



National Audit Office

## **DEPARTMENTAL OVERVIEW**

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# **A summary of the NAO's work on the Department for Education 2011-12**

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**SEPTEMBER 2012**

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The C&AG certifies the accounts of all government departments and many other public sector bodies.

He has statutory authority to examine and report to Parliament on whether departments and the bodies they fund have used their resources efficiently, effectively, and with economy.

Our studies evaluate the value for money of public spending, nationally and locally. Our recommendations and reports on good practice help government improve public services, and our work led to audited savings of more than £1 billion in 2011.



National Audit Office

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# Introduction

## **Aim and scope of this briefing**

The primary purpose of this report is to provide the Education Select Committee with a summary of the Department for Education's recent performance, based primarily on the Department's Accounts and National Audit Office work. The content of the report has been shared with the Department to ensure that the evidence presented is factually accurate.

# 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. Further and higher education continue to be the responsibility of the Department for Business, Innovation and Skills.

**2** The Department's strategic priorities<sup>1</sup> are to:

- increase the number of high quality schools and introduce fair funding;
- reform the school curriculum and qualifications;
- reduce bureaucracy and improve accountability;
- train and develop the professionals who work with children;
- improve support for children in the Foundation Years; and
- improve support for children, young people and families, focusing on the most disadvantaged.

### How the Department is organised

**3** The Department does not directly spend most of the funding voted to it by Parliament. In particular, it devolves the delivery of education to over 20,000 schools,<sup>2</sup> supported by 152 local authorities. Other organisations with delivery responsibility in 2011-12 included:

- 11 arm's-length and non-departmental public bodies (NDPBs) (see Appendix One);
- further education and sixth form colleges;<sup>3</sup> and
- 105,100 providers of childcare and early years education.<sup>4</sup>

**4** The core Department directly employed an average of 2,550 full-time equivalent staff during 2011-12, similar to the numbers employed in 2010-11.<sup>5</sup> In maintained schools and academies across England there were approximately 438,000 full-time equivalent teachers and 353,000 full-time equivalent teaching support staff.<sup>6</sup>

### Departmental Governance

**5** The Departmental Board aims to provide strategic and operational leadership alongside scrutiny and challenge of the Department's performance. Chaired by the Secretary of State, members include the full Ministerial team, the Permanent Secretary, Directors General, Finance Director and non-executive members of the Board. The Board is supported by four key committees (see Appendix Two).

**6** The Department has identified areas where it is part-compliant with the *Corporate Governance in Central Government Departments: Code of Practice*<sup>7</sup> and has developed its committee structure with the aim of strengthening the Board's oversight of the risk management system and procedures. This development includes review of committee membership and attendance. Governance arrangements are being agreed with the four new Executive Agencies and the Non-Ministerial Departments (Ofqual and Ofsted).<sup>8</sup>

<sup>1</sup> Department for Education Business Plan 2012-15. Available at: [www.education.gov.uk/aboutdfe/departmentalinformation/Business%20Plan](http://www.education.gov.uk/aboutdfe/departmentalinformation/Business%20Plan)

<sup>2</sup> 24,372 schools as at January 2012, [www.education.gov.uk/rsgateway/DB/SFR/s001071/sfr10-2012.pdf](http://www.education.gov.uk/rsgateway/DB/SFR/s001071/sfr10-2012.pdf).

<sup>3</sup> 378 as at 23/08/2012, from Edubase. Available at: [www.education.gov.uk/edubase/home.xhtml](http://www.education.gov.uk/edubase/home.xhtml)

<sup>4</sup> Most recent figure from the Childcare and Early Years Providers Survey 2010 [www.education.gov.uk/publications/eOrderingDownload/OSR17-2011-Main%20research%20report.pdf](http://www.education.gov.uk/publications/eOrderingDownload/OSR17-2011-Main%20research%20report.pdf). Published September 2011.

<sup>5</sup> Department for Education *Annual Report and Accounts 2011-12*, HC 42, page 88.

<sup>6</sup> Figure from November 2011. Available at: [media.education.gov.uk/assets/files/pdf/s/sfr06-2012v6.pdf](http://media.education.gov.uk/assets/files/pdf/s/sfr06-2012v6.pdf).

<sup>7</sup> Produced collaboratively by HM Treasury and the Cabinet Office. Available at: [www.hm-treasury.gov.uk/d/corporate\\_governance\\_good\\_practice\\_july2011.pdf](http://www.hm-treasury.gov.uk/d/corporate_governance_good_practice_july2011.pdf)

<sup>8</sup> Department for Education *Annual Report and Accounts 2011-12*, HC 42, page 48.

## Where the Department spent its money in 2011-12

**7** The Department spent over £56 billion in 2011-12, with almost two-thirds (£35.5 billion) going to schools and services for young people via local authorities (**Figure 1**). Non-departmental public bodies received around £19 billion of funding, of which £12.7 billion was provided to the Young People's Learning Agency. Forty-eight per cent of this was spent on academies, with 32 per cent spent on 16-19 further education and 12 per cent on school sixth forms.

## Recent developments and current challenges

### Expansion of academies and free schools

**8** The provisions of the Academies Act 2010 allowed for the establishment of academies, which are publicly funded independent state schools outside local authority control. By 31 March 2012, there were 1,635 academies, of which 1,168 had opened during 2011-12. By September 2012, a further 674 academies had opened.

**9** The Act also allowed the establishment of academies which are free schools. These are publicly funded schools set up in response to locally identified demand. Twenty-four free schools opened in September 2011, and a further 55 opened in September 2012.<sup>9</sup> On 3 September 2012, the Government announced that a further 114 applications had been approved; it expects the majority of these to open in September 2013.<sup>10</sup>

### Capital expenditure

**10** The Spending Review 2010 required the Department to reduce its total capital expenditure by 60 per cent in real terms over the spending review period from 2011-12 to 2014-15. The Review announced a capital allocation of £15.8 billion for the Department over the period, with a further £125.9 million in 2011-12 for University Technical Colleges and other needs.

**11** The Government's 2011 Autumn Statement announced an additional £600 million capital funding to support local authorities with the greatest demographic pressures for school places. This was alongside £600 million of capital expenditure to fund 100 additional free schools. In April 2012, the Secretary of State announced that the additional funding for school places would be allocated to local authorities in full in 2012-13, alongside how much each local authority would receive.

**12** The 'Priority School Building Programme' was launched in July 2011, with the aim of rebuilding and repairing the schools most in need of urgent repair. In May 2012, the Department announced that it had selected 261 of the 587 applicant schools for inclusion in the Programme,<sup>11</sup> which would be procured centrally by the Education Funding Agency using mostly private finance. Forty two schools – those in the very worst condition and all special schools within the Programme – would be funded by capital grant with the aim of earlier completion. The Department intended to make the necessary capital funding available from savings elsewhere in the Department's capital budget. Funding levels for the Programme are yet to be announced.

### Schools revenue expenditure and other programme costs

**13** During 2011-12, several reforms to the Department's programmes were introduced with the intention of simplifying the funding system.<sup>12</sup> Some grants to local authorities, such as the School Standards and Sure Start grants ceased, while payment of the Pupil Premium and Early Intervention Grant commenced.<sup>13</sup>

**14** Following consultation in 2011-12,<sup>14</sup> the Department announced its school funding arrangements for 2013-14 in July 2012. The plans are designed to simplify the process and pave the way for the introduction of a national funding formula after the next spending review.<sup>15</sup>

9 Available at: [www.education.gov.uk/schools/leadership/typesofschools/freeschools/b0066077/open-free-schools](http://www.education.gov.uk/schools/leadership/typesofschools/freeschools/b0066077/open-free-schools)

10 Available at: [www.education.gov.uk/schools/leadership/typesofschools/freeschools/a00211685/free-schools-opening-2013](http://www.education.gov.uk/schools/leadership/typesofschools/freeschools/a00211685/free-schools-opening-2013)

11 Written ministerial of 24 May 2012, column 83WS, available at: [www.publications.parliament.uk/pa/cm201213/cmhansrd/cm120524/wmstext/120524m0001.htm#12052447000007](http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm120524/wmstext/120524m0001.htm#12052447000007)

12 Written ministerial Statement of 13 December 2010 – columns 65WS to 71WS. Available at: [www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101213/wmstext/101213m0001.htm](http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101213/wmstext/101213m0001.htm)

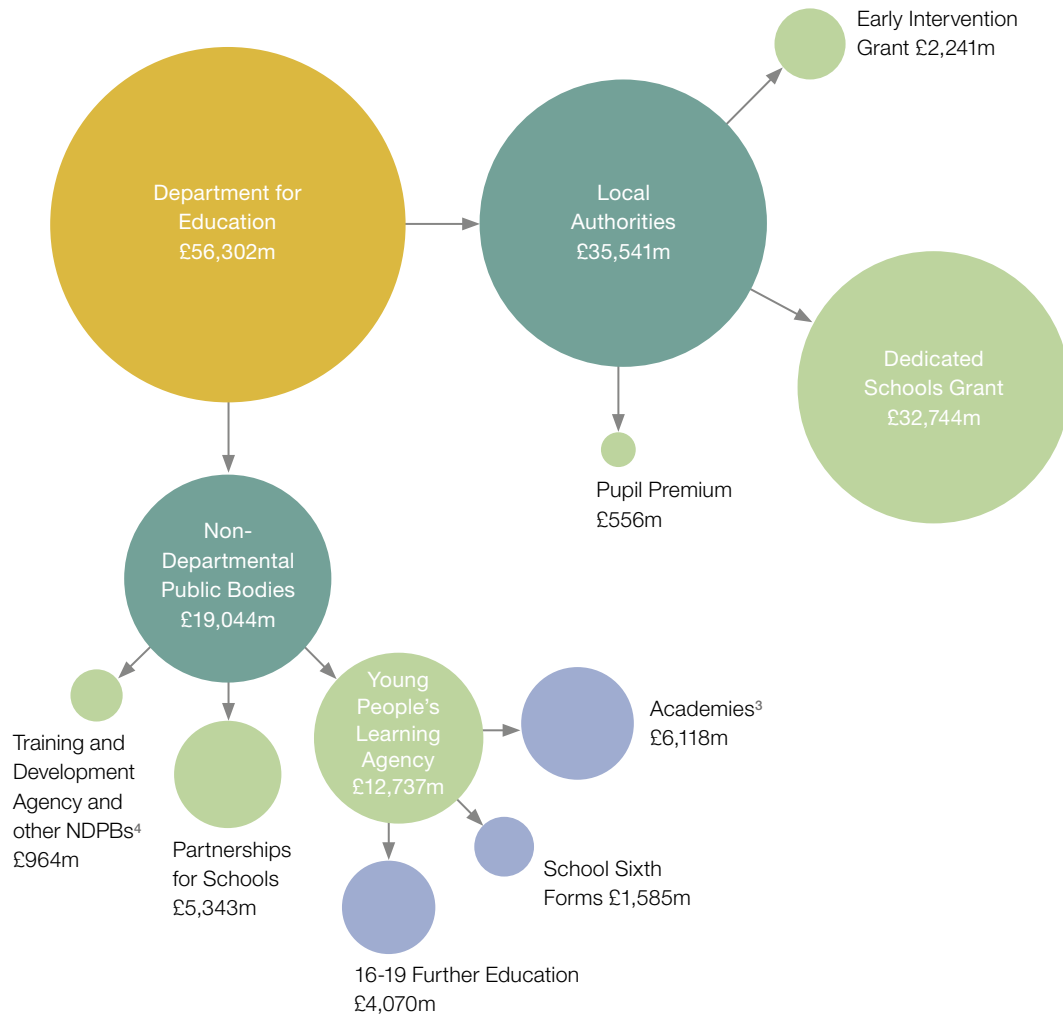
13 Department for Education *Annual Report and Accounts 2011-12*, HC 42, pages 91-92.

14 Department for Education, *School funding reform: next steps towards a fairer system*, March 2012.

15 Department for Education, *School funding reform: Arrangements for 2013-14*, July 2012.

**Figure 1**

Where the Department spent its money in 2011-12

**NOTES**

- Figures for low spend areas are omitted; therefore subtotal figures do not always total. The difference between Department for Education net spend of £56.4 billion and NDPB and local authority expenditure of £54.6 billion includes £87.7 million of core Department administration costs, and £142 million core Department staff costs and £1.6 billion of other grants paid by the core Department.
- Estimates are not comparable to figures in the 2010-11 Departmental Overview, as expenditure disclosures have changed between the 2010-11 and 2011-12 Department for Education resource accounts.
- Academies expenditure of £6,118 million consists of £5,289 million pre-16 participation academy expenditure and £829 million academy and free schools sixth forms expenditure.
- Includes £561 million, to the Training and Development Agency.
- Excludes academy sixth forms.

Sources: Department for Education, Annual Report and Accounts 2011-12, HC42; and Young People's Learning Agency, Annual Report and Accounts 2011-12

## Special Educational Needs

**15** The Department published its response to consultation on its 2011 Green Paper on Special Educational Needs in May 2012. In September 2012, it published draft provisions for pre-legislative scrutiny. Through a draft bill later in 2012, the Department intends to implement the following reforms to the existing system by 2014:

- introduce a single birth to 25 assessment process requiring local authorities and health bodies to take joint responsibility for providing services;
- require local authorities to produce integrated education, health and care plans for parents;
- offer personal budgets to parents and young people with one of these plans;
- provide for further education colleges, academies and free schools to have the same duties as maintained schools to safeguard the education of children and young people with special needs; and
- extend statutory protection for young people with special needs to age 25 and require local authorities to publish information for families on the support available.

**16** The changes have been piloted in 20 local pathfinder areas since 2011 with the interim evaluation report due in October 2012 and final report in 2013.<sup>16</sup> The Department intends to use the findings to inform the changes made to legislation through the bill.

## Extension of Free Entitlement to Early Education

**17** In October 2010, the Department announced plans to extend the free entitlement to early education for three- and four-year-olds to include around 20 per cent of two-year-olds from September 2013. Following consultation, the Department has decided that eligibility will cover children who:

- are looked after by the local authority; or
- would be eligible for free school meals if they were of school age.

**18** In the 2011 Autumn Statement, the Government announced plans to extend further the entitlement to cover 40 per cent of two-year-olds from September 2014. The Department announced additional funding for local authorities of £64 million in 2011-12 increasing each year to £760 million in 2014-15, the first full year of the new entitlement.<sup>17</sup>

## Arm's-Length Body (ALB) Reform

**19** In October 2010, the Cabinet Office published its cross-government review of over 900 public bodies aiming to streamline functions and increase transparency and accountability.<sup>18</sup> As part of this review, the Department concluded that 11 of its 15 ALBs and non-departmental public bodies would be replaced by four executive agencies, which could combine the traditional policy functions of the Department with the advisory and executive functions of the ALBs.<sup>19</sup> Four ALBs closed in 2010-11, with the remaining seven closing in 2011-12. The Department intends that this restructuring will contribute to its target to reduce its administration costs by 42 per cent during the current spending review period.<sup>20</sup>

**20** The Standards & Testing Agency opened on 1 October 2011, while the Teaching Agency, the National College and the Education Funding Agency began operating on 1 April 2012 (see Appendix One).

16 DfE, Support and aspiration: A new approach to special educational needs and disability, May 2012, available at: [www.education.gov.uk/publications/eOrderingDownload/A%20new%20approach%20to%20special%20educational%20needs%20and%20disability%20-%20Next%20Steps.pdf](http://www.education.gov.uk/publications/eOrderingDownload/A%20new%20approach%20to%20special%20educational%20needs%20and%20disability%20-%20Next%20Steps.pdf)

17 Department for Education, Government response: Proposed changes to free early education and childcare sufficiency, available at: [www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/free%20entitlement%20to%20early%20education/b0070114/eefortwoyearolds](http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/free%20entitlement%20to%20early%20education/b0070114/eefortwoyearolds)

18 Available at: [www.cabinetoffice.gov.uk/sites/default/files/resources/Public\\_Bodies\\_Reform\\_proposals\\_for\\_change.pdf](http://www.cabinetoffice.gov.uk/sites/default/files/resources/Public_Bodies_Reform_proposals_for_change.pdf)

19 Available at: [www.education.gov.uk/aboutdfe/armslengthbodies/a0076503/arms-length-body-alb-reform](http://www.education.gov.uk/aboutdfe/armslengthbodies/a0076503/arms-length-body-alb-reform)

20 Department for Education *Annual Report and Accounts 2011-12*, HC 42, page 5.



## Capability and leadership

**21** 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. Departments are 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.<sup>21</sup> 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'.

**22** The Department published its Interim Capability Assessment in December 2011.<sup>22</sup> It identified three delivery challenges to respond to during 2012:

- the delivery of the complex reform agenda;
- continuing to shape the Department's structure to deliver the reform agenda; and
- managing the change in senior leadership.

**23** The Department rated itself Amber/Green or Green for nine of the ten capability themes with the 'plan resource and prioritise' criterion rated Amber/Red. The assessment found that the different planning processes within the Department created risks for planning over the short, medium and long term. The Department has stated that it intends to build upon the assessment ahead of a full Capability Review.

## Staff engagement

**24** The Civil Service People Survey aims to provide consistent and robust metrics to help government understand the key drivers of engagement, so that it can build upon strengths and tackle weaknesses across the civil service. The survey of civil servants across all participating organisations includes a range of questions across nine themes which seek to measure their experiences at work. **Figure 2** overleaf presents the results from the third annual people survey for the Department for Education – undertaken between mid-September 2011 and mid-October 2011 – covering the themes of leadership and managing change, and understanding of organisational objectives and purpose. The results from 17 major departments are in Appendix Three.

**25** 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 2011, the Department for Education achieved an engagement index of 59 per cent, one percentage point lower than last year and three percentage points higher than the 2011 civil service average.

21 Available at: [www.civilservice.gov.uk/about/improving/capability/background](http://www.civilservice.gov.uk/about/improving/capability/background)

22 Available at: [www.education.gov.uk/aboutdfe/departmentalinformation/reports/a00200941/department-for-education-interim-capability-assessment-2011](http://www.education.gov.uk/aboutdfe/departmentalinformation/reports/a00200941/department-for-education-interim-capability-assessment-2011)

**Figure 2**  
2011 Civil Service People Survey: Department for Education

Theme	Theme score (% positive) <sup>1</sup>	Difference from 2010 survey	Difference from the civil service average <sup>2</sup>
<b>Leadership and managing change</b>			
I feel that the Department as a whole is managed well	49	-5	+9
Senior civil servants in the Department are sufficiently visible	53	-6	+8
I believe the actions of Senior civil servants are consistent with the Department's values	46	-3	+7
I believe the Departmental Board has a clear vision for the future of the Department	43	+3	+4
Overall, I have confidence in the decisions made by the Department's Senior civil servants	43	-4	+6
I feel that change is managed well in the Department	32	-9	+5
When changes are made in the Department they are usually for the better	21	-2	-2
The Department keeps me informed about matters that affect me	58	-6	+3
I have the opportunity to contribute my views before decisions are made that affect me	37	+3	+1
I think it is safe to challenge the way things are done in the Department	39	-2	+1
<b>Organisational objectives and purpose</b>			
I have a clear understanding of the Department's purpose	85	+7	+1
I have a clear understanding of the Department's objectives	81	+12	+2
I understand how my work contributes to the Department's objectives	82	+9	+1

**NOTES**

- 1 Percentage positive measures the proportion of respondents who selected either 'agree' or 'strongly agree' for a question.
- 2 The 2011 benchmark is the median per cent positive across all organisations that participated in the 2011 Civil Service People Survey.

Source: *Department for Education People Survey Results, Autumn 2011*

# Part Two

## Financial management

**26** 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. Improvements in these areas of management will help public bodies to deliver cost-effective services as they make difficult financial decisions over the coming years.

**27** Departments are required to publish Governance Statements with their Annual Report and Accounts, which describe their arrangements for corporate governance, risk management, and oversight of locally delivered responsibilities. Governance Statements replace Statements on Internal Control which were published in previous years. They are designed to include additional discussion of how governance in the Department works, in line with the Corporate Governance Code.<sup>23</sup>

**28** The Department's first Accountability Statement was produced on 31 January 2012 and was considered by the Committee of Public Accounts (PAC). The Department is now redrafting its Statement to take account of the PAC's views and plans to publish a revised version later in 2012.

### Financial outturn for 2011-12 and comparison with budget

**29** The Department spent £56,302 million in 2011-12, a decrease of 2.6 per cent on £57,781 million in 2010-11. In 2011-12, the Department spent less than its overall spending limit by £105 million; this amount was within 0.2 per cent of the funds voted by Parliament.<sup>24</sup>

**30** However, the Department must manage its expenditure within two separate limits voted by Parliament. It overspent against one of the limits, annually managed expenditure, by £62.6 million during 2011-12 which led to qualification of its accounts. This is explained in the section 'NAO financial audit findings'.

### Progress on cost reduction

**31** Departments remain under pressure to reduce costs. The scale of cost reduction required means that departments need 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.

**32** In February 2012, we examined the cost reductions achieved by 12 departments in our report *Cost reduction in Central Government: A Summary of Progress*. We found that departments successfully cut spending by £7.9 billion (2.3 per cent) in 2010-11 compared to 2009-10, but further cuts are needed in most departments over the next four years. We concluded that fundamental changes are needed in government to achieve sustainable reductions on the scale required – Departments will achieve long-term value for money only if they identify and implement new ways of delivering their objectives, with a permanently lower cost base.

**33** The Department is required to reduce its total resource expenditure by 3 per cent in real terms over the spending review period from 2011-12 to 2014-15. As explained in the section on Recent Developments and Current Challenges, the Spending Review 2010 required the Department to reduce its total capital expenditure by 60 per cent in real terms over the spending review period. The Department also plans to reduce administrative costs by 42 per cent through the ALB reform programme, the restructuring and reallocation of staff and the establishment of a Departmental Review to take forward actions and recommendations from the 2011 Interim Capability Assessment and People Survey.

**34** The Department has not been presented as a case study in any of the NAO's reports on cost reduction in 2011-12. We will be looking in more detail at the Department's cost reduction strategy in 2012-13.

<sup>23</sup> Available at: [www.hm-treasury.gov.uk/psr\\_governance\\_corporate.htm](http://www.hm-treasury.gov.uk/psr_governance_corporate.htm)

<sup>24</sup> Department for Education, *Annual Report and Accounts*, 2011-12, page 67, July 2012.

**Figure 3**

Total Departmental spending, 2011-12 to 2014-15

	2011-12 (£bn)	2012-13 (£bn)	2013-14 (£bn)	2014-15 (£bn)
Resource DEL	51.2	52.5	53.1	54.2
Capital DEL	5.0	4.6	3.7	3.9

**NOTE**

1 Information derived from the Department's October 2010 Spending Review Settlement.

Source: Department for Education Annual Report and Accounts 2011-12, HC 42, pages 26-27

**NAO reports on financial management**

**35** Key financial management themes in our reports this year have been the Department's use of funding formulae, the utilisation of incentives to encourage good performance, and benchmarking. A list of NAO publications on the Department since 2009 can be found in Appendix Four, and a list of relevant NAO cross-government reports can be found in Appendix Five.

## Funding formulae

**36** Our cross-government report *Landscape Review: Formula funding of local public services*, explored how the structural design of the Dedicated Schools Grant, established in 2006-07, allocated funding to local authorities mainly on the basis of a 'spend-plus' methodology, meaning that almost all of the allocation to a local authority (99 per cent in 2010-11) is based on its allocation in the previous year. This approach prioritises funding stability but is not responsive to changes in pupils' needs. For 2011-12, the Government introduced the Pupil Premium, designed to address limitations of the Dedicated Schools Grant by targeting additional funding directly to pupils eligible for free school meals. The Pupil Premium is, however, overlaid onto an existing funding system that does not target deprivation consistently.

**37** In *Oversight of financial management in local authority maintained schools*, we found that the annual time frame for determining funding makes it difficult for maintained schools to set budgets and, where necessary, plan to reduce costs. Between 2008-09 and 2010-11, local authorities and schools received information on likely funding allocations for a three-year period, giving greater predictability than previously. However, in 2011-12, local authorities and schools received information on the 2011-12 year only. The Department is proposing further reform of the schools' funding regime from 2013-14.

**38** Our report *Delivering the free entitlement to education for three- and four-year-olds* found that local authorities reported that local funding formulae were improving transparency and fairness. However, the report also found that emerging funding formulae are complex and vary across local authorities. At least a third of funding formulae were based on a limited understanding of provider costs. Around 10 per cent of local authorities surveyed by the NAO estimated that funding was sufficient to cover the costs of only a few or none of their providers. We recommended that the Department should simplify local funding formula arrangements. The Department should also analyse the anticipated impact of changes to its funding formula on the wider childcare market.

## Funding convergence and incentives

**39** In *Getting value for money from the education of 16- to 18-year-olds*, we reported on differences in funding between sixth-form colleges and school sixth forms. Sixth-form colleges were paid at a lower funding rate than school sixth forms. The report noted that the Department plans to end this funding difference by 2015. We also found that changes made by the Department to the funding of schools' sixth forms have increased incentives for schools to ensure learners complete their courses. Unlike colleges, funding for schools was not previously based on the schools' actual success rates (the proportion of people who enrolled on a course who completed the course and passed). We concluded that there were some incentives for providers to deliver high-quality, cost-effective provision; there is scope for strengthening incentives and making them more consistently effective across all provider types.

**40** The NAO report *Delivering the free entitlement to education for three- and four-year-olds* found that funding arrangements for the entitlement provide limited incentives for providers to improve service quality. Our research found no link between the proportion of Local Authorities' Dedicated Schools Grant directed to the free entitlement and take up rates or quality. We recommended that the Department's revised funding arrangements should incentivise providers to meet Departmental objectives to improve quality and support take-up for disadvantaged children.

### Benchmarking

**41** Benchmarking can help schools manage costs and improve performance by comparing their expenditure, processes and achievements. Our report on the *Oversight of financial management in local authority maintained schools* found that although the Department encouraged schools to identify savings by comparing their spending with similar schools, through its schools' financial benchmarking website, nearly half did not use this service in 2010-11. We recommended that the Department should systematically monitor the website's usage to identify those local authorities and schools that were not using it, and promote the website as a tool to help the Department and local authorities identify efficient schools which could serve as examples of good practice.

**42** Similarly, our report *Delivering the free entitlement to education for three- and four-year olds* found that the sharing and benchmarking of information between local authorities was not widespread. We recommended that the Department should lead improvements to the mechanisms of benchmarking and sharing good practice by identifying key data to support local authorities in benchmarking their own performance with peer authorities. In July 2012, the Department published the *Foundation Years benchmarking tool*.<sup>25</sup> The tool provides headline data for each local authority in England on funding, take-up, quality of provision and child development. The Department plans to expand the tool in late 2012.

### NAO financial audit findings

**43** We audit the accounts of the Department and its arm's-length bodies. The Comptroller and Auditor General gave an unqualified opinion on the truth and fairness of the Department's Annual Report and Accounts, but issued a qualified regularity opinion. The qualified regularity opinion was issued on the basis that:

- The Department breached its 2011-12 annually managed expenditure limit by £62.6 million owing to a long-standing liability to fund premature retirement payments to teachers from ex-grant-maintained schools, and a pension liability for ex-employees of the Schools Council, Training Commission and other ex-non-departmental public bodies.
- The Comptroller and Auditor General was unable to confirm that grants paid by the Young People's Learning Agency to academies had been applied for the purposes intended by Parliament. This was because its control framework was not designed to provide assurance that academies had fully complied with HM Treasury's *Managing Public Money*.<sup>26</sup> HM Treasury are required to authorise in advance certain types of special payments because they are potentially repercussive or of a novel or contentious type, including severance payments in excess of employers' contractual commitments. The Young People's Learning Agency became aware of fourteen instances at nine academies where severance payments had been made by academies in excess of employers' contractual commitments, totalling £228,000. These special payments were identified as part of Young People's Learning Agency inspections of 8 per cent of the 1,660 academies open before 31 March 2012. The frequency of the unauthorised special payments identified indicates that there were other cases of severance payments requiring HM Treasury authorisation, although the exact number was unclear. This resulted in the Comptroller and Auditor General issuing a qualified regularity opinion for both the Department's and the Young People's Learning Agency's accounts.

<sup>25</sup> Available at: [www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/b00211546/foundation-years-benchmarking-tool](http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/b00211546/foundation-years-benchmarking-tool)

<sup>26</sup> HM Treasury, *Managing Public Money*, October 2007. Available at: [www.hm-treasury.gov.uk/psr\\_mpm\\_index.htm](http://www.hm-treasury.gov.uk/psr_mpm_index.htm)

**44** The Comptroller and Auditor General issued an unqualified opinion on the 2011-12 accounts of all of the Department's arm's-length bodies. The accounts of the Department and all arm's-length bodies were certified before the summer recess. No other qualifications were issued.

### Issues raised in Governance Statements

**45** We work with the Department and its sponsored bodies to improve the quality and transparency of published Governance Statements. We aim to ensure that the processes by which Statements are produced are robust and that the Statements comply with Treasury guidance.

**46** In addition to the risks presented by the general fiscal climate, the Department's Governance Statement<sup>27</sup> highlighted control issues over its reform of arm's-length bodies, in addition to academies and free schools:

- **Arm's-length bodies:** The Department highlighted the risk of business continuity suffering when work moves from the closing arm's length bodies to the Department and new Executive Agencies. 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.
- **Academies and free schools:** The rapid growth in academies and opening of the first free schools required 'considerable resource and effort' from the Department in 2011-12 to obtain assurance that funding had been utilised properly and effectively. The Department recognised that the rapid development of the programmes gave rise to concerns over the number of staff employed to support them, as well as the processes, documentation used and funding regimes. The Department has stated that it has redeployed staff as required to respond to these business pressures.

**47** The Young People's Learning Agency Governance Statement reported a rise in compliance issues concerning academy funding agreements during 2011-12 due to the expansion of the academies programme. The Department and Education Funding Agency have stated that they are working to agree an approach which increases clarity and develops appropriate processes and guidance, so that staff, academies and parents are better informed about the routes for raising and resolving compliance issues.

# Part Three

## Reported performance

**48** Government needs robust, timely information on its 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, 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.

**49** The Government aims to make more government information available to the public to help improve accountability and deliver economic benefits. Our study reviewing early progress of the transparency agenda<sup>28</sup> concluded that while the government has significantly increased the amount and type of public sector information released, it would not maximise the net benefits of transparency without an evaluative framework for measuring the success and value for money of its transparency initiatives.

### Reporting performance: Annual Reports and Business Plans

**50** Each government department reports its performance against the priorities and objectives set out in its Business Plan. A transparency section of the Plan includes 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 three categories:

- **input indicators:** a subset of the data gathered by the Department on the resources used in delivering services;
- **impact indicators:** designed to help the public judge whether Departmental policies are having the desired effect; and
- **efficiency indicators:** setting out the cost of common operational areas to allow the public to compare the Department's operations to other organisations.

**51** A structural reform section of the Plan provides a detailed list of actions and milestones designed to show the steps the Department is taking to implement the Government's reform agenda.

**52** Departmental progress against indicators is published regularly in a Quarterly Data Summary, a standardised tool for reporting selected performance metrics for each government department in a way that facilitates comparison across departments. As well as the indicators described above, the Quarterly Data Summary includes information on overall departmental budgets and workforce statistics, and a wider selection of indicators on common areas of spend such as estates, procurement and ICT. An annual version of this information has been formally laid in Parliament in departments' 2011-12 Annual Reports and Accounts.

**53** The Cabinet Office has reported that the accuracy of the data for all departments needs to dramatically improve<sup>29</sup> and that there may not be common definitions and data collection processes between departments. These caveats mean that data on common areas of spend cannot currently be used to compare performance between departments and may be of limited use to judge individual departmental performance in its own right. Recognising the need to improve use of information across government, the Cabinet Office set out in the Civil Service Reform Plan its intention for departments to provide "good, comparable, accurate and reliable" management information. In addition, improving the quality of data is one of the key priorities within Departmental Open Data Strategies, published in June 2012. The Cabinet Office expects that, 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.

<sup>28</sup> National Audit Office, *Implementing Transparency*.

<sup>29</sup> Available at: [www.cabinetoffice.gov.uk/resource-library/business-plan-quarterly-data-summary](http://www.cabinetoffice.gov.uk/resource-library/business-plan-quarterly-data-summary)



## Performance reported by the Department

**54** In May 2012, the Department's Business Plan<sup>30</sup> set out its priorities for 2012-15. It identifies the input, impact and other indicators which the Department considers are the most useful to the public in understanding the costs and outcomes of its activities. Input indicators include: aggregate spending on three- and four-year-olds; aggregate spending on schools (including and excluding Pupil Premium), 16 to 19 year-olds and the Early Intervention Grant. It began publishing annual data for four of these indicators in its Quarterly Data Summaries (QDS) in 2011 and will report data on aggregate schools spending including the Pupil Premium from October 2012. The July 2012 QDS reports that spending on three- and four-year-olds has fallen from £2.02 billion in 2010-11 to £1.9 billion in 2011-12, while expenditure in cash terms has increased in the remaining three.

**55** The Department intends to report on 27 impact indicators. It currently reports on 16 of these in its QDS. These cover attainment, outcomes, school quality and school numbers (including both academies and free schools) and factors affecting education.

**56** Most trends in these impact indicators from academic year 2009/10 to 2010/11 are positive. Participation and attainment have increased, whilst attainment gaps and absences have decreased. However, complete data are not yet available for 11 of the 27 indicators, such as early years, vulnerable children and young people. Of these, the Department plans to publish data for two from October 2012 and a further three from Spring 2013. Three indicators were measured for the first time in 2010-11 and no prior year comparators are available. At March 2012, the remaining three indicators were still to be defined by the Department ('attainment beyond the basics at age 19', an indicator for vulnerable children and young people and an indicator for Early Years provision), which has stated that work has been undertaken to define them.

**57** The Business Plan includes the Department's structural reform priorities.<sup>31</sup> These are divided into 24 tasks, which are then further broken down into a series of actions. Of the 38 actions due to be completed in 2011-12, the Department reported that 33 were completed on time (**Figure 4**).

## Testing the reliability of performance data across government

**58** We have begun a three-year programme to examine the data systems underpinning the Departmental business plan indicators and other key management information. In September 2012, we expect to publish the results of our examination of a sample of the Department for Education's indicators and operational data systems used to report performance for the Department. This involved a detailed review of the processes and controls governing: the selection, collection, processing and analysis of data; the match between the Department's stated objectives and the indicators it has chosen; and the reporting of results.

**59** Our work in 2011-12 assessed data systems underlying five of the Department's impact indicators and seven common areas of spend indicators reported in its Quarterly Data Summary. We plan to look at the remaining indicators over the next two years. The indicators assessed were well defined, and all had systems in place. The majority of the impact and common areas of spend indicators assessed were considered fit for purpose and cost-effectively run or adequate with scope for improvement.

**60** Three of the priorities set out in the Department's 2011 Business Plan<sup>32</sup> are not covered by the Business Plan indicators published in its Quarterly Data Summary. We concluded that the introduction of quantitative impact indicators for the priorities 'reduce bureaucracy and improve accountability' and 'train and develop the professionals who work with children' would enhance the public's ability to understand progress against these priorities.

30 Department for Education, Business Plan 2012-2015, May 2012. Available at: [www.education.gov.uk/aboutdfedepartmentalinformation/business%20plan/a00209692/businessplan2012](http://www.education.gov.uk/aboutdfedepartmentalinformation/business%20plan/a00209692/businessplan2012)

31 Information for this section is taken from [transparency.number10.gov.uk/transparency/srp/view-srp/37](http://transparency.number10.gov.uk/transparency/srp/view-srp/37)

32 The three priorities are: 'Reduce bureaucracy and improve accountability'; 'train and develop the professionals who work with children'; and 'reform the school curriculum and qualifications'.



**Figure 4**

## Progress against the Department's Structural Reform Plan

Structural Reform Priorities	Number of actions due to be completed in 2011-12	Number of actions that were met on time	Number of actions missed by 1-3 months but completed in 2011-12
Increase the number of high quality schools and introduce fair funding	11 of 13	8	3
Reform the school curriculum and qualifications	2 of 6	2	0
Reduce bureaucracy and improve accountability	8 of 12	8	0
Train and develop the professionals who work with children	2 of 9	2	0
Introduce new support for the early years	5 of 8	5	0
Improve support for children, young people and families, focusing on the most disadvantaged	10 of 14	8	2
<b>Total Department</b>	<b>38 of 62</b>	<b>33</b>	<b>5</b>

Source: Department for Education Annual Report and Accounts 2011-12, HC 42, page 8

**61** The indicators assessed were well defined, and all had systems in place. Of the five impact indicators assessed, systems for four were considered fit for purpose and cost-effectively run. Weaknesses the Department should address were identified in data systems for the remaining impact indicator 'Teaching (of English, Maths and Science) by teachers with a relevant qualification'. Around 40 per cent of the data for the corresponding system was missing, while the UK Statistics Authority found a potential bias arising from these incomplete records.

**62** Of the seven common areas of spend indicators assessed, we concluded that two were fit for purpose and four were adequate with some scope for improvement. There were weaknesses in the data system supporting the remaining indicator, 'Workforce Size: Contingent Labour'. While the Department possessed and used data on consultancy expenditure, it did not readily collate data to calculate the full-time equivalent number of consultants it employed.

**The future of information management**

**63** Departments released updated versions of their Business Plans in May 2012 which included changes to their Priorities and indicators. There were no changes to coalition priorities and to indicators for the Department.

**64** The Cabinet Office has recognised the need to improve use of information across government. In the Civil Service Reform Plan<sup>33</sup> it set out its intention for departments to provide "good, comparable, accurate and reliable" Management Information. The Cabinet Office has given Lord Browne, as lead Non-Executive Director across government, a remit to examine the information received by departmental boards. In addition, improving the quality of data is one of the key priorities within Departmental Open Data Strategies, published in June 2012.<sup>34</sup> Our future work will consider these government initiatives around improving data quality, as well as continuing to test the reliability of specific data systems.

33 resources.civilservice.gov.uk/wp-content/uploads/2012/06/Civil-Service-Reform-Plan-acc-final.pdf

34 Available at: [www.cabinetoffice.gov.uk/content/open-data-white-paper-and-departmental-open-data-strategies](http://www.cabinetoffice.gov.uk/content/open-data-white-paper-and-departmental-open-data-strategies)

### Issues identified in NAO reports

**65** Key themes in our reports this year have been the Department's oversight of service provision, application of transparency and the use of benchmarking (see Part Two) to identify, establish and share good practice. A list of NAO publications on the Department since 2009 can be found in Appendix Four, and a list of relevant NAO cross-government reports can be found in Appendix Five.

#### Oversight

**66** The Department sets objectives which are delivered primarily through other organisations. It must therefore ensure information is used effectively to support consistent and effective oversight regimes.

**67** In *Oversight of special education for young people aged 16 to 25*, we found the Department's oversight of funding and general performance of providers to be reasonable but agencies' and local authorities understanding of performance differed by provider type. Both performance oversight and Ofsted assessments of the quality of special education in mainstream settings was less specific than for specialist providers, which inhibited student choice and local authority performance management. Whilst we considered the Department to have good information on individual aspects of provision, its ability to assess the value for money of post-16 special education overall was limited by inconsistent data classification, incomplete visibility of expenditure and non-comparable or under-developed measures of success.

**68** In *Delivering the free entitlement to education for three- and four-year olds*, we found that the Department did not have robust measures to demonstrate whether longer-term benefits are being realised from its annual investment of some £1.9 billion. We also found that the Department had not assessed key drivers of value for money across the delivery system and lacked robust analysis of the relationship between performance and funding levels.

**69** Our report *Getting value for money from the education of 16- to 18-year-olds* found that the Department had effective oversight of key aspects of the 16 to 18 education system such as assurance of quality of education from Ofsted and participation and achievement through the Young People's Learning Agency but there were shortcomings in oversight of 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.

#### Transparency

**70** The Department has been working to improve the transparency of information to help children, parents and members of the public make informed choices. For example, in our report *Delivering the free entitlement to education for three- and four-year olds*, local authorities reported that the Department's requirement for them to publish the formulae by which they determine the rates paid to different provider types had improved transparency. However, we found that the Department still needed to enhance the information available to help parents with their choice of free-education providers, including considering the frequency of Ofsted inspection and whether other quality information is sufficiently transparent for parents.

**71** Our report *Oversight of special education for young people aged 16–25* identified that the Department intends parents to have "transparent information about the funding committed across different public services to support their child". However, we found that from 2014, the difficulties of capturing and comparing costs across provider settings will make understanding the total cost of packages of services difficult for the Department, local authorities and parents alike.

# Appendix One

## The Department's arm's-length bodies

As a result of the Cabinet Office wide Change Programme the Department underwent a period of transition in the structure of its non-departmental and arm's-length bodies, with many amalgamated into one of four executive agencies from April 2012.

### Executive Agencies with planned 2012-13 Department Funding

#### **The Standards and Testing Agency (£41.1 million)**

began operating on 1 October 2011. It manages the development and delivery of all statutory assessments from early years to the end of Key Stage 3. This work was previously carried out by the Qualifications and Curriculum Development Agency.

**The Teaching Agency (£533.6 million)** is responsible for ensuring the supply of high-quality teachers and training, and for teacher regulation. The Agency delivers policy for teachers and instructors; those working in Early Years; classroom-based school support staff; special educational needs coordinators (SENCOs); educational psychologists and examination officers. It is also accountable for the supply and retention of the workforce, the quality of the workforce, and regulation of teacher conduct. It started operating on 1 April 2012.

#### **The Education Funding Agency**

**(£51,556.0 million)** provides funding for the education of pupils in academies; 16 to 19 education; and for young people with learning difficulties and/or disabilities aged 16 to 25. It also supports the delivery of capital programmes for schools, academies, free schools and sixth-form colleges. The EFA became operational on 1 April 2012 and brings together work previously carried out by the Young People's Learning Agency, Partnerships for Schools and the maintained schools funding division of the Department.

**The National College for School Leadership (£78.9 million)** began operating on 1 April 2012, and aims to develop leaders of schools and early years settings. Its principal objectives include enabling leaders to direct school and system improvement in partnership with each other, maintain a supply of high quality leaders for schools and children's centres, and improve the quality of leadership.

### Executive Non-Departmental Public Bodies closed in April 2012 with 2011-12 Department funding

#### **The Young People's Learning Agency**

**(£12,737.0 million)** 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 to 19 year-olds. It was replaced by the Education Funding Agency.

#### **Partnerships for Schools (£5,343.0 million)**

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. Its functions have been distributed across the Department and Education Funding Agency.

**The Training and Development Agency for Schools (£560.7 million)** sought to raise children's standards of achievement and promote their well-being by improving the training and development of the whole school workforce. Its functions were transferred to the Teaching Agency.

**The Children's Workforce Development Council (£120.6 million)** aimed to drive forward workforce reform across children's services through providing advice, guidance and practical tools. Its functions were transferred to the Teaching Agency.

**The National College for School Leadership (£111.7 million)** was responsible for providing training and support for directors of schools, early years settings and children's services. The College became an Executive Agency.

**The Qualifications and Curriculum Development Agency (£51.8 million)** aimed to develop the curriculum, improve and deliver assessments, and review and reform qualifications. Some of its functions were transferred to the Standards and Testing Agency.

### **Executive Non-Departmental Public Body Reclassified as an independent body with charitable status in October 2011**

**The School Food Trust (£1.7 million)** promoted the education and health of children and young people by improving the quality of food supplied and consumed in schools. The Trust was reclassified by the Office for National Statistics from 1 October 2011 as an independent body with charitable status in the 'not for profit institutions serving households' category.

### **Public Corporation bodies closed in April 2012**

**The General Teaching Council for England** sought to improve standards of teaching and the quality of learning in the public interest. Functions transferred to the Teaching Agency.

### **Retained Executive Non-Departmental Public Bodies with 2011-12 Department funding**

**Cafcass (Children and Family Court Advisory and Support Service) (£115.7 million)**<sup>35</sup> 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 Office of the Children's Commissioner (£2.2 million)**<sup>36</sup> created by the Children Act 2004, promotes the views of children and young people.

### **Retained Advisory Non-Departmental Public Bodies**

**School Teachers' Review Body** 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 Education.

### **Non-Ministerial Government Departments**

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)** regulates and inspects those responsible for the care of children and young people, and for educating and developing skills in learners of all ages. It has been 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.

**Office of Qualifications and Examinations Regulation (Ofqual)** regulates qualifications, examinations and assessments in England, including the National Curriculum assessments (SATs). It has been retained as an independent Non-Ministerial Department and legislation will be introduced to strengthen it.

35 The Family Justice review Interim Report, published on 31 March 2011, 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. CAFCASS will transfer to the MOJ after 2012-13.

36 The Commissioner, John Dunford, carried out a review of his post's powers, remit and function and impact 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.

# Appendix Two

## Key committees which support the Departmental Board

The **Departmental Board** is supported by four permanent committees:

- the **Executive Management Board's** focus is to provide corporate leadership and management for the Department;
- the **Delivery Assurance, Risk and Audit Committee (DARAC)** aims to scrutinise and challenge key delivery programmes and risk areas within the Department;
- the **Performance Committee** aims to provide challenge and scrutiny of the Department's performance and delivery of priorities; and
- in November 2011, the **Nominations and Governance Committee** was set up to offer detailed scrutiny of the Department's capability to meet staffing needs.

# Appendix Three

## Results of the Civil Service People Survey 2011

### Question scores (% strongly agree or agree, or % yes)

#### Leadership and managing change

I feel that the Department as a whole is managed well	40
Senior civil servants in the Department are sufficiently visible	46
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	39
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	55
I have the opportunity to contribute my views before decisions are made that affect me	36
I think it is safe to challenge the way things are done in the Department	38

#### 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	79
I understand how my work contributes to the Department's objectives	81

Source: Civil Service People Survey 2011, [www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2011](http://www.civilservice.gov.uk/about/improving/employee-engagement-in-the-civil-service/people-survey-2011)

Department for Business, Innovation and 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 and 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																	
	31	38	23	37	20	49	41	31	54	33	18	55	44	60	43	45	23
	46	49	35	47	27	53	62	44	56	53	31	67	50	68	47	59	21
	34	40	24	39	27	46	48	34	52	41	25	52	44	57	42	46	21
	29	33	22	31	20	43	30	21	51	28	22	39	33	60	39	36	20
	28	38	21	32	17	43	43	27	47	33	17	53	41	53	38	42	16
	24	27	20	33	12	32	31	21	40	19	15	42	24	40	31	31	19
	17	22	10	20	9	21	26	16	34	12	13	33	22	29	26	21	14
	59	55	50	60	41	58	64	56	60	53	39	65	62	68	56	64	39
	32	37	28	47	19	37	36	38	39	37	18	47	38	47	36	39	18
	33	41	25	42	31	39	41	40	43	33	27	55	39	43	36	45	27
	77	73	57	73	80	85	90	75	82	69	73	88	85	94	78	79	73
	70	66	53	67	72	81	85	70	79	63	70	78	80	93	72	74	71
	75	71	61	73	76	82	88	76	83	72	73	81	82	90	76	76	73

# Appendix Four

## Publications by the NAO on the Department since 2009

Publication date	Report title	HC number	Parliamentary session
3 February 2012	Delivering the free entitlement to education for three- and four-year-olds	HC 1789	2010–2012
4 November 2011	Oversight of special education for young people aged 16 to 25	HC 1585	2010–2012
19 October 2011	Oversight of financial management in local authority maintained schools	HC 1517	2010–2012
14 September 2011	Departmental Overview: A summary of the NAO's work on the Department for Education 2010-2011	<a href="http://www.nao.org.uk/publications/1012/departmental_overview_dfe.aspx">www.nao.org.uk/publications/1012/departmental_overview_dfe.aspx</a>	
26 July 2011	Raising the participation age: an assessment of cost-benefit analysis	<a href="http://www.nao.org.uk/publications/1012/raising_the_participation_age.aspx">www.nao.org.uk/publications/1012/raising_the_participation_age.aspx</a>	
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	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	<a href="http://www.nao.org.uk/publications/1011/short_guide_dfe.aspx">www.nao.org.uk/publications/1011/short_guide_dfe.aspx</a>	
14 January 2010	Sure Start Children's Centres: Memorandum for the Children, Schools and Families Committee	<a href="http://www.nao.org.uk/publications/0910/sure_start_childrens_centres.aspx">www.nao.org.uk/publications/0910/sure_start_childrens_centres.aspx</a>	
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



# Appendix Five

## Recent cross-government NAO reports of relevance to the Department

Publication date	Report title	HC number	Parliamentary session
26 June 2012	Delivering public services through markets: principles for achieving value for money	<a href="http://www.nao.org.uk/publications/1213/delivering_public_services.aspx">http://www.nao.org.uk/publications/1213/delivering_public_services.aspx</a>	
13 June 2012	Central government's communication and engagement with local government	HC 187	2012-13
18 April 2012	Implementing transparency	HC 1833	2010-2012
2 May 2012	Assurance for major projects	HC 1698	2010-2012
30 March 2012	Review: The NAO's work on local delivery	<a href="http://www.nao.org.uk/publications/1213/nao_work_on_local_delivery.aspx">http://www.nao.org.uk/publications/1213/nao_work_on_local_delivery.aspx</a>	
15 March 2012	Managing early departures in central government	HC 1795	2010-2012
2 February 2012	Cost reduction in central government: summary of progress	HC 1788	2010-2012
19 January 2012	Reorganising central government bodies	HC 1703	2010-2012
20 July 2011	Formula funding of local public services	HC 1090	2010-2012
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
3 March 2011	Progress in improving financial management in government	HC 487	2010-11
17 February 2011	Delivering regulatory reform	HC 758	2010-11

# Appendix Six

## Other sources of relevant information

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### Reports from the Committee of Public Accounts since 2009

Publication date	Report title	HC Number
22 May 2012	Eighty-sixth Report of Session 2010–2012 The free entitlement to education for three- and four-year olds	HC 1893
11 May 2012	Eighty-second Report of Session 2010–2012 Department for Education: accountability and oversight of education and children's services	HC 1957
27 April 2012	Eightieth Report of Session 2010–2012 Cost reduction in central government: summary of progress	HC 1845
24 April 2012	Seventy-Seventh Report of Session 2010–2012 Reorganising central government bodies	HC 1802
10 February 2012	Seventieth Report of Session 2010–2012 Oversight of special education for young people aged 16–25	HC 1636
16 August 2011	Forty-second Report of session 2010–2012 Getting value for money from the education of 16- to 18-year-olds	HC 1116
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

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**Recent documents from other sources**

<b>Publication date</b>	<b>Report title</b>
December 2011	Department for Education: Interim Capability Assessment, Department for Education
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 – Schools White Paper 2010, Department for Education
December 2009	Autumn Performance Report 2009, Department for Children, Schools and Families
July 2008	Department for Children, Schools and Families: Progress and next steps (Capability Review), Cabinet Office

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# Appendix Seven

## NAO work in progress on the Department

### **Expansion of the Academies Programme**

This report will examine the Department for Education's expansion of the Academies Programme since May 2010. It will consider how well the Department has planned and managed the expansion, and whether its funding and oversight framework is adequate to manage risks to value for money across the expanded Academies sector.

### **Capital spending on school places**

This report will examine whether the Department is effectively distributing its capital funds to support the delivery of sufficient school places.

### **Managing strategic cost reduction across the education sector**

The report will assess how well the Department planned for and met its spending allocation and reform priorities since the Comprehensive Spending Review 2010. It will also examine the Department's approach to driving sustainable value for money across the education sector in the longer term.







# Where to find out more

The National Audit Office website is  
[www.nao.org.uk](http://www.nao.org.uk)

If you would like to know more about  
the NAO's work on the Department for  
Education, please contact:

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