 on progress on the Structural Reform Actions in the Departmental Business Plan.

42 It is too early to comment on departmental performance reported against the new performance indicators. Through its review of departmental business planning, however, the House of Commons Committee of Public Accounts[24] identified some essential elements to help ensure effective accountability and value for money, including the need for:

- monitoring arrangements which align costs and results for all significant areas of departmental activity and spending; and

- clear definitions of expected outcomes and standards, rigorous timelines and appropriate strategies to intervene when expectations are not met.

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23 The latest data is available on the Department's website. www.cabinetoffice.gov.uk/resource-library/business-plan-quarterly-data-summary

24 *Departmental Business Planning* (Thirty-seventh Report of Session 2010-12), House of Commons Committee of Public Accounts, May 2011, http://www.publications.parliament.uk/pa/cm201012/cmselect/cmpubacc/650/650.pdf

Performance reported by the Department

43 The Department has adopted five input indicators covering aggregate spending on: 3-4 year olds; Schools (including and excluding Pupil Premium); 16-19 year olds; and the Early Intervention Grant. It has committed to publishing national data against each one annually, starting in 2011. For those indicators reported, spend has increased. The figures are not, however, comparable as they cover different periods. Expenditure has also been reclassified between categories, such as the £2.22 billion Early Intervention Grant which was introduced in 2011, and replaced a number of previous grants.

44 The Department's impact indicators cover attainment, outcomes, school quality and school numbers (including both academies and free schools), factors affecting education, vulnerable children, young people and early years. For all indicators where data is available, the direction of change from 2009-10 is positive (i.e. participation and attainment show increases, attainment gaps and absences show decreases).

45 In addition to the data the Department publishes on its own and the Number Ten websites, the Department makes available new school details and performance tables, numbers recruited to the Teach First programme, and numbers and proportions benefiting from the Pupil Premium and free Early Years provision.

Structural Reform priorities[25]

46 The Business Plan includes the Department's six structural reform priorities. These six priorities are divided into 24 tasks, which are then further broken down into a total of 105 actions. Of the 35 actions due to be completed in 2010-11, the Department reported that 25 were completed on time and all 35 were completed by 31 March 2011.

Testing the reliability of performance data across government

47 Some of the data systems used to report against the new performance indicators will be the same as those already used by the Department to report against Public Service Agreements. In July 2010, we published our Sixth Validation Compendium Report on our work to test the systems used to report against Public Service Agreements. Our report found that the quality of data systems had improved but a third of the systems examined needed strengthening to improve controls or transparency and 10 per cent of systems were not fit for purpose.

48 Over the next three years we will complete work to validate the data systems underpinning the departmental business plans and other key management information.

Use of information by the Department

49 Our reports have found the Department's use of information to be variable, in particular where the Department uses information to evaluate performance. Our reports have, though, identified some areas of good practice in using information to improve performance, citing ongoing action by the Department and its bodies to monitor and further optimise service delivery.

50 Information to evaluate performance: In *Educating the next generation of scientists*, we found that two thirds of initiatives to improve take-up and achievement in science and maths had no evaluation phase, or none planned. The same report found that the Department had not collected routine data to measure progress against targets to improve school laboratory standards.

25 Information for this section is taken from http://transparency.number10.gov.uk/transparency/srp/view-srp/37

Figure 4
Progress against the Department's Structural Reform Plan

Structural Reform Priorities	Number of actions due to be completed in 2010-11	Number of actions that were met on time	Number of actions missed by 1-3 months but completed in 2010-11
Increase the number of high quality schools and introduce fair funding	11 of 17	9	2
Reform the school curriculum and qualifications	4 of 4	3	1
Reduce bureaucracy and improve accountability	7 of 12	5	2
Train and develop the professionals who work with children	2 of 2	2	–
Introduce new support for the early years	4 of 8	1	3
Improve support for children, young people and families, focusing on the most disadvantaged	7 of 17	5	2
Total	35 of 60	25	10

Source: Department for Education Annual Report and Accounts 2010-11, HC 983, page 7

51 The NAO study *Getting value for money from the education of 16- to 18-year-olds* reported that the Department has effective oversight of some key aspects of the 16 to 18 education system (e.g. assurance of quality of education from Ofsted and on participation and achievement through the Young People's Learning Agency) but not others (e.g. how local authorities fulfill their responsibility for securing adequate provision and developing the market). At the local level we observed the positive use of data systems which track learner performance against national benchmarks, so that schools and further education colleges can see how they are performing comparatively.

52 Using information to improve performance:
Setting appropriate objectives and maintaining reliable data systems help the Department to determine value for money. In our report on *Cafcass's response to increased demand for its services*, we focused on whether Cafcass could have forecast and responded more effectively to the rapid increase in care cases following the Baby Peter tragedy, and whether Cafcass was prepared for reasonable variations in future demand.

53 We concluded that Cafcass's management could not have been expected to recognise earlier that the increase in demand would be sustained. Our report suggested that all service areas should undertake effective business planning, including contingency planning for challenging scenarios, given that Cafcass faces continuing high demand for its services and pressure for improved responsiveness. We noted that the Department should consider whether it required additional, formal indicators to oversee Cafcass.

Part Four

Service delivery

54 Public services are different in the ways they are delivered but their quality and cost-effectiveness depends on a number of common minimum requirements. For example, service delivery requires a well thought-out delivery model, sound programme and project management, strong commercial skills, mature process management and a real understanding of customer needs. Many of our reports to Parliament cover these issues. We summarise below some of this work, organised by key areas of the Department's business.

55 Achievement: Our reports identified a number of areas where the Department has secured improved outcomes. In *Educating the next generation of scientists*, we noted that there had been an increase in pupils taking A-level chemistry and maths over the last five years, with the numbers of pupils achieving A-C in A-level biology, chemistry, physics and maths also increasing. We noted a number of critical success factors in improving take-up and achievement, including quality and quantity of school science facilities and teachers, and availability of separate GCSE sciences (provision of 'Triple Science'). We reported that schools with a specialism in science, technology, engineering or maths and computing were effective in bringing together the programmes and resources that support good take-up and achievement in science and maths.

56 In evaluating the progress of academies against the original objectives of the Programme (*The Academies Programme*), we found that academies were generally drawing pupils from a wide range of backgrounds, participating in reciprocal 'fair access' arrangements with local schools to admit their fair share of children with challenging behaviour. We concluded that most academies were achieving increases in academic attainment for their pupils compared with their predecessor schools, although pupils from more disadvantaged backgrounds may take longer to benefit from improved standards at academies.

57 Quality of provision: Our review *Getting value for money from the education of 16- to 18-year-olds* reported that there was a tension between choice of providers and choice of courses, on the basis that providers with many learners were generally able to offer more courses, which could limit choice in areas where there were fewer providers. The report highlighted that provision was extended where smaller providers collaborate to provide wider choice. With regard to quality of education, we observed many examples of effective practice in improving the quality of teaching and learning including:

- systematic lesson observation arrangements that result in constructive feedback to teaching staff in how they can improve;

- systematic arrangements for collecting and using learner feedback on the quality of teaching and learning; and

- regular reviews of the curriculum to test whether courses are still meeting learners' needs and aspirations.

58 In our report on *Cafcass's response to increased demand for its services*, we evaluated the effectiveness of the Children and Family Court Advisory and Support Service in responding to increased demand for its services. We found that while Cafcass had improved its capacity to manage its increased caseload, it could have reacted more quickly and cost-effectively had management made more and faster progress in resolving the organisational challenges they were aware of prior to November 2008. We noted that Cafcass continued to face an enormous challenge but was implementing changes that should allow it to better deal with future demand fluctuations. We recommended that it improve the planning and communication of the changes it is putting in place, and overcome continuing difficulties with management information, IT systems, and in engaging all staff.

59 Governance and accountability: Different types of provider are subject to different accountability systems; in *Getting value for money from the education of 16- to 18-year-olds*, we highlighted that there were differences in the inspection frameworks, performance data and financial reporting of schools and further education colleges, making it difficult to perform comparative analyses of the performance of different provider types in delivering education to 16- to 18-year-olds.

60 In our report on *The Academies Programme*, we commented that new government plans will increase significantly the number of academies and fundamentally change the Academies Programme by giving successful schools greater freedoms as well as tackling underperformance. We concluded that many academies were performing impressively in delivering the intended impacts, most achieving increases in academic attainment for their pupils. To support future evaluation of value for money across an increasingly diverse range of schools, we suggested that the Department should restate the Programme objectives and how it will measure success against them.

Appendix One

Department's arm's-length bodies at 1 April 2011

Executive Non-Departmental Public Bodies and 2010-11 Department funding

British Educational Communications and Technology Agency £189.6 million[26] is the government's lead agency in education promoting the use of information and communications technology to improve and transform learning, teaching, and leadership in schools and colleges.

Cafcass (Children and Family Court Advisory and Support Service) £143.4 million[27] looks after the interests of children involved in family proceedings; advises courts about family proceedings applications; enables children to be represented in such proceedings; and provides information, advice and other support to children and their families.

The Children's Commissioner for England £2.5 million[28] was created by the Children Act 2004, and promotes the views of children and young people.

Children's Workforce Development Council £117.4 million[29] aims to drive forward workforce reform across children's services through providing advice, guidance and practical tools.

National College for School Leadership £108.5 million[30] is responsible for providing training and support for directors of schools, early years settings and children's services.

Partnerships for Schools £5,231.6 million[31] was set up as a company with responsibility for the management and delivery of the government's capital investment programmes into schools, including Building Schools for the Future and the Academies Programme.

Qualifications and Curriculum Development Agency £128.0 million[32] aims to develop the curriculum, improve and deliver assessments, and review and reform qualifications.

School Food Trust £6.9 million[33] promotes the education and health of children and young people by improving the quality of food supplied and consumed in schools.

Training and Development Agency £727.5 million[34] seeks to raise children's standards of achievement and promote their well-being by improving the training and development of the whole school workforce.

Young People's Learning Agency £9,499.6 million[35] was established in April 2010 to provide financial support to young learners, fund academies and support local authorities to commission suitable education and training opportunities for 16-19 year olds.

26 The Secretary of State for Education abolished BECTA in March 2011.

27 The Family Justice review Interim Report, published on 31 March recommended that the court social work functions currently provided by Children and Family Court Advisory and Support Service should be subsumed within the Family Justice Service which would be part of the Ministry of Justice. The Government will make a response following the publication of the final report in October.

28 John Dunford carried out a review of the powers, remit and function of the Commissioner as well as the impact the post has made to date. His report was published in November 2010, recommending a strengthened more independent role for the Commissioner, which will need to be brought about by legislation.

29 The Government has announced that it is withdrawing funding from CWDC.

30 Will become an Executive Agency from April 2012.

31 Partnerships for Schools (PfS) will be wound up and its functions transferred to the DfE policy directorates and the new Education Funding Agency (EFA). PfS's future role was considered as part of the Department's Review of all capital investment in schools, early years, colleges and sixth forms.

32 Finishes operating by April 2012 subject to Education Bill approval, some functions to transfer to the new Standards and Testing Agency.

33 Will become an independent body and set up a separate Community Interest Company.

34 Finishes operating by April 2012 subject to Education Bill approval, functions to transfer to the new Teaching Agency.

35 Finishes operating by April 2012 subject to Education Bill approval, to be replaced by the Education Funding Agency.

Advisory Non-Departmental Public Bodies

School Support Staff Negotiating Body[36] considers and negotiates on matters referred to it by the Secretary of State relating to the remuneration of school support staff, or conditions of employment relating to the duties or working time of school support staff.

School Teachers' Review Body[37] examines and reports on matters relating to the statutory conditions and employment of school teachers in England and Wales as may from time to time be referred to it by the Secretary of State for Children, Schools and Families.

Public Corporation

General Teaching Council for England seeks to improve standards of teaching and the quality of learning in the public interest.

In addition to the bodies listed above, there are two independent non-ministerial departments whose responsibilities relate closely to those of the Department:

Office for Standards in Education, Children's Services and Skills (Ofsted)[38] regulates and inspects those responsible for the care of children and young people, and for educating and developing skills in learners of all ages.

Office of Qualifications and Examinations Regulation (Ofqual)[39] regulates qualifications, examinations and assessments in England, including the National Curriculum assessments (SATs).

36 Decision to abolish the SSSNB announced on 28 October 2010, with statutory closure later through passage of the Education Bill.
37 Will retain its status as an independent Review Body advising on teachers' pay and conditions.
38 Will be retained as an independent Non-Ministerial Department but reform will take place around aspects of inspection to increase proportionality, refocus on core priorities and reduce burdens.
39 Will be retained as an independent Non-Ministerial Department, but legislation will be introduced to strengthen it.

Appendix Two

Results of the Civil Service People Survey 2010

Question scores (% strongly agree or agree)	Civil service overall
Leadership and managing change	
I feel that the Department as a whole is managed well	41
Senior Civil Servants in the Department are sufficiently visible	45
I believe the actions of Senior Civil Servants are consistent with the Department's values	39
I believe that the Departmental Board has a clear vision for the future of the Department	35
Overall, I have confidence in the decisions made by the Department's Senior Civil Servants	36
I feel that change is managed well in the Department	27
When changes are made in the Department they are usually for the better	23
The Department keeps me informed about matters that affect me	54
I have the opportunity to contribute my views before decisions are made that affect me	32
I think it is safe to challenge the way things are done in the Department	39
Organisational objectives and purpose	
I have a clear understanding of the Department's purpose	84
I have a clear understanding of the Department's objectives	78
I understand how my work contributes to the Department's objectives	80

Source: Civil Service People Survey 2010, http://www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service

Department for Business, Innovation & Skills (excluding agencies)	Cabinet Office (excluding agencies)	Department for Communities and Local Government (excluding agencies)	Department for Culture, Media and Sport (excluding agencies)	Ministry of Defence (excluding agencies)	Department for Education	Department of Energy & Climate Change	Department for Environment, Food and Rural Affairs (excluding agencies)	Foreign and Commonwealth Office (excluding agencies)	Department of Health (excluding agencies)	HM Revenue & Customs	HM Treasury (excluding agencies)	Home Office (excluding agencies)	Department for International Development	Ministry of Justice (excluding agencies)	Department for Transport (excluding agencies)	Department for Work and Pensions (including Jobcentre Plus and Pension, Disability and Carers Service)
38	33	27	38	23	55	47	38	58	39	12	56	43	60	38	42	25
50	48	42	62	27	60	68	49	64	51	23	68	50	65	46	53	25
40	38	28	43	28	49	52	37	60	42	19	52	43	56	40	39	23
29	24	19	25	21	40	35	31	49	28	15	35	30	51	32	29	20
33	33	23	33	20	46	49	32	52	37	11	51	39	50	34	32	17
31	20	21	29	16	41	31	29	45	21	11	35	26	41	27	25	22
18	15	13	12	12	23	25	20	37	14	9	32	21	30	24	15	15
58	52	51	68	45	64	69	62	64	52	31	64	57	66	53	57	41
28	32	29	48	22	34	34	34	43	29	16	54	34	44	31	36	19
34	38	32	44	35	41	45	40	47	33	21	57	40	42	37	40	28
75	70	63	71	83	79	89	77	82	74	65	85	82	94	76	68	76
68	58	59	67	77	69	83	71	79	69	62	79	77	91	70	61	73
76	67	67	70	81	73	84	77	83	74	65	77	79	90	73	69	75

Appendix Three

Publications by the NAO on the Department since 2008

Publication date	Report title	HC number	Parliamentary Session
23 March 2011	Getting value for money from the education of 16- to 18-year-olds	HC 823	2010-11
12 November 2010	Educating the next generation of scientists	HC 492	2010-11
10 September 2010	Department for Education: The Academies Programme	HC 288	2010-11
28 July 2010	Cafcass's response to increased demand for its services	HC 289	2010-11
20 July 2010	Department for Education: Independent review of reported CSR07 value for money savings	HC 294	2010-11
June 2010	A Short Guide: The NAO's work on the Department for Education	www.nao.org.uk/publications/1011/ short_guide_dfe.aspx	
14 January 2010	Sure Start children's centres: Memorandum for the Children, Schools and Families Committee	www.nao.org.uk/publications/0910/ sure_start_childrens_centres.aspx	
09 July 2009	Partnering for school improvement	HC 822	2008-09
30 April 2009	Financial Management in the Department for Children, Schools and Families	HC 267	2008-09
12 February 2009	The Building Schools for the Future Programme: Renewing the secondary school estate	HC 135	2008-09
19 November 2008	Department for Children, Schools and Families – Mathematics performance in primary schools: Getting the best results	HC 1151	2007-08
11 July 2008	Renewing the physical infrastructure of English further education colleges	HC 924	2007-08

Appendix Four

Cross-government NAO reports of relevance to the Department since 2008

Publication date	Report title	HC number	Parliamentary Session
20 July 2011	Formula funding of local public services	HC 1090	2010–12
25 March 2011	Cabinet Office: The Efficiency and Reform Group's role in improving public sector value for money	HC 887	2010-11
11 March 2011	Managing staff costs in central government	HC 818	2010-11
03 March 2011	Progress in improving financial management in government	HC 487	2010-11
17 February 2011	Delivering regulatory reform	HC 758	2010-11
8 December 2010	The impact of the 2007-08 changes to public service pensions	HC 662	2010-11
14 October 2010	Central Government's use of consultants and interims	HC 488	2010-11
20 July 2010	Progress with VFM savings and lessons for cost reduction programmes	HC 291	2010-11
16 July 2010	Taking the measure of government performance	HC 284	2010-11
June 2010	A short guide to structured cost reduction	www.nao.org.uk/publications/1011/structured_cost_reduction.aspx	
18 March 2010	Reorganising central government	HC 452	2009-10
06 November 2009	Commercial skills for complex government projects	HC 962	2008-09
21 October 2009	Measuring up: How good are the Government's data systems for monitoring performance against Public Service Agreements?	HC 465	2008-09
16 October 2009	Government cash management	HC 546	2008-09
16 July 2009	Review of errors in Guaranteed Minimum Pension Payments	HC 878	2008-09
29 April 2009	Addressing the environmental impacts of Government procurement	HC 420	2008-09
26 March 2009	Innovation across central government	HC 12	2008-09
27 February 2009	Helping Government Learn	HC 129	2008-09
5 February 2009	Assessment of the Capability Review programme	HC 123	2008-09
20 February 2008	Managing financial resources to deliver better public services	HC 240	2007-08
17 January 2008	Making changes in operational PFI projects	HC 205	2007-08

Appendix Five

Other sources of information

Reports from the Committee of Public Accounts since 2008

Publication date	Report title	HC number
24 May 2011	Thirty-seventh Report of Session 2010–12 Departmental Business Planning	HC 650
27 January 2011	Seventeenth Report of Session 2010-11 The Academies Programme	HC 552
20 January 2011	Fifteenth Report of Session 2010-11 Educating the next generation of scientists	HC 632
11 November 2010	Sixth Report of Session 2010-11 Cafcass's response to increased demand for its services	HC 439
15 October 2009	Fiftieth Report of Session 2008-09 Supporting people with autism through adulthood	HC 697
11 June 2009	Twenty-seventh Report of Session 2008-09 Building Schools for the Future: renewing the secondary school estate	HC 274
7 May 2009	Twenty-third Report of Session 2008-09 Mathematics performance in primary schools: getting the best results	HC 44

Recent documents from other sources

Publication date	Report title
July 2011	Implementation of the 2010-11 Review of Education Capital (The James Review) – Consultation document, Department for Education
May 2011	Education Bill – HL Bill 67 2010-12 (as brought from the Commons)
April 2011	Review of Education Capital, Sebastian James
November 2010	The Importance of Teaching – The Schools White Paper 2010, Department for Education
December 2009	Autumn Performance Report 2009 – Progress against our Public Service Agreements and Departmental Strategic Objectives, Department for Children, Schools and Families
July 2008	Department for Children, Schools and Families: Progress and next steps (Capability Review), Cabinet Office

Where to find out more

The National Audit Office website is
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