Standards
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Standards and Testing Agency

Annual report and accounts

For the year ended
31 March 2024

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Department for Education

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Chief Executive's foreword

Gillian Hillier
Chief Executive –
The Standards and Testing Agency
(STA or the Agency)

Introduction to STA

I am pleased to present STA's Annual Report and Accounts (ARA) relating to year ended 31 March 2024.

The first part of the document is the annual report and details STA's organisational structure, performance, key risks and how we performed during the year.

It also gives an overview of how we are preparing for the future.

The accounts form the second half and provide a detailed insight into the costs associated with STA's operations and delivery.

Gillian Hillier
Chief Executive
4 July 2024

Performance overview

Overview

2023-24 has been a successful year for the Agency. A thorough review of lessons learned from the previous year led to improvements in several areas and in May 2023 we oversaw the smooth delivery of key stage 1 (KS1) and key stage 2 (KS2) tests to 685,110 pupils in 16,390 schools. Results were delivered to schools as planned in July and were reflected in the DfE performance tables in November, now re-established following the pandemic.

Whilst there was some concern initially about the content and difficulty of the reading test, this reduced considerably once the test, its mark scheme and the scaled score tables were published. We have also been working with stakeholders, sharing further detail about our test development processes, to increase public confidence.

We have continued working towards producing digital assessments for the future, developing digital services to deliver our world class assessments to pupils. Where obstacles have arisen, we have made tough decisions to ensure the success of the service when it is ready to launch. As part of this work, we have established a new Assessment Digital Data and Technology division (ADDaT) within STA to reflect our expanding remit.

Following the 2017 consultation on primary assessment, we announced in July 2022 that end of KS1 assessments would no longer be statutory from the academic year 2023 to 2024 onwards. The necessary legislative amendments have now been made and took effect from 1 September 2023.

The Future Assessment Services (FAS) project team has progressed its work during the year and has been successful in appointing a supplier to deliver national curriculum assessments on behalf of STA from the 2025/26 test cycle onwards, when the current contract expires.

The following report will provide greater detail on these and other aspects of STA’s work.

Introduction to STA

STA is an executive agency of the Department for Education (DfE or Department), responsible for the statutory national curriculum tests and assessments (collectively referred to as “the assessments” in this document) for pupils in KS1 and KS2, and for the reception baseline assessment (RBA) for pupils in the early years foundation stage.

The early years foundation stage includes pre-school, nursery and reception (pupils up to the age of 5); KS1 covers years 1 and 2 (pupils aged between 5 and 7); and KS2 spans years 3 to 6 (pupils aged between 7 and 11). The RBA is taken by reception age pupils in their first 6 weeks of starting school, the phonics screening check (PSC) by year 1 pupils, and the multiplication tables check (MTC) by year 4 pupils. End of key stage tests and teacher assessments (based on teacher judgement of the standard of a pupil’s class work) take place at the end of KS1 and KS2. From 2024, administering the end of KS1 tests and providing teacher assessment judgements are both optional.

A ‘live’ test cycle (or assessment cycle) follows an academic year between September and July. This report relates to the financial year from April 2023 to March 2024 and therefore cuts across both the 2022/23 and the 2023/24 test cycles.

Statement of purpose and activities

Vision, mission and core principles
STA supports the Department's vision by developing and delivering high-quality assessments, which provide reliable and valid data on the achievements of individual pupils and, when aggregated up for their schools, is used for purposes such as school accountability and informing school choice. Information from assessments is also used to understand where additional support is required to improve pupil attainment.

In carrying out its national testing and assessment functions, STA is independently regulated by the Office of Qualifications and Examinations Regulation (Ofqual)[1]. Ofqual has a duty to keep all aspects of national testing and assessment arrangements under review and will report to the Secretary of State for Education if it appears there is, or is likely to be, a significant failing in the arrangements. Ofqual has published its annual report on the 2023 national curriculum assessments cycle.[2] Please see Risks 2023/2024 on page 26 for further information.

Purpose and activities
STA's primary purpose is to provide an effective and robust testing, assessment and moderation system, to measure and monitor pupils' progress through primary school, from reception to the end of KS2.

In carrying out these functions, STA:

- develops and implements assessment policy in England, in line with ministerial priorities
- develops high-quality national curriculum tests and assessments
- develops standards for the assessment of pupils working below the standard of the national curriculum assessments but still engaged in subject-specific study, and the engagement model for pupils working below these standards and not engaged in subject-specific study
- oversees operational delivery of national curriculum tests and assessments (including printing, supporting test administration, distribution, provision of systems, marking and data capture, and investigations of maladministration)
- sets and maintains test standards, including through a standards maintenance process
- monitors marking reliability
- produces test administration guidance for PSC, MTC, and the KS1 and end of KS2 tests
- manages the submission and moderation of teacher assessment
- investigates allegations of maladministration in RBA, PSC, MTC and the end of KS2 assessments

STA is also responsible for managing the General Qualifications Logistics Service (GQLS), sometimes known as the 'yellow label service', which is provided to exam centres and examiners. This service collects exam scripts from schools and delivers them to awarding organisations for marking.

As Chief Executive, amongst other responsibilities, I approve:

- the content of national curriculum assessments
- the setting and maintenance of standards in national curriculum assessments

I act independently of the Department and ministers to ensure confidence in the validity and reliability of test outcomes. This is set out in paragraph 5.3 of the STA framework document[3].

1 https://www.gov.uk/government/organisations/ofqual
2 https://www.gov.uk/government/publications/national-assessments-regulation-annual-report-2023
3 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1099317/STA_Framework_Document_August_2022.pdf

Structure of STA

The Agency has three divisions:

- Assessment Research and Development (ARD)
- Assessment Operation and Services (AOS)
- Assessment Digital Data and Technology (ADDaT), a new division which was set up in December 2023. It is too early in the lifecycle of this division to recognise any segmental costs in 2023-24.

What we do

STA's three divisions are responsible for different aspects of our work.

ARD is responsible for the development of assessments including assessment research, psychometrics, large-scale trialling and analysis to inform future assessments.

AOS is responsible for assessment policy, the delivery of 'live' assessments and tests, and STA's commercial and finance function and management of the Chief Executive's office.

The newly formed ADDaT is responsible for managing the build, maintenance and delivery of the new digital, data and technology services used across STA. These roles were previously carried out within ARD but were split out due to the increased focus on how STA uses digital approaches to increase its efficiency and the roll-out of the two-device RBA solution.

The assessments are taken by pupils in maintained schools (including academies and free schools), special schools, alternative provisions (including pupil referral units) and Ministry of Defence schools. Some other types of school can opt into certain assessments. All assessments are statutory and have set administration periods during the year. The exception to this is end of KS1 assessments. From 2024, end of KS1 assessments have become non-statutory but STA is continuing to develop them for schools to use on an optional basis to support their other assessments.

The assessments comprise:

- the RBA, an activity-based assessment of pupils' starting points in language, communication, literacy and mathematics, which will provide the baseline for school-level progress measures at end of KS2 from 2028 onwards. The assessment is administered within 6 weeks of starting in reception (regardless of when that happens during the school year)
- the PSC, a check which helps schools confirm whether pupils have learnt to decode words by identifying letter sounds (phonic decoding), to an appropriate standard. The check also helps schools to identify pupils who need extra help with their skills in phonics. It is administered in June to pupils who will reach the age of 6 by the end of that academic year (usually during year 1) and is repeated the following year for pupils who did not meet the expected standard on their previous attempt
- end of KS1 assessments, designed to be administered to pupils in May of the year they reach the end of the KS1 curriculum, usually year 2. They are optional tests of English reading, grammar, punctuation and spelling, and mathematics. As these assessments are now non-statutory, schools have freedom to choose if, when and how to administer them
- the MTC, designed to determine whether pupils can fluently recall their multiplication tables up to 12. The check is administered online in June to year 4 pupils who will reach the age of 9 by the end of the academic year
- end of KS2 assessments, designed for pupils who have completed the KS2 programmes of study and are working at the overall standard of the tests. The assessments include tests in English reading, grammar, punctuation and spelling, and mathematics, as well as teacher assessments in writing and science. Most pupils taking the end of KS2 tests will be in year 6 and will reach the age of 11 by the end of the academic year

The status of each of the assessments during the last 3 academic years is summarised in the table below, with some of the impact of the COVID-19 pandemic on test delivery reflected in 2021/22. The assessments in the table were statutory and state schools (including academies) were required to participate.

STA assessments in schools during the last 3 academic years

Assessment	2023/24	2022/23	2021/22
*RBA	September 2023	September 2022	September 2021
PSC	June 2024	June 2023	**Autumn 2021 – previous year 1 pupils June 2022 – current year 1 pupils
KS1	***May 2024	May 2023	May 2022
MTC	June 2024	June 2023	June 2022
KS2	May 2024	May 2023	May 2022

* The majority of pupils take the RBA in the first 6 weeks of term; however, schools continue to administer the RBA throughout the academic year to any pupils who start school later in the year.
** Additional PSC assessments were completed in autumn 2021 to test the previous year's year 1 pupils following the cancellation of the normal in-year PSC tests in those years as part of the Agency's COVID-19 response.
*** Although KS1 tests are now optional, STA suggests that any schools choosing to use them deliver them during May.

As part of the work to develop the assessments, we engage with schools to carry out a series of large-scale trials of test materials ahead of the year in which they are due to be administered to pupils.

In addition, we work in partnership with local authorities:

- who carry out monitoring visits to schools to ensure that the assessments are administered correctly and in line with our guidance
- to ensure that they have enough qualified staff to undertake moderation of teacher assessments. This moderation provides quality assurance of the accuracy of teacher assessment judgements made by class teachers for year 6 pupils

Performance at a glance

Highlights of the year included:

97.82%

of tests scripts delivered by the third day (2022-23: 99.95%)

99.00%

KS2 test scripts returned to schools (2022-23: 98.80%)

99.93%

Provision of KS2 results (2022-23: 98.80%)

99.97%

Engagement with the multiplication tables check (2022-23: 98.61%)

100%

Pupils who received the reception baseline assessment (2022-23: 99.99%)

Key risk summary

STA is responsible for DfE's top tier risk relating to the primary school testing system and for providing an effective and robust testing, assessment, and moderation system to measure and monitor pupils' progress and attainment between reception and the end of KS2.

Further detail on the above can be found in the key risks and issues section.

Performance analysis

Overview

Overall, STA has delivered well against its performance objectives in 2023/24, with no significant issues in the development or delivery of the range of primary assessments through the year.

There was a negative reaction from some schools to the 2023 KS2 reading test, voiced first on social media and later via press and broadcast media. Critiques centred on the word count and the difficulty of the paper, both of which were thought to be excessive, and had caused some pupils distress.

In response, we published the mark schemes and test materials earlier than usual to inform the discussion and allay some concerns. We also confirmed that the test fulfilled all the requirements set out in the national curriculum test frameworks, that the word count of the test was within the range set out in the test specification, and that the materials had been well received by teachers and pupils throughout expert review and trialling.

The subsequent standards maintenance process determined that the test, while of a higher difficulty than in 2022, fell within the range of tests since the standards were last set in 2016. In its review of primary assessment in 2023 [4], Ofqual found "no evidence that the test failed to meet its stated purpose of ascertaining what pupils have achieved in relation to the attainment targets outlined in the 2014 national curriculum, and outcome data provided by STA suggests that the test was effective in differentiating across the ability range."

This debate nevertheless highlighted that our test development and standards maintenance processes were not as transparent as they should be, and STA has embarked on a series of stakeholder engagement sessions to explain these processes and how we ensure that tests are valid and fair. We have also continued to engage with schools and unions to understand their views and are using the outputs of these discussions, alongside the recommendations made by Ofqual in its annual review, to inform future test development processes.

The KS2 test delivery issues experienced in 2022 were largely resolved in 2023. The bank holiday in honour of the coronation of His Majesty King Charles III resulted in adjustments to the test timetable and the date of return of results, but these changes went smoothly. The start of the marking process was delayed owing to an error in the contractor's systems such that the first round of preparatory work for marking had to be restarted, but this was resolved and marking was completed to schedule. On the morning of return of results day, some schools and teachers reported that they were unable to access their results when the Primary Assessment Gateway (PAG) opened, but by 10:30am 13,238 schools (approximately 79% of primary schools in England) had downloaded their results. We have been working with Capita on improvements for the 2024 test cycle.

Following on from commitments made since the 2017 consultation on primary assessment [5], we made an announcement in July 2022 [6] that end of KS1 assessments will no longer be statutory from the academic year 2023 to 2024 onwards. The necessary legislative amendments have now been made and took effect from 1 September 2023. The existing end of KS1 teacher assessment

4 https://www.gov.uk/government/publications/national-assessments-regulation-annual-report-2023/national-assessments-regulation-annual-report-2023
5 https://www.gov.uk/government/consultations/primary-assessment-in-england
6 https://mailchi.mp/education.gov.uk/primary-assessments-in-the-2022-2023-academic-year?e=%5bUNIQID%5d

frameworks will continue to be available on GOV.UK for schools which wish to use them optionally as part of their ongoing assessment of pupils. We continue to develop and supply materials for the optional end of KS1 tests in English reading, English grammar, punctuation and spelling and mathematics. Formal guidance on accessing and administering the optional tests was published in autumn 2023.

With the current Test Operations and Services (TOpS) contract due to expire at the end of the 2024/25 test cycle, the agency continued with its procurement to secure a supplier to deliver national curriculum assessments on behalf of STA from the 2025/26 test cycle onwards. The procurement project (referred to as the FAS project) concluded in April 2024, at which point the preferred bidder for the TOpS 2025 contract, Pearson Education Limited, was announced and the project moved into the transition phase.

Work has also been ongoing to develop a more digital version of the RBA, which will be delivered in-house rather than outsourced. This has included trialling questions in 165 schools and testing of functionality. We will use the learning from these trials to support preparation for future RBA delivery. In December 2023, Minister for Schools Damian Hinds agreed with the agency's recommendation that we should delay the introduction of the new version of the RBA until September 2025, due to our assessment that risks to delivery outweighed the benefits of proceeding with the roll-out as planned in September 2024. As part of this decision, the Minister agreed to extend the existing contract with NFER for delivery of the existing version of RBA in September 2024.

Currently, the digital services used by schools to engage with STA are provided by third parties, and STA relies on older data transfer technologies in its processing. In order to increase consistency for users and update STA's technology infrastructure, a transformation programme has been initiated. This programme will also explore the potential for the application of digital approaches in our assessments. A new division within STA called ADDaT has been created to lead work on this transformation, and to develop the STA's strategy for technology and data.

Performance against objectives

Key organisational performance measures and indicators

STA has eight key performance indicators (KPIs), which we use to measure our areas of delivery:

- KPI 1 – Pupils must receive a complete set of results data, containing a correct test result (not withstanding any marking or process reviews) for every test taken by a pupil, by an agreed date.
- KPI 2 – Schools assessing pupils must receive a complete set of test scripts with complete test outcomes on the date of return of results.
- KPI 3 – Enquiries received by the helpline must be resolved at first contact.
- KPI 4 – The school administration system (currently known as the Primary Assessment Gateway) is accessible to schools at all appropriate times.
- KPI 5 – Packages containing completed test scripts are delivered to the GQ scanning bureaux by the third working day after collection from examination centres.
- KPI 6 – The scores of the RBA must be 100% accurate for each pupil by an agreed date.
- KPI 7 – The RBA system (Baseline e-Portal) will be available to 99.8% of schools from 8am until 5pm Monday to Friday during term time.
- KPI 8 – 100% of RBA resource orders placed within the ordering window are delivered to schools.

These indicators are at the centre of a framework which is used to monitor our performance. Due to the cancellation of the 2021 assessments, we are unable to report against all indicators in relation to those years.

The outcomes are set out below.

Area of delivery	Performance indicator	Baseline	2023-24	2022-23	2021-22
Provision of KS2 results	KPI 1	99.90%	99.93%	98.80%	N/A
Return of KS2 test scripts to schools	KPI 2	99.90%	99.00%	98.80%	N/A
Helpline service	KPI 3	85.00%	87.50%[1]	Not available for 2022-23 (please see below)	93.34%
Helpline service **2022-23** only (Based on data available at the time of publication)	90% of calls must be answered in less than 15 seconds. 2022-23 data relates to '% of calls answered, % of calls answered in less than 15 seconds'	42,871 calls made to NCA helpline of which 26.70% were answered. Of those, 42.29% were answered within 15 seconds. 13,535 calls made to marker helpline of which 34.06% were answered. Of those, 57.01% were answered within 15 seconds. 50.19% of emails sent to NCA helpline were resolved within 5 working days 77.77% of emails sent to marker helpline were resolved within 5 working days.			
Systems to support schools	KPI 4	99.80% monthly	98.43%	At least 99.80% achieved each month	At least 99.80% achieved each month
GQLS – next day deliveries to scanning bureaus	KPI 5	98.50%	97.82%	99.95%	99.97%
Provision of RBA data	KPI 6	100% measured at each data feed point	100% achieved at each data feed point	100% achieved at each data feed point	N/A
Provision of RBA platform	KPI 7	99.80%	100% achieved each month	100% achieved each month	At least 99.99% achieved each month N/A [2]
Provision of RBA resources to schools [3]	KPI 8	100%	100% achieved each month	100% achieved each month	N/A [3]

1. The KPIs for the helpline service are skewed by one week of extreme call volumes during test week. For the majority of the year the KPIs are met. For test week we have made extra effort to drive down call volumes and improve training and recruitment of the temporary agents that are needed over this period.
   We have:
   - Increased communication to schools in advance of test week to better prepare them. This has included a presentation and emails and has been supported by the unions and regional DfE teams.
   - Capita has made recruitment of temporary agents more robust and improved the quality of training materials.
   - Regular staff have been redeployed as virtual floor walkers to facilitate quicker handling of queries from temporary agents.
   - Staffing on the helpline during test week has been rebalanced to ensure better coverage during peak hours.
2. Previously, the RBA's baseline was reported as an annual average. However, as the KPI is assessed monthly, we have altered our approach in this report.
3. The statutory roll out of the RBA was delayed due to COVID-19. It became statutory in the 2021/22 academic year. All RBA KPIs have been met so far, but the system remains open until the end of the academic year. This is to allow schools with pupils who enter reception during the school year to administer in the first 6 weeks of their arrival.

Performance in delivery areas

This section sets out the performance for the different assessments for which STA is responsible. The divisions within STA collaborate to ensure the successful delivery of each assessment.

End of key stage 1 and 2 tests and the phonics screening check

STA develops its tests in-house using processes in line with international best practice. All materials are reviewed by practising teachers, education professionals and inclusion specialists, and trialled in a representative sample of schools across the country. Rigorous processes are in place to ensure that standards are maintained in terms of test materials and expectations on pupil attainment.

As stated in the National assessments regulation annual report 2023 – GOV.UK (www.gov.uk) [7], Ofqual continues to be satisfied that the test development process carried out by STA consistently demonstrated a strong focus on validity. In addition, Ofqual is satisfied that the approach STA took to maintaining standards in 2023 provides a robust link to the standards as originally set in 2016.

STA contracts out most of the operational delivery for the tests. Activities for the 2024 tests completed by the end of March 2024 included:

- handover of test and check materials for KS1, KS2 and PSC to the suppliers
- initial print quality activities ensuring that the quality of the papers meets required standards for schools, marking and scanning
- successful placement of test orders by participating schools
- commencement of print and collation activities for KS1 and KS2 tests in 2024
- commencement of recruitment of approximately 4,500 markers

In addition, work has taken place on the development of marker training materials (in collaboration with the test development researchers who developed the tests).

STA continues to provide helpline services to schools and stakeholders via the Capita contract (excluding the RBA which has a helpline provided by NFER). The helpline operates to support all assessment enquiries. There were challenges with recruitment and retention of Capita staff to operate the helpline, however, Capita mitigated resourcing risks to minimise the impact on the service. The mitigations put in place were over-recruiting temporary agents leading up to peak delivery, including some agents from other contracts within Capita and some from an agency. Capita also used ‘floor walkers’ from the core team who provided extra support to new agents.

The performance and outcomes of the helpline service outsourced to Capita at KS2, including key volumetrics and measures, are covered in the ‘Key Organisational Performance Measures and Indicators’ section on page 16 and are therefore not repeated here.

During the 2023 test cycle, Capita undertook a programme of remediation to address key lessons learned from 2022 delivery, focusing on KS2 assessments. This centred on the provision of advice and support to schools via the helpdesk, reducing volumes of missing and lost scripts, and the performance of the school facing platform (known as the Primary Assessment Gateway). This improved the service considerably, with much shorter wait times for support via the helpline, a significantly reduced volume of missing scripts coupled with the achievement of the contractual milestone for the volume of results to schools, and faster access to results for schools. Activity continues in 2024 to drive down the number of missing scripts and further reduce burden on schools by improving access to results.

7 National assessments regulation annual report 2023 - GOV.UK (www.gov.uk)

The supplier is required to provide 99.9% of accurate item level data, which shows how pupils performed in each part of a question in the tests to support the standards maintenance process. Capita did not meet this key milestone by the deadline in 2023. A delay credit of £581,842.87 was applied. It is important to note that whilst the contractual milestone was not met, sufficient volumes of data were provided for STA, after a short delay, to confidently maintain the standard in each subject. The reporting of this process was observed by Ofqual with no concerns raised.

The King's Coronation took place on Monday 8 May 2023, which had been planned as the first day of KS2 test week. STA and Capita worked closely together to replan test week activities, communicate with schools, and manage the impact on the service.

At KS1 in 2023, all participating schools received test materials to enable them to administer the tests within the published deadlines. STA does not collect any data on test outcomes, and teacher assessment data is submitted to the Department electronically by schools via a service called COLLECT.

In 2023, the PSC was administered during the week commencing 12 June. All schools received the appropriate materials to enable them to complete the check within the published window. STA does not collect data on phonics outcomes, as this again is submitted to the Department via COLLECT.

Test delivery for 2024 is underway. The changes to make KS1 into an optional assessment have been implemented and only 6.7% of schools have opted out of receiving hard-copy test materials. Schools have placed orders for modified test materials and the development of marking materials to support the external marking of KS2 tests is advancing as planned. St Helena, the Cayman Islands and Jersey each have a Memorandum of Understanding (MOU) in place for secure access to KS2 materials, enabling them to administer assessments.

In December 2023 it was announced that Communisis, the print provider contracted to Capita, had gone into administration. STA and Capita have worked closely together to mobilise a new provider, APS Group, in a matter of weeks. The handover and print of our KS1, KS2 and PSC test materials remain on track.

Teacher assessment

KS1 and KS2 teacher assessment moderation took place in summer 2023. From the 2023/24 test cycle onwards, only KS2 will be moderated as KS1 is now non-statutory. This will take place in summer 2024.

Teacher assessment moderation and standardisation

STA provides mandatory training materials for local authorities to deliver to nominated school staff. Those who pass the training become part of a pool of moderators and can conduct moderation visits to schools to ensure the accuracy of assessment judgements class teachers have made.

In October 2023 the final STA moderator training materials were delivered to local authorities. STA has now delivered 5 years' worth of materials in a shorter 3 year timeframe. Therefore, over the next 2 years no further training materials will be produced.

The following table shows the number of moderators who successfully passed their training during the last four test cycles.

Test cycle	Local authority lead moderators (2024 includes KS2 moderation managers only)	Pool moderators (2024 includes KS2 lead moderators and pool moderators)
2024	145	2,692
2023	695	4,480
2022	393	4,340
2020	606	4,894

Moderator numbers vary from year to year, depending on several factors, including individual local authority plans, numbers of new moderators and numbers of experienced moderators. In 2020, moderators were trained even though tests were eventually cancelled due to the Covid pandemic, because the cancellation took place late in the test cycle. In 2021, the test cycle was cancelled earlier and no moderators were trained. In 2023, lead and pool moderator numbers recovered from the previous year's failure rate challenges.

From 2024, only KS2 moderators are reflected in the figures, as KS1 are non-statutory moderators were no longer required. In previous years the figures included both KS1 and KS2 moderators. In 2024, total KS2 moderator numbers increased slightly on previous years' moderator numbers.

For the 2023/24 test cycle, the successful changes introduced during the 2022/23 test cycle were carried over. These included opening the first training exercise to all moderators. Previously this was only available for moderation managers and lead moderators, but opening it more widely provided greater flexibility for local authorities.

In 2023/24, KS1 became non-statutory. This reduced the need for local authorities to recruit as many moderators, as they now only need to recruit for KS2.

Multiplication tables check

The MTC Service opened on 17 April 2023 for schools to prepare to administer the statutory check in June 2023. Schools were encouraged to administer the check between Monday 5 June and Friday 16 June. The following week was available for schools to administer the check to any pupils who were absent or where checks were delayed due to technical difficulties. The MTC administration window closed on Friday 23 June.

A total of 662,344 pupils were registered in the service, 623,702 (94.16%) completed the check, and 38,479 (5.81%) were recorded with a reason for not taking the assessment which enables STA to understand why they did not complete and for those pupils to have a recorded status for the check. This totalled a combined engagement rate of 99.97%. These figures are taken from the operational data within the MTC service. They differ from the MTC statistical publication, as DfE's final data removes any cases of duplicate pupils and pupils who had been recorded as leaving a school.

Where schools did not engage with the MTC or had pupils with no check status at the end of the window, we undertook chase activity to establish the reasons. This identified a small number of schools who did not administer the check due to an administrative error. STA contacted each of these schools to understand the specific error and ensure appropriate actions are in place for future years.

Results were successfully published on the MTC Service on 26 June 2023.

We received 247 completed MTC feedback surveys from teachers. These will be used to support lessons learned activity, provide insight to user behaviour and to support test development research.

Reception baseline assessment

Academic year 2023/24 is the third year of live delivery for the RBA. The assessment must be administered within the first 6 weeks of a pupil starting school. Assessments continue throughout the year for any pupils who start reception and have not already participated in the RBA at a previous school.

As of 8 December 2023, 16,436 schools had administered the RBA to 585,818 pupils. Schools will continue to administer the assessment with any new pupils who have just started reception until the end of the academic year. Additional numbers are expected to be low with some small peaks at the start of each term in January and April.

Overall, 99.99% of the total number of schools expected to participate have done so, which aligns with expectations and with previous years. Most remaining non-engaging schools are special schools. STA and NFER are working to improve communications with these schools to ensure that they undertake required action to disapply relevant pupils.

General Qualifications Logistics Service

The GQLS provides examination centres in England with a single and secure method for despatching packages of completed examination scripts for marking. The qualifications within the service's scope include GCSEs, GCEs, T Levels, functional skills, and vocational and technical qualifications such as Business and Technology Education Council qualifications (BTECs).

The examination centres are mostly schools, sixth-forms, or further education colleges, but also include work-based learning providers. Most centres work with 3 - 4 Awarding Organisations (AOs), which provide programmes of study, deliver the examination papers to the centres, and are responsible for marking the completed scripts.

The GQLS simplifies the script despatch process and helps reduce the risk of examination scripts being lost before marking.

In the reporting year, 931,878 packages were collected (see the table below for the breakdown by quarter) compared to 928,454 packages in the previous year. Of these, 906,391 packages were delivered to the AOs' scanning bureaus with 885,695 delivered on the next working day and 906,308 delivered by the third working day. The remaining 25,487 packages were delivered to examiners' homes. There were 3 packages lost in total, resulting in a loss rate of 0.0003%.

Quarter	Notes	Packages collected	Examination centres
1 (Apr-Jun)	Peak GCSE and GCE examinations period	841,476	5,971
2 (Jul-Sep)	On demand functional skills	14,469	765
3 (Oct-Dec)	November GCSEs and T Levels	35,614	2,993
4 (Jan-Mar)	Peak examinations period for BTECs	40,319	2,979

Financial review of the year

Introduction

In the 2023-24 financial year, expenditure has been largely in line with our expectations and budgets for business as usual, including the completion of the 2022/23 test cycle and commencement of the 2023/24 test cycle.

Analysis of the year

The Agency's expenditure is included within the Departmental Group's Estimates and Parliamentary accountability processes, but it does not have its own Estimates [8]. The Agency has a budget, set by the Department, against which its performance is measured. The financial performance in budgetary terms (termed outturn) may differ from that reported in the Statement of Comprehensive Net Expenditure (SoCNE) since not all spending is reported in SoCNE (such as acquisition of assets). The 2023-24 outturn was within the budget allocated by the Department. For more detailed explanations about the budgetary process and terms, see HM Treasury's (HMT's) Consolidated Budgeting Guidance [9].

Intangible assets have grown with a continued investment of £4 million on development of the Digital Assessment Service during the year (2022-23 £3.7 million).

Trends in performance

The table below represents a five-year summary of STA's outturn.

	2023-24	2022-23	2021-22	2020-21	2019-20
	£000	£000	£000	£000	£000
Comprehensive net expenditure	50,160	46,876	27,336	24,072	59,678

8 https://www.gov.uk/government/collections/hmt-main-estimates
9 https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2023-to-2024

Movements in outturn

Spending has fluctuated over the last few years. In 2020-21 and 2021-22 expenditure was heavily impacted by the COVID-19 pandemic following the cancellation of both the 2020 and 2021 tests. In 2022-23, the return to a normal test cycle saw costs increase in line with expectations towards levels expected in a normal year. However, there was also a £3 million increase in costs associated with the digital transformation programme which will include the delivery of the in-house RBA.

In 2023-24, for operational and test development cycles, expenditure was mostly in line with forecasted costs. A 5.4% saving (against expected forecast) was realised due to some costs not materialising within the programme budget. Due to delays in the digital transformation programme and a further decision to delay RBA (digital) go-live until 2025 we saw an underspend of 21.4% in the Capital Budget. However, in the last quarter of 2023-24, planned work has commenced therefore we do not expect to be in a similar position at the end of 2024-25.

Shared service costs

DfE continues to provide STA with a number of corporate services as detailed in the accounting policies.

Outturn against organisational goals

The outturn is now in line with expectation and within the budget set by the Department.

Performance in other matters

Sustainability and TCFD disclosures

STA adopts the Department's policies relating to Sustainability, which are published in its ARA.

This year, the Agency is producing new disclosures in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and accompanying phase 1 implementation guidance [10] from HMT.

The TCFD recommendations are structured around 4 thematic areas that relate to core elements of how organisations operate.

Further information can be found in annex B, which forms part of this report.

Social responsibility

STA adopts the Department's policies relating to social matters, which are published in its ARA.

Respect for human rights

STA adopts the Department's policies relating to human rights, which are published in its ARA.

Modern slavery

STA adopts the Department's policies relating to modern slavery, which are published in its ARA.

Anti-corruption and anti-bribery matters

STA adopts the Department's policies relating to anti-corruption and anti-bribery matters, which are published in its ARA.

Diversity

STA adopts the Department's policies relating to diversity, which are published in its ARA.

10 https://www.gov.uk/government/publications/tcfd-aligned-disclosure-application-guidance/task-force-on-climate-related-financial-disclosure-tcfd-aligned-disclosure-application-guidance#introduction

Key risks and issues

STA is responsible for the development and delivery of national curriculum tests and assessments in England, under statutory instruments, on behalf of the Secretary of State for Education. As such, we are responsible for one of the Department's top tier risks relating to the failure of the primary school testing system.

Potential impact

There would be several impacts if the risk were to be realised:

- delivery of the tests fails due to lack of capacity within STA, or problems with the main suppliers
- security of the assessments is breached, affecting validity and comparability
- negative attitudes to primary assessment within the education sector
- reduced public confidence in the statutory assessment system and in school accountability

Mitigation

STA rigorously manages the risk and its component parts using a set of well-defined mitigations and contingencies. Examples include:

- the validity of the assessments being ensured throughout the test development process – this has been assessed by Ofqual to compare favourably with international best practice and involves internal and external (teacher and relevant expert) review, extensive trialling with large and representative samples and stringent sign-off procedures
- maintaining specialist expertise in staff, regular knowledge transfer, and targeted recruitment campaigns
- robust governance arrangements in place to track and monitor progress and ensure the timely resolution of any challenges
- the supply chain's handling of, and approach to, test materials security and information risk handling, which is managed through a rigorous and defined security checking process in line with best practice
- oversight of the supply chain's delivery
- ongoing work with suppliers to build on lessons learnt and ensure continuous improvement
- work with the sector to build knowledge and provide a greater understanding of our processes

Risks 2023/2024

Our risks were reviewed regularly throughout the year to ensure they reflected the existing situation. STA senior leaders also regularly discuss the status of risks at the quarterly Strategic Performance Reviews (SPR) with STA's senior Departmental sponsor, currently Juliet Chua, Director General of Schools.

- Service issues: following the delivery issues associated with the 2021/22 test cycle, STA agreed remediation plans with Capita in key areas of the service. These were designed to implement improvements to the service that would mitigate the risk against loss of pupil scripts and help to improve the experience of those contacting the helpline and the speed at which schools were able to access their results on results day. These improvements helped to ensure that there was public confidence in the process and continue to be monitored.
- English reading test: during KS2 test week and in the immediate period afterwards there was some criticism about the perceived difficulty of the English reading test. Following the publication of the tests and the associated mark schemes, which showed how marks could be derived from the tests, commentary largely subsided in the media and was not repeated at return of results. Ofqual also concluded that the English reading test was valid and reliable and fulfilled its purpose and STA's efforts to meet with stakeholders to explain the lengthy and rigorous test development process also alleviated concerns. STA has since held 'teach-ins' and continues to do so to increase the understanding of test constructions and other activities such as standards maintenance.
- Resourcing: STA has faced some resourcing challenges over the year. In particular, STA has needed to manage the risk it does not have enough psychometrician capacity by ensuring there were appropriate contingencies planned to ensure deliverables were met to time and quality.
- RBA delay: In November 2023, STA took the decision to delay the implementation of its own reception baseline assessment that has been developed to be delivered using our own platform (the Digital Assessment Service). This posed a risk to live delivery for 2024 as without a platform STA could not deliver the assessment in house and would need to continue outsourcing delivery of the assessment.
- Change in print supplier: due to Capita's print supplier going into administration in December 2023, Capita onboarded a new print supplier at pace. Following a change of supplier there is an increased risk to the quality of the materials and a risk of failure to meet the printing schedule. Capita repeated pre-production testing to mitigate quality risks that could impact on the administration of tests and pupil experience or impact on scanning and then marking. STA continues to monitor closely that printing is on track and will be ready for distribution to schools ahead of test administration in May 2024.
- TOpS contract exit and transition: the conclusion of the FAS procurement and contract award to the successful bidder will trigger the exit phase of the TOpS contract with Capita. We will need to ensure that this does not disrupt the delivery of the final test cycle (2025) whilst providing support to transition to the new arrangements.

Forward look

Over the coming year, STA's focus is to:

- continue to develop and deliver our programme of high-quality, statutory primary assessments
- successfully manage the delivery of the GQLS
- take forward service preparations and testing in schools to transition RBA to our in-house model from September 2025
- take forward the work to transition to the new TOpS contract, with the first assessments under the new contract due to take place in spring 2026
- continue to work with the sector to increase understanding on our test development processes
- respond as required to political, educational or technological developments that impact on our work.

Going concern

His Majesty Treasury (HMT) has interpreted the going concern principle for the public sector to reflect the non-commercial nature of public sector bodies. Going concern for public sector bodies is referenced back to service potential and delivery. The going concern presumption is only challenged for a public body if the services it provides will be discontinued entirely by the public sector. Transfer of services from one public body to another does not imperil the going concern presumption in the transferring body, even if all its operations will cease post-transfer.

The Agency is not aware of any legislation that is planned, in force or in the process of gaining Royal Assent, that would cause its activities to cease.

In addition, the Department's forward-looking plans, current Estimate and current Spending Review settlement with HMT contain funding to cover the Agency's operations for the foreseeable period. Consequently, management do not consider the going concern presumption to be in doubt.

A budget is being set for financial year 2024-25, as part of the Department's 2024-25 Estimates process, alongside confirmation of support from DfE for the remaining 12 months' going concern period to July 2025 that enables STA to deliver its objectives and continued regulatory intent.

Gillian Hillier
Accounting Officer
4 July 2024

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Accountability report

Overview

The Accountability Report sets out how we meet the key accountability requirements to Parliament. It is broken down into three areas:

- Corporate Governance Report, which provides an overview of the leadership of STA and our risk management approach
- Remuneration and Staff Report, which details remuneration and staff expenses and policies
- Parliamentary Accountability and Audit Report, which contains parliamentary accountability disclosures and the audit certificate

Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of STA's governance structures and show how they support the achievement of the Agency's objectives for the 2023-24 financial year and up to the date of approval of the ARA.

Directors' report

Directors

STA's executive management board (EMB) membership at the end of the year was:

Director	Position
	**Gillian Hillier** **Chief Executive** **Appointment: 3 August 2021**
	**Kate Moore** **Deputy Director of Assessment Operations and Services** **Appointment: 5 September 2018**
	**Anne Counsell** **Deputy Director of Assessment Research and Development** **Appointment: 1 December 2023**

Director	Position
	**Kevin Cheung** **Deputy Director of Assessment** **Digital Data and Technology** **Appointment: 1 December 2023** **Previously Deputy Director -** **Assessment Research and Development**

Movement in officials in 2023-24

Changes in officials during the year are given below.

Official	Date	Position
Kevin Cheung	to 30/11/23	Deputy Director - Assessment Research and Development
Kevin Cheung	from 01/12/23	Deputy Director - Assessment Digital Data and Technology
Anne Counsell	from 01/12/23	Deputy Director - Assessment Research and Development

Company directorships and other significant interests

STA requires all staff, including board members, who have outside interests, some of which could potentially be conflicts of interest, to complete a declaration of interest on an annual basis.

There were no conflicts of interest reported by directors this year.

Report on personal data breaches

All government departments are required to report personal data related incidents that have occurred during the financial year, in accordance with the standard disclosure format issued by the Cabinet Office.

The Cabinet Office defines a 'personal data related incident' as a loss, unauthorised disclosure or insecure disposal of protected personal data. 'Protected personal data' is data which could cause harm or distress to individuals if released or lost. As a minimum, this includes:

- information linked to one or more identifiable living person
- any source of information about 1,000 or more identifiable individuals, other than information sourced from the public domain

The number of personal data related incidents that fell within the criteria for reporting to the Information Commissioner's Office (ICO) are as follows:

Date	2023-24	2022-23	2021-22	2020-21
Number of incidents	-	1	-	-

In March 2023, a supplier of a contracted service to the Agency suffered a cyber-attack. Details were not provided of the Agency impact until late April 2023, at which point an initial referral to the ICO was made (as part of a wider submission for DfE). This was then investigated, and a full report provided to STA and the case has now been closed. In summary:

- there was a security breach – it was notified to STA on 31st March 2023
- this was investigated and established that the information that had been stolen included a list of pupil names, dates of birth, unique pupil number, type of test taken and school DfE number
- due to the specific nature of the incident, we assessed the privacy risk to be low, as the exfiltrated information was classed as basic personal identifiers and therefore is likely to be of little value to those accessing the data
- the supplier's mitigations have included monitoring appropriate channels to establish if the data is being circulated more widely and nothing has been identified

STA reported the breach to the ICO, which is dealing with the supplier directly as a data controller in its own right. Our incident with the ICO is therefore closed.

Complaints to the Parliamentary and Health Ombudsman

The Parliamentary and Health Service Ombudsman can investigate complaints against the administrative actions of a wide range of government departments and other public bodies, or the actions of organisations acting on their behalf. STA falls within the scope of the Ombudsman's activities.

STA adheres to the Department's complaints process, which commits to responding to any complaint within 15 working days.

The number of STA-related complaints accepted for investigation are as follows:

Date	2023-24	2022-23	2021-22	2020-21
Number of incidents	-	-	-	-

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HMT has directed STA to prepare a statement of accounts for each financial year, on the basis set out in the Accounts Direction. [11] The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of STA, and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM). They are required to:

- observe the Accounts Direction issued by HMT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the ARA as a whole is fair, balanced and understandable, and take personal responsibility for the ARA and the judgements required for determining that they are fair, balanced and understandable

The Accounting Officer of the Department has designated the Chief Executive as the Accounting Officer of STA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding STA's assets, are set out in Managing Public Money published by HMT.

As the Accounting Officer, I have taken all the necessary steps to make myself aware of any relevant audit information and to establish that STA's auditors are aware of that information. So far, as I am aware, there is no relevant audit information of which the auditors are unaware.

I confirm that I consider the annual report and accounts as a whole is fair, balanced and understandable. I also take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

11 https://www.gov.uk/government/publications/dao-0623-accounts-directions-2023-24

Governance Statement

Scope of responsibility

As Accounting Officer, I have personal responsibility for: maintaining a robust system of governance; internal control and risk management within my areas of responsibility to support the achievement of the Department's policies, aims and objectives; and safeguarding public funds and Departmental assets.

Governance, internal control, and risk management

STA's system of governance, internal control and risk management is designed to manage risk to a reasonable level, rather than eliminate all risk completely. The Agency can therefore provide high, not absolute, assurance of their effectiveness.

I confirm I have reviewed the effectiveness of governance, internal control and risk management arrangements in operation within my area of responsibility. I consider them to be fit for purpose. These arrangements have been in place throughout the reporting period and up to the date of approval of the ARA. My conclusion is informed by:

- the assessment of the senior managers responsible for the development and maintenance of these arrangements
- the findings of my EMB
- internal audit reports

As a senior civil servant, I am required to complete an assurance framework record (AFR) to record a structured assessment of the risk and control environment for the area I am responsible for, which in this case is STA. The AFR for this year was completed following consultation with STA's other board members.

As an additional level of assurance, my AFR covering STA was reviewed by the Chief Executive of another of the Department's executive agencies.

The AFR details my compliance with Departmental arrangements regarding:

- governance
- business strategy and planning
- project and programme management
- people capacity and capability
- risk management
- commercial and grant management
- financial management

As Accounting Officer, I can provide the Department's leadership team and ministers with assurance that we have managed our agenda well while delivering efficiencies. We maintain financial information on the delivery of all programmes.

I am confident that I have necessary arrangements in place for good corporate governance. These include:

- a strong and effective senior leadership team
- seeking regular challenge, scrutiny and expert support from both inside and outside of STA
- oversight from DfE's governance arrangements
- clear and honest reporting
- robust risk management processes

I will continue to review these arrangements regularly to ensure they comply with HMT's Corporate governance in central government departments: code of good practice. [12] I have not identified any departures from the code.

12 https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments

Governance at Agency level

Executive Management Board

STA's Chief Executive and Deputy Directors make up the membership of EMB, which meets bi-monthly and is chaired by the Chief Executive. This year, there have been 6 meetings in May, July, September and November 2023 and in January and March 2024.

EMB provides the Chief Executive with the opportunity to hold the other board members, senior leaders and their programmes to account. EMB is responsible for:

- developing and monitoring the strategic planning of STA
- overseeing corporate performance
- overseeing the use of financial and human resources
- providing oversight of risk management and challenge on unexpected issues and near misses
- overseeing STA's security arrangements
- providing oversight of supplier performance in line with STA's commercial procedures
- maintaining a robust system of internal control, which includes adequate assurance that internal controls and risk management processes are working effectively
- ensuring STA complies with all policies and corporate business planning
- maintaining awareness of areas for development identified from the DfE People Survey and regular workforce management information reports

The Department's finance and commercial business partnering teams provide Departmental representation and advice. Other members of staff attend to report on the following, as required:

- assessment policy
- test development
- delivery progress risk and issue management
- digital development

The chairs of the boards below EMB provide:

- visibility
- assurance of progress
- an assessment of confidence in delivery of the STA's workstreams

The EMB receives regular reports on STA's operational performance. Before being submitted to EMB, all reports are cleared by senior managers. These reports are subject to challenge at the meetings and are revised as required. I am therefore confident that the quality of the data used by EMB is robust. The EMB reviews business-as-usual programme and project risks that exceed their tolerance and manages all strategic risks. A security report is also reviewed at EMB.

EMB's risk profile is monitored through the SPR which acts at a departmental level. STA owns a top-level risk in the Department's risk register which is managed by the Department's Performance and Risk Committee (PRC).

STA requires EMB members to register any company and organisation directorships or other significant interests. STA maintains a register of interests of the financial, political, and other relevant interests of EMB members.

Attendance records

The table below shows member attendance at meetings throughout 2023-24. Not all members were in post throughout the year or held different posts with differing committee memberships in the year. To improve transparency, we have provided attendance values as well as the number of meetings available to members to attend, which is presented as “2 out of 2”.

Executive Management Board	Meetings attended (where possible)
Gillian Hillier	6 out of 6
Kate Moore	6 out of 6
Kevin Cheung	6 out of 6
Anne Counsell	5 out of 5

Governance at Departmental level

The Department’s Director General for Schools Group performs an oversight role, on behalf of the Secretary of State, through SPRs.

My objectives were agreed by the Director General and aligned with:

- Departmental objectives
- STA’s business plan requirements for compliance with Managing Public Money [13]

They were subsequently used to set objectives for the Deputy Directors and their teams. All staff objectives are agreed, and performance is monitored monthly throughout the year. Major decisions about changes to policy are approved by Ministers where appropriate (except where they relate to the Chief Executive’s devolved responsibilities for the content of tests, standards maintenance and specific cases of maladministration). For example, the decision to delay the implementation of the new version of the RBA was approved by Schools Minister Damian Hinds in December 2023 (see page 16).

13 https://www.gov.uk/government/publications/managing-public-money

Strategic Performance Review

Throughout the year, the Director General for Schools Group held four SPRs. The first, in June 2023, took the form of a teach-in for the incoming Director General, to provide her with oversight of STA's work and the opportunity to understand and question STA's:

- progress
- financial management
- management of risks

Three further meetings in September and December 2023 and in March 2024, provided the opportunity for further review and challenge on the above, and for discussion of other issues such as:

- digital transformation
- progress reports from the Agency's boards
- health of the Agency
- overall performance of the Agency
- lessons learned from the previous test cycle
- progress and plans for GIAA audits

Attendance records

The table below shows member attendance at meetings throughout 2023-24. Not all members were in post throughout the year. To improve transparency, we have provided attendance values as well as the number of meetings available to members to attend, which is presented as "2 out of 2".

Strategic Performance Review	Meetings attended (where possible)
Gillian Hillier	4 out of 4
Kate Moore	4 out of 4
Kevin Cheung	4 out of 4
Anne Counsell	2 out of 2

Assurance

External audit

STA was audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General during 2023-24.

Internal audit

STA receives internal audit and assurance services from the Government Internal Audit Agency (GIAA). GIAA produced and delivered an audit plan for the Department as a whole for 2023-24.

The GIAA risk-based audit plan for STA for 2023-24 was agreed with the STA Chief Executive by assessing key delivery activities.

STA recognised that it faced significant challenges in delivering its business objectives within resource constraints and this required effective controls be put in place over resource planning and business management process design.

GIAA were therefore engaged to review the adequacy of Business Design and Resource Planning across STA and how this aligns with strategic priorities.

In undertaking the audit, GIAA:

- assessed the adequacy of the business planning and process design and alignment with resource planning to deliver STA's strategic priorities
- evaluated the adequacy and effectiveness of capability and capacity planning, including job roles and skillsets, to accommodate service delivery within resourcing constraints
- reviewed management information and reporting, and the extent to which this is used effectively to monitor progress against targets and to support the meeting of strategic priorities and outcomes

The audit concluded a moderate rating, a moderate rating states that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management, control and assurance. There were four recommendations:

1. The revised business plan for 2024 onwards builds on the previous plan with realistic aims, milestones and resourcing approaches to digital resourcing alongside plans to continue to deliver core business as usual schools testing cycle requirements.
2. STA continues to request from DfE the necessary pay flexibilities still needed to support effective recruitment and retention of staff in the future digital space.
3. STA continues to explore and develop hybrid resourcing solutions to digital staffing shortfalls.
4. STA to continue to seek to meet specific skills gaps and have robust contingency plans in place to meet gaps in the timely filling of business-critical roles.

In response to these recommendations:

In addition to this, the GIAA Digital Data and Technology (DDaT) audit team is providing assurance over two years on the proposed governance, transformation management, and technical assurance on digital developments, and the capability and capacity to roll out these developments whilst maintaining core BAU activities. The first part of the two-stage review took place in 2022-23 and provided a high-level view on resourcing, whilst the second in 2023-24 focused in more detail on the technical and digital arrangements.

A report on the second stage of the review was issued in October 2023 concluding a moderate audit opinion, with four medium recommendations. Further engagement has continued in relation to the second stage, with additional documentation being provided by STA prior to finalisation of the review.

A third audit for the Transition Project covered both the onboarding of the TOpS 2025 Supplier (Service Set-Up) and the onboarding of the STA to the new solution (Internal Transition). The objective of the review was to provide an independent and objective assurance on whether the Test Operations 2025 Transition Project is set up for success based on the adequacy of their governance, risk management and control arrangements. This audit identified three effective areas and four areas for improvement.

Department-level assurance

The Agency receives oversight from the Department's Audit and Risk Committee (ARC) and the Performance and Risk Committee (PRC), which are both sub-committees of the Department's Board.

ARC advises the Permanent Secretary (as Principal Accounting Officer) and the Department's Board on the adequacy and effectiveness of governance, risk management and internal controls, and on the reliability and integrity of assurances used to inform this Governance Statement. The ARC also advises the Permanent Secretary and me, as Accounting Officer, on the structure and presentation of STA's ARA and also reviews the audit plan. I meet with our lead ARC representative quarterly, to discuss risks and comment on the ARA. A separate ARC meeting is convened specifically to discuss the ARA of the Agency.

PRC is responsible for regular oversight of the Department's:

- top tier risks (including the risk owned by STA)
- major programmes and projects (including delivery of national curriculum assessments)
- higher risk core business
- financial management and investment

DDaT is responsible for the Department's strategic approach to:

- the transformation of services through digital, data and technology
- identifying an appropriate work programme that delivers both core business priorities and strategic enablers that deliver towards the wider change envisioned
- building a sustainable and skilled digital, data and technology workforce
- ensuring the agenda delivers value for money services and that the risks of delivering the agenda are properly managed

STA is scrutinised regarding its governance and control through:

- the SPR
- Schools Group leadership meetings
- meetings between the Director General Schools Group and Chief Executive

Risk management

STA has an established risk management framework which is based upon:

- the Department's strategic risk framework
- UK government's Management of Risk in Government [14]

STA's risk management statement was reviewed in March 2023. In line with the high reputational risk from failure of the national curriculum assessments testing agenda, STA's overall appetite for risk is low (risk averse).

Shared services

DfE continues to provide STA with a number of corporate services as detailed in the accounting policies (note 1.14).

Business continuity

STA is responsible for managing its own business continuity plan (BCP), in line with the Department's wider arrangements.

Business continuity arrangements are reviewed by the senior managers across the Agency, facilitated by the security adviser. The most recent review was in January 2024.

We continue to keep the BCP under review as STA's remit changes and, where services are outsourced, have ensured supply chain business continuity plans are in place and tested annually.

Alongside our BCP, we continue to:

- review live national curriculum assessments risk contingencies
- trial delivery operations risk contingencies
- review BCPs for specific business areas (including those for the GQLS) with changes feeding back into the main BCP

14 https://www.gov.uk/government/publications/management-of-risk-in-government-framework

Operational policy development and delivery

I am content that the arrangements for governance, internal control and risk management of our programmes provide me with assurance that our policy work meets ministerial intent. The Department aims to develop and appraise policies using the best available evidence, analysed using sound methodologies, in conjunction with stakeholders and partners. The Department subjects its policies to robust deliverability testing. I am content that the Departmental policies implemented by STA provide good guidance and direction to those delivering services to children, young people and parents, and that the policies link clearly to our core values and objectives.

Programme and project management

STA has established programme and project management (PPM) practices, based on the UK government's best practice.

These are reviewed and agreed by the relevant board meetings.

Test development progress is monitored during formal checkpoint meetings, held internally and with contractors, with frequency dependent on current activity.

Test materials are approved for use in trials and live tests during a series of project boards.

STA's digital developments use the Government Digital Service (GDS) service standards and are subject to GDS assessments.

STA's PPM framework includes a PPM tool which has been adapted for use within STA from a commercially available project information management tool and meets the Information Security Office standard for project management. This system, together with a range of PPM and risk management guidance, helps to ensure consistent assessment and reporting of programme and project progress. It also helps to ensure we actively manage risk throughout STA.

Financial management

The Agency is subject to public expenditure controls. It adheres to the rules and policies laid down by the Department and by HMT in Managing Public Money, Consolidated Budgeting Guidance, FReM and other financial reporting instructions, where applicable. Monthly financial management reports are provided to STA as part of shared services provision by the Department. Monthly discussions are held with me, Deputy Directors and financial business partners, to ensure that forecasts are accurate, funds are spent appropriately, and risks are appropriately managed. Financial shared services and processes are also reviewed as part of the Department-wide audit, particularly to ensure that there are appropriate controls and division of responsibilities.

As part of shared services provision, the Department's finance team prepares the ARA in accordance with the guidance set out by the Cabinet Office and HMT. This is reviewed by STA's EMB members.

Delivery arrangement and achievements against business plan

STA's business plan [15] sets out:

- performance indicators
- programme delivery milestones
- objectives

STA's achievement against the business plan is monitored through the EMB and assured by the SPR process. Our performance indicators:

- relate to services delivered by third-party suppliers on our behalf
- are supported by measurable outcomes set out in supplier contracts
- are monitored regularly through management information

All third-party suppliers have a designated contract manager within STA, as well as a Deputy Director for oversight. Contract managers are responsible for ensuring that third-party suppliers meet the requirements set out in their contract. These typically include timeliness and quality indicators.

For high-risk or large contracts, suppliers will typically be required to attend regular contract meetings where STA monitor performance against the contract and provide challenge. These meetings take place at least once a month and may be called by either party by exception.

At the time of publication of this annual report, the business plan is in the process of being updated to reflect the Agency's priorities for the future. A new version is due to be published later this year.

15 https://www.gov.uk/government/publications/standards-and-testing-agency-business-plan-2019-to-2024

Information technology (IT) management and data safeguarding

STA received shared service IT support from the Department. IT systems were developed in accordance with Government Digital Standards and the needs of the user and business. The Agency's IT projects require approval from the Department's Technology Group. Once approved, we work with DDaT – the Department's IT function – to prioritise and develop these systems.

To ensure that staff are aware of the need for secure information management, all staff undertake mandatory Security and Data protection training annually. STA has a clear process for reporting security and data incidents, which staff are required to adhere to.

All security incidents involving unauthorised disclosure, destruction or loss of data and near misses are reported to DfE central security and, if a breach of personal data is involved, to DfE's Office of the Data Protection Officer (ODPO). A log is maintained and submitted on a quarterly basis to the ARC. The log uses red, amber, green reporting to indicate the level of risk. No incidents were rated as more than a moderate (green/amber) risk and no incidents were escalated beyond STA.

STA had no protected personal data related incidents which ODPO judged significant enough to be formally notified to the ICO in 2023-24 (2022-23: one). See the Report on personal data breaches on page 32 for further information.

During the year, STA has ensured its ongoing compliance with the General Data Protection Regulation, including:

- updating privacy notices
- annual reviews of Data Protection Impact Assessments
- annual review of data sharing agreements
- reviewing information assets
- reviewing records of processing activities
- reviewing supplier contracts to reflect new obligations

Information risk management

STA complies with government and Cabinet Office policies on risks to information and information systems. The Department's Chief Data Officer is the designated Senior Information Risk Owner (SIRO) with overall responsibility for the management of information security in DfE and its executive agencies.

This year, we have continued to maintain information and systems security documentation. We have taken particular care to ensure that our test delivery partners are compliant. We achieved this by applying the Departmental information security assurance model arrangements. Where we have limited assurance of our delivery partners' compliance, we record this in the risk register.

Working with the DfE Information Security Unit, STA secured authority to operate approval from the SIRO for all test trial and live operations.

STA has a variety of information assets, which are essential to its operation and the delivery of its strategic objectives. STA, through DfE, maintains an information asset register. The register details the risk level of all individual information assets. STA's Deputy Directors are Information Asset Owners and have overall responsibility for protecting the information assets they own.

Deputy Directors review entries on the information asset register regularly and provide assurance to the Chief Executive that STA are performing functions in accordance with Departmental procedures.

STA recognises that a key risk to the security of its information assets would be if there were a lack of understanding of information security within STA and third parties who may access our data for their work. To mitigate this, all new members of staff receive an STA-specific security induction briefing, and regular briefings are provided throughout the year to remind all staff of their security obligations. All staff, including those new to STA, complete mandatory training each year which includes security aspects.

Another risk in this area is the potential loss or corruption of its information assets by suppliers and delivery partners. Therefore, STA's contract managers are responsible for ensuring that those suppliers are fully compliant with current Department and wider government information assurance and security policies.

STA constantly monitors supplier performance against the contract, including accompanied site security inspections. Suppliers are required to return or securely destroy data at the end of each test cycle and/or upon completion of the services delivered under a commercial agreement and in line with the retention periods described within the information asset register.

I am satisfied that all the Agency's procurement and current contracts, where suppliers are responsible for handling Agency information or data, are compliant with the Cabinet Office's security policy framework. [16]

The Agency adopts the Department's policy and process for whistleblowing. I am satisfied with this collaborative approach and the effectiveness of this arrangement.

Overall assessment

As Accounting Officer, I am satisfied that the Agency's internal control, risk management and governance arrangements are working effectively. STA continues to address any areas of weakness, including issues highlighted through assurance reviews by GIAA (see assurance section) and issues highlighted by NAO in previous years. STA continues to seek assurance from the Department's corporate functions as they transform, particularly where there are significant changes to finance and HR processes.

STA continues to deliver successfully across a broad range of areas and is well-placed for future test cycles.

Gillian Hillier
Accounting Officer
4 July 2024

16 www.gov.uk/government/publications/security-policy-framework

Remuneration and staff report

Overview

The remuneration and staff report sets out the Agency's remuneration policy for board members, reports on how that policy has been implemented and sets out the amounts awarded to directors and, where relevant, the link between performance and pension.

Remuneration Report: part A (unaudited)

Executive management board members' remuneration policy

The Accounting Officer and the other core EMB members are senior civil servants whose pay is decided by the Department's Senior Civil Servant Pay Committee. The committee is chaired by the Department's Permanent Secretary and comprises members of the Department's Leadership Team and a departmental non-executive director. The committee makes decisions within the limits and delegated authorities set by the government in response to the annual report of the Senior Salaries Review Body. [17]

Staff employed by an executive agency of the Department have performance management and contractual terms as described in the Department's ARA. As such, the Department manages performance management and non-consolidated performance awards for members of the Senior Civil Service within the framework set by the Cabinet Office. The contractual terms of the EMB members also comply with requirements set centrally by the Cabinet Office.

More information on the Cabinet Office's framework and standards can be found on the civil service website. [18]

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, on the basis of fair and open competition. The recruitment principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at its website. [19]

17 https://www.gov.uk/government/organisations/review-body-on-senior-salaries
18 https://www.gov.uk/government/organisations/civil-service
19 https://civilservicecommission.independent.gov.uk/

Remuneration Report: part B (audited)

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Board members of the Agency. Figures in brackets are full year equivalent values for those members who didn't serve a full year in post.

					2023-24
	Salary	**Bonus payment**	**Benefits -in-kind**	**Pension benefits**	**Total**
	£000	**£000**	**to nearest £100**	**to nearest £1,000**	**£000**
Chief Executive					
Gillian Hillier	105-110	0-5	4,200	70	185-190
Deputy Director					
Kate Moore	80-85	5-10	-	(23)	65-70
Kevin Cheung	80-85	0-5	-	33	115-120
Anne Counsell from 1 December 2023 annualised value	*25-30* (75-80)	-	-	193	215-220

					2022-23
	Salary	**Bonus payment**	**Benefits -in-kind**	**Pension benefits**	**Total**
	£000	**£000**	**to nearest £100**	**to nearest £1,000**	**£000**
Chief Executive					
Gillian Hillier	95-100	0-5	7,800	(6)	100-105
Deputy Director					
Colin Watson to 31 July 2022 annualised value	*25-30* (80-85)	-	-	11	35-40
Kate Moore	85-90	0-5	-	5	95-100
Anne Counsell from 8 July 2022 to 30 October 2022 annualised value	*20-25* (70-75)	-	-	9	30-35
Kevin Cheung from 31 October 2022 annualised value	*30-35* (80-85)	-	-	13	45-50

Salary

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Agency and thus recorded in this ARA.

Benefits-in-kind

The monetary value of benefits-in-kind covers any benefits provided by the Agency during an individual's period of appointment to their board role and treated by HMRC as a taxable emolument.

During the year, one board member received a benefit-in-kind (2022-23: one).

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. SCS bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2023-24 relate to performance in 2023-24 and the comparative bonuses reported for 2022-23 relate to the performance in 2022-23.

For non-SCS, bonuses relate to the performance in the year prior to that in which they become payable to the individual. The bonuses reported in 2023-24 relate to the performance in 2022-23 and the comparative bonuses reported for 2022-23 relate to the performance in 2021-22.

The Agency awards bonuses as part of the performance management process. The Agency sees effective performance management as key to driving up individual and organisational performance and providing greater value for money to deliver high-quality public services. The Agency follows the Performance Management Arrangements for the Senior Civil Service[20] and the Agency's performance management framework for managing and rewarding performance throughout the year.

Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest-paid director in the Agency in the financial year 2023-24 was £115,000 – £120,000 (2022-23: £105,000 – £110,000). This was 2.8 times the median (2022-23: 2.6), the increase in this ratio compared to the prior year is due to a greater increase in the remuneration of the highest paid director compared to the median (staff). The median remuneration of the workforce was £42,119 (2022-23: £41,322). The pay, reward and progression policies have not changed significantly during the year, which is reflected in the relatively minor change in the median remuneration figure. The small increase is due to a small shift in the grade distribution of staff.

In 2023-24, nil employees (2022-23: nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £27,000 – £120,000 (2022-23: £25,000 – £110,000).

20 https://www.gov.uk/government/publications/senior-civil-service-performance-management

	2023-24		2022-23	
	Salary and allowances	Total pay and benefits	Salary and allowances	Total pay and benefits
	£	£	£	£
Band of highest paid director (£000)	105-110	115-120	95-100	105-110
Range (£000)	27-110	27-120	25-100	25-110
Upper quartile	53,669	54,063	51,357	52,590
Median	41,738	42,119	39,974	41,322
Lower quartile	33,094	33,335	33,516	34,299
	Ratio	Ratio	Ratio	Ratio
Upper quartile	2.0:1	2.2:1	1.9:1	2.0:1
Median	2.6:1	2.8:1	2.4:1	2.6:1
Lower quartile	3.2:1	3.5:1	2.9:1	3.1:1

Percentage change in the total salary and bonuses of the highest paid board member and the staff average

	2023-24		2022-23	
	Highest paid director	Staff average	Highest paid director	Staff average
	% change	% change	% change	% change
Salary and allowances	10%	5%	5%	3%
Bonuses	-	(61%)	-	13%

Pensions benefits

As an executive agency of the Department, the Agency's staff are members of the Principal Civil Service Pension Scheme (PSCPS) and Civil Servants and Other Pension Scheme (CSOPS) that provides pension benefits. Readers can find details on the scheme at the Civil Service Pensions website. [21]

	Accrued pension at pension age as at 31/3/24 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/24	CETV at 31/3/23 (Re-presented)	Real increase in CETV
	£000	£000	£000	£000	£000
Chief Executive					
Gillian Hillier	50-55	2.5-5	1,041	899	58
Deputy Directors					
Kate Moore	30-35 plus a lump sum of 80-85	0 plus a lump sum of 0	643	616	(33)
Kevin Cheung	0-5	0-2.5	31	9	16
Anne Counsell	5-10	7.5-10	148	-	146

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS.

Civil service pensions

The PCSPS and the Civil Servant and Other Pension Scheme (CSOPS), known as alpha, are unfunded multi-employer defined benefit schemes, but STA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation. [22]

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme, or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

21 https://www.civilservicepensionscheme.org.uk/
22 https://www.civilservicepensionscheme.org.uk/knowledge-centre/resources/resource-accounts/

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy[23] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as “rollback”.

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

All members who switch to alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

23 https://www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

Partnership pensions

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements[24] can be found online.

Cash equivalent transfer values (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits, they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their current appointment. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the member. It is worked out using common market valuation factors for the start and end of the period.

Compensation for loss of office

The Agency paid no compensation for loss of office in 2023-24 (2022-23: nil).

24 www.civilservicepensionscheme.org.uk

Staff Report part A: audited

Staff costs

			2023-24	2022-23
	Permanently employed staff	Other	Total	Total
	£000	£000	£000	£000
Wages and salaries	5,862	-	5,862	5,980
Social security costs	686	-	686	695
Pension costs	1,530	-	1,530	1,521
	8,078	**-**	**8,078**	**8,196**
Less:				
capitalised staff costs	(333)	-	(333)	(392)
recoveries in respect of outward secondments	-	-	-	(110)
	7,745	**-**	**7,745**	**7,694**

The Agency pays a flat fee for agency staff, which includes social security, holiday pay, pension costs etc. This note discloses the total sum as wages and salaries in the 'Other' column.

Average number of persons employed

The average number of full-time equivalent persons employed during the year is shown in the table below.

			2023-24	2022-23
	Permanently employed staff	Other	Total	Total
	Number	Number	Number	Number
Directly employed	125	-	125	130
	125	**-**	**125**	**130**

Pension schemes

Civil service pensions

The PCSPS and the Civil Servant and Other Pension Scheme (CSOPS), known as alpha, are unfunded multi-employer defined benefit schemes, but the Agency is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the scheme as at 31 March 2020. You can find details in the resource accounts of the Cabinet Office.

For 2023-24, employers' contributions of £1,523,000 (2022-23: £1,517,000) were payable to the PCSPS and CSOPS at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. It is estimated that employer contributions for the next financial year will be £1,632,000 (2022-23: £1,422,000).

The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during the financial year to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Partnership pension accounts

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. In 2023-24 employers' contributions of £6,843 (2022-23: £4,211) were paid to the appointed stakeholder pension provider.

Employer contributions are age-related and range from 3% to 12.5% of pensionable earnings up to 30 September 2015 and from 8% to 14.75% of pensionable earning from 1 October 2015. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £246 (2022-23: £156), 0.8% of pensionable pay up to 30 September 2015 and 0.5% of pensionable pay from 1 October 2015, were payable to the PCSPS and CSOPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the year-end were £893 (2022-23: £364). Contributions prepaid at that date were £nil (2022-23: £nil).

Ill-health retirement

No persons (2022-23: no persons) retired early on ill-health grounds.

Reporting of Civil Service and other compensation schemes

			2023-24			2022-23
	Compulsory redundancies	Other agreed exits	Total exit packages	Compulsory redundancies	Other agreed exits	Total exit packages
Exit package cost band	Number	Number	Number	Number	Number	Number
<£10,000	-	-	-	-	-	-
£10,001-£25,000	-	-	-	-	-	-
£25,001-£50,000	-	-	-	-	2	2
£50,001-£100,000	-	-	-	-	1	1
Total number of exit packages	**-**	**-**	**-**	**-**	**3**	**3**
Total costs (£000)	**-**	**-**	**-**	**-**	**146**	**146**

There were no exit schemes in 2023-24

Staff Report: part B (unaudited)

Analysis of staff policies and statistics

Our people

Staff by grade and gender

Our staff are a mix of civil servants and contractors. Our civil servants are employed by the Department on its terms and conditions. Responsibility has been delegated to me as Accounting Officer for the recruitment of staff within the parameters provided by the Department's policies and procedures.

The headcount for permanent staff as at 31 March 2024 is as follows:

			2023-24			2022-23
	Male	Female	Total	Male	Female	Total
	Number	Number	Number	Number	Number	Number
SCS						
Director	-	1	1	-	1	1
Deputy Director	1	2	3	2	1	3
Non-SCS						
Grade 6	2	8	10	2	5	7
Grade 7	8	15	23	10	17	27
Senior executive officer	17	36	53	14	36	50
Higher executive officer	11	16	27	10	19	29
Executive officer	4	14	18	4	9	13
Executive assistant	-	-	-	-	1	1
	43	**92**	**135**	**42**	**89**	**131**

Recruitment practice

The Agency has a duty to ensure it is fully compliant with the Civil Service Commissioners' recruitment principles. The Agency follows the Department's approach to recruitment which reflects its commitment to equal and fair opportunity for all. All recruitment processes comply with the Equality Act 2010. Details can be found in the Department's ARA.

Sickness absence

Figures below show the average number of working days lost through sickness absence across the Agency.

	2023-24	2022-23	2021-22	2020-21
Days per FTE	5.8	4.2	6.7	8.9

The figure is well below the most recently published Civil Service average in the year ending 31 March 2023 [25], which was 8.1 average working days lost per full time equivalents (FTE) .

Staff turnover

The figures below show the number of leavers within the reporting period divided by the average staff in post over the reporting period presented as a percentage. Agency turnover (staff leaving the Agency) is compared to the Civil Service average.

	2023-24	2022-23	2021-22	2020-21
Civil Service turnover	6%	9%	6%	5%
Agency turnover	8%	7%	2%	2%

The Agency figure does not include staff who transferred within the Departmental Group.

Commitment to improving diversity

STA adopts the department's Diversity and Inclusion Strategy 2022-26, launched in June 2022 with a vision to create an inclusive department, which nurtures talent and reflects the diversity of our department, mirroring the country we serve. We are proud of the progress we are continuing to make in our diversity and inclusion agenda.

The Department has seen increases in our workforce representation, to 20.2% for those from a minority ethnic background, 14.5% for disability and 8.3% for LGBO, as at the last day of Q3 2023-24. We continue to work towards achieving our SCS workforce representation targets for staff from an ethnic minority. We have exceeded our target for disability, at 12.3%.

We continue to be transparent with diversity data, publishing a quarterly diversity and inclusivity data dashboard, using data to support decision making and accountability. Alongside other characteristics, this dashboard includes data to support us to measure socio-economic background to progress work on social mobility.

Our central aim in building our internal diversity is based around continuing open and honest conversations across diverse characteristics which continues to be critical to driving positive change. Senior leaders and managers facilitate, and champion holding powerful conversations about inclusion and make sure all our staff feel accepted, valued, respected and supported.

As part of the commitment to be an inclusive department, this year the Department was included in the Top 75 UK employers as announced by the Social Mobility Employer Index. By accessing and progressing talent from all backgrounds, the Department will benefit from better decision-making, higher productivity and engagement, and more innovative thinking. A focus on social mobility will help the Department's wider diversity and inclusion goals – engaging with more people across the organisation.

25 https://www.gov.uk/government/publications/civil-service-sickness-absence-2023/civil-service-sickness-absence-2023-report

Staff policies for disabled persons

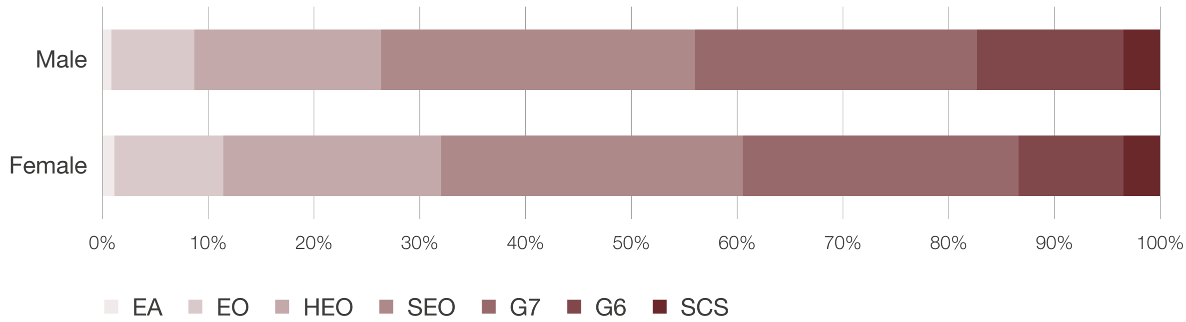
The Agency offers disability leave which is to enable employees with a disability to be able take reasonable time off from work to go for occupational rehabilitation, assessment or treatment to help them to return to work, or while they are waiting for a reasonable adjustment to be put in place.

Its recruitment policies also guarantee an interview to any disabled candidate who demonstrates that they meet the minimum standard required for the role.

Gender pay gap reporting

STA is included within the Department's Gender pay gap reporting. The Department now has the third lowest gender pay gap across Whitehall. The Department's median gender pay gap at March 2023 was 4.1% (2022: 4.9%) the latest date of available data. Our analysis has identified that over-representation of females in more junior grades is likely to be a significant contributor to the remaining pay gap. The 2023 Department and Agencies graph shows that whilst both the median male and female salary continue to be within the SEO pay band, the higher proportion of women in EA to HEO grades means the overall female median is closer to the middle of the SEO distribution for females while the median male's pay is closer to the top end of the SEO distribution for males. The value for March 2024 is not available at the time of publication and will be included in the department's 2024-25 ARA.

March 2023 grade breakdown by gender (Department and Agencies)



Engagement with employees

The Department and Agencies work with our trade unions, both formally and informally, engaging with them to promote an open and constructive relationship. We aim to promote a positive employee relations environment where staff and the trade unions can contribute constructively to our objectives.

The Department launched the strategic workforce plan in May 2022. Our vision for the future is to create a workforce with world class skills and capabilities, which is flexible and makes the best use of excellent talent by supporting increased diversity and social mobility as well as ensuring colleagues have well-defined development plans, and that clear career paths are set out for all those who want to progress and develop their expertise. The strategic workforce plan is aligned to the Government Reform Agenda and clearly articulates the ambitions for the future workforce.

The Department conducts a full People Survey annually, with the results published each December.

	2023-24	2022-23	2021-22	2020-21
Response rate	85%	79%	94%	91%
Engagement index	61%	61%	69%	69%

The information from the survey is used to support development of the Department's strategies and continually improve our levels of employee engagement.

Fire, health and safety

STA follows the department's approach to Fire, health and safety. Further information can be found in the DfE Group annual report and accounts.

Review of tax arrangements of public sector appointees

As part of the Review of the Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments were directed to publish information pertaining to the number of off-payroll engagements at a cost of over £58,200 that were in place on, or after, 31 January 2012; and any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during 2023-24.

The tables on the following pages set out this information.

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater

	Total
Number of existing engagements as at 31 March 2024	-
Of which the number that have existed for:	
less than one year at time of reporting	-
between one and two years at time of reporting	-
between two and three years at time of reporting	-
between three and four years at time of reporting	-
four or more years at time of reporting	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater

	Total
Number of off-payroll workers engaged during the year ended 31 March 2024	-
Of which:	
not subject to off-payroll legislation	-
subject to off-payroll legislation and determined as in-scope of IR35	-
subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	-
Of which: number of engagements that saw a change to IR35 status following review	-

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024

	Total
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	-
Total number of individuals on- and off-payroll that have been deemed “board members and/or senior officials with significant financial responsibility” during the financial year. This figure should include both on- and off-payroll engagements	4

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires relevant public sector organisations to report on trade union facility time in their organisations. The Department’s ARA reports this information for both the Department and executive agencies.

Parliamentary accountability and audit report

Overview

This section presents the disclosures to support Parliamentary accountability of STA. The balances disclosed in this section are subject to additional controls due to their nature and sensitivity. The audit certificate from the Comptroller and Auditor General is also included at the rear of this section.

Parliamentary accountability disclosures (audited)

We are custodian of taxpayers' funds and have a duty to parliament to ensure the regularity and propriety of our activities and expenditure. We manage public funds in line with Managing Public Money.

The importance of operating with regularity and the need for efficiency, economy, effectiveness and prudence in the administration of public resources to secure value for public money, is the responsibility of our accounting officer whose responsibilities are also set out in Managing Public Money. They include responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable.

To discharge this responsibility and ensure our control totals are not breached, the following activities are in place:

- formal delegation of budgets
- detailed monitoring of expenditure
- monthly management reporting against control totals

In addition, we operate the three lines of defence model, which is included in our risk management framework.

Public sector losses and special payments

A1 Losses statement

	2023-24	2022-23
Total number of cases	7	5
	£000	**£000**
Cash losses	4	-
Claims waived or abandoned	28	1,545
	32	**1,545**

There were no losses over the disclosure threshold of £300,000 in 2023-24 (2022-23: One loss of £1,500,000).

A2 Special payments

There were no special payments made in the year (2022-23: nil).

A3 Gifts

There were no gifts made in the year (2022-23: nil).

Remote contingent liabilities

The remote contingent liability identified in the prior year crystallised in the year and was paid. No additional remote contingent liabilities were identified this year (2022-23: £185,000).

Functional standards (Unaudited)

The functional standard is part of a suite of management standards that promotes consistent and coherent ways of working across government, and provides a stable basis for assurance, risk management and capability improvement. Standard GovS 006 sets out expectations for effective management and use of public funds.

The suite of standards, and associated guidance, can be found at GOV.UK[26].

Gillian Hillier
Accounting Officer
4 July 2024

26 https://www.gov.uk/government/collections/functional-standards

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Standards and Testing Agency for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Standards and Testing Agency's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Standards and Testing Agency's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Standards and Testing Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Standards and Testing Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Standards and Testing Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Standards and Testing Agency is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Standards and Testing Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Standards and Testing Agency or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Standards and Testing Agency from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Standards and Testing Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Standards and Testing Agency will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Standards and Testing Agency's accounting policies.
- inquired of management, the Standards and Testing Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Standards and Testing Agency's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Standards and Testing Agency's controls relating to the Standards and Testing Agency's compliance with the Government Resources and Accounts Act 2000, Managing Public Money and the Education (National Curriculum Assessment Arrangements) Orders;
- inquired of management, the Standards and Testing Agency's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Standards and Testing Agency for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Standards and Testing Agency's framework of authority and other legal and regulatory frameworks in which the Standards and Testing Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Standards and Testing Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2023, employment law, tax legislation and Education (National Curriculum Assessment Arrangements) Orders.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
12 July 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

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Financial Statements

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2024

		2023-24	2022-23
	Note	**£000**	**£000**
Staff costs	3	7,745	7,694
Grant expenditure	4	3,315	2,568
Operating expenditure	5	39,099	36,613
Total operating expenditure		**50,159**	**46,875**
Finance expense		1	1
Net expenditure		**50,160**	**46,876**
Comprehensive net expenditure for the year		**50,160**	**46,876**

All income and expenditure reported in the Statement of Comprehensive Net Expenditure are derived from continuing operations.

The notes on page 74 to page 83 form part of these accounts.

Statement of Financial Position

As at 31 March 2024

	Note	2024 £000	2023 £000
Non-current assets			
Intangible assets	6	14,617	11,684
Total non-current assets		**14,617**	**11,684**
Current assets			
Receivables	8	125	256
Cash and cash equivalents	9	366	2,046
Total current assets		**491**	**2,302**
Total assets		**15,108**	**13,986**
Current liabilities			
Payables	10	(9,080)	(10,740)
Total current liabilities		**(9,080)**	**(10,740)**
Total assets less total liabilities		**6,028**	**3,246**
Taxpayers' equity			
General Fund		6,028	3,246
Total taxpayers' equity		**6,028**	**3,246**

Gillian Hillier
Accounting Officer
4 July 2024

The notes on page 74 to page 83 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Cash flows from operating activities			
Net operating cost	SoCNE	(50,160)	(46,876)
Adjustments for non-cash transactions		1,959	3,892
(Increase)/decrease in receivables	8	131	193
(Decrease)/increase in payables	10	(1,660)	1,315
Finance expense		(1)	(1)
Net cash outflow from operating activities		**(49,731)**	**(41,477)**
Cash flows from investing activities			
Purchase of intangible assets	6	(4,027)	(3,357)
Net cash outflow from investing activities		**(4,027)**	**(3,357)**
Cash flows from financing activities			
Draw down of Supply from sponsor department	SoCTE	52,078	46,054
Net cash inflow from financing activities		**52,078**	**46,054**
Net (decrease)/ increase in cash and cash equivalents in the period		**(1,680)**	**1,220**
Cash and cash equivalents at beginning of year		2,046	826
Cash and cash equivalents at end of year		**366**	**2,046**

The notes on page 74 to page 83 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2024

	Note	General Fund £000
Balance at 31 March 2022		**892**
Net Parliamentary funding – drawn down		46,054
Comprehensive expenditure for the year	SoCNE	(46,876)
Non-cash adjustments		
Intra-Group transactions		674
Auditor's remuneration	5	61
Notional shared service recharges	5	2,441
Balance at 31 March 2023		**3,246**
Net Parliamentary funding – drawn down		52,078
Comprehensive expenditure for the year	SoCNE	(50,160)
Non-cash adjustments		
Intra-Group transactions		(1,914)
Auditor's remuneration	5	72
Notional shared service recharges	5	2,706
Balance at 31 March 2024		**6,028**

The General Fund represents total assets less liabilities, to the extent that the total is not represented by other reserves and financing items for the Agency.

The notes on page 74 to page 83 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

These accounts have been prepared in accordance with the 2023-24 government FReM issued by HMT. This is set out in a statutory Accounts Direction issued pursuant to section 7(1), (2) and (5) of the Government Resources and Accounts Act 2000.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected.

The particular policies adopted by the Agency for this financial year are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention.

1.2 Going concern

STA has agreed a budget for financial year 2024-25, and actively monitors the sufficiency of future grant-in-aid to meet the needs of its corporate plan for 12 months from approval of the accounts. Furthermore, DfE has provided confirmation of support for the going concern period to July 2025 that enables STA to deliver its objectives and continued regulatory intent. Our management of associated risks is outlined in the governance statement section of this report, and STA's continued existence remains a matter of policy.

Therefore, it is considered appropriate to adopt a going concern basis for the preparation of these financial statements.

As an executive agency, funding for STA will be met by DfE as the sponsoring department. The 2021 Spending Review achieved a funding settlement from 2022-23 to 2024-25 that recognised the important role that DfE plays in delivering government objectives, which includes an appropriate level of grant-in-aid being provided to STA to support increased capacity for its core business.

1.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of these accounts requires management to make judgements, estimates and assumptions that affect the application of policies and reported values of assets and liabilities, income and expenditure. These are based on historic and other factors that are believed to be reasonable. The results of these form the basis for making judgements. The estimates and underlying assumptions are reviewed on an on-going basis.

Management has specifically made such judgements on:

1.3.1 Intangible assets

The recognition of internally developed intangible assets involves three critical judgements by management. The first judgement is over the projected feasibility of the intangible asset once it has been completed. Internally created intangible assets can only be recognised when management are satisfied that the organisation has the technical and operational ability to complete the development of the asset, which will result in a useable or saleable product.

The second critical judgement is the identification of internal costs that are required to be included in the assets carrying value. Internal costs are only included if they are direct costs wholly incurred in developing the intangible asset once the asset's development has moved into the development phase from the earlier research phase.

The third critical judgement is the identification of when the asset is ready to be brought into use and its useful economic life. This will determine the amortisation period of the asset.

Intangibles are assessed for impairment annually at year end, or sooner if potential impairment conditions are identified.

Further details can be found in note 6.

1.3.2 Contract accruals

The preparation of financial statements requires STA to make estimates and assumptions relating to un-invoiced goods or services that affect the reported amounts of assets and liabilities. Actual results could differ from these estimates. The most significant accrual for STA is the expenditure related to the TOpS contract. An increase in this estimate of 1% would lead to an increase in expenditure of approximately £75,000. As this is an area where judgement of material work in progress of services is required, these have been agreed with the supplier.

Further details can be found in note 10.

1.4 Adoption of FReM amendments

There have been no significant amendments to FReM for 2023-24.

1.5 Early adoption

The Agency has not early adopted any accounting standards in 2023-24.

1.6 IFRSs in issue but not yet effective

In order to comply with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Agency must disclose where it has not applied a new IFRS that has been issued but is not yet effective. The Agency has carried out a review of the IFRSs in issue but not yet effective, to assess their impact on its accounting policies and treatment.

1.6.1 IFRS 17 Insurance Contracts (IFRS 17)

Effective central government bodies for annual periods beginning on or after 1 April 2025.
The 2024-25 FReM will present adaptions and interpretations.

The standard makes changes to how insurance contracts are accounted for and may in certain circumstances widen the scope of which financial positions are judged to be in-scope for the standard than those previously caught by IFRS 4 Insurance Contracts (IFRS 4). The Agency does not expect any significant impact from adopting the new standard.

1.6.2 IFRS 18 Presentation and Disclosure in Financial Statements

This standard was issued on 9 April 2024 with an effective date for the private sector of reporting periods beginning on or after 1 January 2027.
The standard has not yet been adopted by FReM, so there is as yet no effective date for central government bodies.

The objective of the standard is to set out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

Until the standard is adopted into FReM, with adaptations and interpretations for the public sector context decided, it is not possible for the Agency to assess the impact on our reporting.

1.6.3 IFRS 19 Subsidiaries without Public Accountability: Disclosures

This standard was issued on 9 May 2024 with an effective date for the private sector of reporting periods beginning on or after 1 January 2027. The standard has not yet been adopted by FReM, so there is as yet no effective date for central government bodies.

This standard, as issued, addresses how subsidiaries of IFRS-applying entities present their own IFRS-compliant financial statements. As an executive agency of a government department, the Agency has significant public accountability. As such we do not expect this standard to have any significant impact on our reporting. However, until the standard is adopted into FReM with public sector context adaptations and interpretations, the position cannot be fully determined.

1.7 Segmental reporting

In accordance with IFRS 8 Operating Segments (IFRS 8), the Agency has considered the need to analyse its income and expenditure relating to operating segments. The Agency has assessed that all lines of operation fall within the same geographical location and regulatory environment as envisaged by IFRS 8.

Since segmental information for total assets and liabilities is not regularly reported to the chief operating decision-maker and in compliance with the FReM, it has not been produced in the accounts.

1.8 Draw down of Supply from sponsoring department

The Agency has recorded all draw down of funding from the Department as financing, as the Agency regards draw down of Supply as contributions from the Agency's controlling party giving rise to a financial interest. The Agency records draw down of Supply as financing in the Statement of Cash Flows and draw down of Supply to the General Reserve.

1.9 Grants payable

1.9.1 Expenditure

All grants made by the Agency are recorded as expenditure in the period in which the allocation or claim is paid, as the grant funding is not directly related to activity in a specific period and is not designed to, in line with legislation. The allocations or claims are deemed the only appropriate and measurable activity that truly creates an entitlement for the recipient.

1.9.2 Recoveries

Grants and other funding paid to end users that are unspent at the year-end may be retained to fund future activity. The Agency does not recognise a prepayment if the end user has not spent the grant due to timing or delays.

1.10 Pensions

The Agency has adopted IAS 19 Employee Benefits (IAS 19) to account for its pension schemes.

Where the Agency makes contributions to defined contribution pension schemes (which do not have underlying assets and liabilities) and unfunded, multi-employer defined benefit pension schemes (where the Agency is unable to identify its share of underlying assets and liabilities), the Agency recognises contributions payable in the SoCNE.

Further details of the pension schemes are available in the Remuneration and Staff Report on page 53.

1.11 Financial instruments

As the cash requirements of the Agency are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements, and the Agency is therefore exposed to little credit, liquidity or market risk.

1.11.1 Financial assets

Financial assets include cash and cash equivalents, trade and other receivables. The Agency determines the classification of its financial assets at initial recognition. Financial assets are recognised initially at fair value, normally being the transaction price. The Agency does not hold derivative financial instruments.

All of the Agency's financial assets fall under the IFRS 9 Financial Instruments category of amortised cost for the purposes of subsequent measure.

Amortised cost

Financial assets classified as amortised cost include:

- trade and other receivables which have fixed or determinable payments that are not quoted on an active market – they do not carry any interest
- cash and cash equivalents comprise cash in hand and on demand deposits

The above asset types are subsequently recognised at amortised cost using the effective interest method. Carrying values are based on initial fair value adjusted for interest charges and repayments. Appropriate impairment allowances for estimated irrecoverable amounts are recognised in the SoCNE based on expected losses for a particular asset, or group of assets. The allowance recognised is measured as the difference between the asset's carrying amount and the estimated future recoverable amount.

1.11.2 Financial liabilities

Financial liabilities are measured at amortised cost and include trade and other payables. The Agency does not have derivative financial instruments. The Agency determines the classification of its financial liabilities at initial recognition.

Trade and other payables

Trade and other payables are generally not interest bearing and are stated at their face value on initial recognition. Subsequently, they are measured at amortised cost using the effective interest method.

1.12 Intangible assets

Assets are capitalised as intangible assets where expenditure of £2,500 or more is incurred. Intangible assets are initially valued at cost, then carried at cost. Assets are amortised over their estimated useful economic lives. Assets under construction are not amortised but are assessed for impairment annually.

The asset life for developed software is 3-5 years.

1.13 Value added tax

Most of the activities of the Agency are outside the scope of VAT. In general, output tax does not apply or, where it does, input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of intangible assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.14 Shared services

The Department provides a number of corporate functions as a shared service reflecting the Department's operating model as follows:

- human resources
- estates and facilities management
- communications
- legal services
- information and technology services
- corporate finance and procurement, including transactional services

The accounts include a notional recharge from the Department to the Agency to reflect the costs of these shared services. The Department makes direct charges in relation to those services which can be directly apportioned to the Agency and the remainder is an apportionment of costs. The apportionment is calculated as a cost per full time equivalent employee within the Departmental group multiplied by the number of the Agency's full time equivalent employees.

2. Statement of operating costs by operating segment

STA has two divisions which are reported as operating segments further details can be found under the structure of the Agency on page 11. A third division has been created but no segmental costs have been allocated to this in 2023-24 as it is still being defined.

Administrative costs are split between the divisions at a higher level. Additionally, administration and shared services are identified as a reporting segment for the analysis required by IFRS 8.

The lines of operation fall within the same geographical location and regulatory environment. Segmental analysis of the Agency's assets and liabilities are not reviewed by management and consequently are not provided here.

Further details of the operating divisions can be seen in the Performance Report.

2.1 2023-24

	Assessment Operations and Services	Assessment Research and Development	Admin and Shared Services	Total
	£000	£000	£000	£000
Gross expenditure	7,061	37,084	3,237	47,382
Income	-	-	-	-
Expenditure before notional charges	**7,061**	**37,084**	**3,237**	**47,382**
Notional charges				
Shared service recharge	-	-	2,706	2,706
Auditor's remuneration	-	-	72	72
Total notional charges	**-**	**-**	**2,778**	**2,778**
Net expenditure	**7,061**	**37,084**	**6,015**	**50,160**

2.2 2022-23

	Assessment Operations and Services	Assessment Research and Development	Admin and Shared Services	Total
	£000	£000	£000	£000
Gross expenditure	32,811	8,290	3,273	44,374
Income	-	-	-	-
Expenditure before notional charges	**32,811**	**8,290**	**3,273**	**44,374**
Notional charges				
Shared service recharge	-	-	2,441	2,441
Auditor's remuneration	-	-	61	61
Total notional charges	**-**	**-**	**2,502**	**2,502**
Net expenditure	**32,811**	**8,290**	**5,775**	**46,876**

3. Staff costs

Disclosures relating to staff numbers and costs are detailed within the Remuneration and Staff Report page 53.

4. Grant expenditure

STA pays KS2 Teacher Assessment Moderation and Phonics Screening Check grants to local authorities and academy trusts. This funding is provided to support activities to carry out moderation of teacher assessment at KS2 and the PSC.

	2023-24	2022-23
	£000	**£000**
Grants to local authorities	1,810	1,834
Grants to academy trusts	1,505	734
	3,315	**2,568**

5. Operating expenditure

	2023-24	2022-23
	£000	**£000**
Test delivery	23,262	21,760
Print, logistics and system maintenance	5,950	5,530
Test research and development	5,584	5,205
Reception baseline assessment	72	136
Other expenditure	356	389
	35,224	**33,020**
Non-cash items		
Amortisation	1,094	1,095
Impairments	(34)	(4)
Bad debt write off	37	-
Auditor’s remuneration	72	61
Shared service recharges	2,706	2,441
	3,875	**3,593**
	39,099	**36,613**

6. Intangible assets

			2024			2023
	Software	AuC	Total	Software	AuC	Total
	£000	£000	£000	£000	£000	£000
Cost						
1 April	5,378	8,493	13,871	5,378	4,756	10,134
Additions		4,027	4,027	-	3,737	3,737
Reclassification				-	-	-
At 31 March	**5,378**	**12,520**	**17,898**	**5,378**	**8,493**	**13,871**
Amortisation						
1 April	(2,187)	-	(2,187)	(1,092)	-	(1,092)
Charged in year	(1,094)	-	(1,094)	(1,095)	-	(1,095)
At 31 March	**(3,281)**	**-**	**(3,281)**	**(2,187)**	**-**	**(2,187)**
Carrying value as at 31 March	**2,097**	**12,520**	**14,617**	**3,191**	**8,493**	**11,684**

7. Financial instruments

7.1 Financial assets

	2024	2023
	£000	£000
Receivables	125	256
Cash	366	2,046
	491	**2,302**

7.2 Financial liabilities

	2024	2023
	£000	£000
Payables	9,080	10,740
	9,080	**10,740**

8. Receivables

	2024	2023
	£000	**£000**
Amounts falling due within one year		
Other receivables	-	80
Prepayments	43	6
VAT	82	170
	125	**256**

9. Cash and cash equivalents

	2024	2023
	£000	**£000**
Balance at 1 April	2,046	826
Net changes in cash balance	(1,680)	1,220
Balance at 31 March	**366**	**2,046**
The following balances were held as cash at bank and in hand		
Government Banking Service	366	2,046
Balance at 31 March	**366**	**2,046**

10. Current payables

	2024	2023
	£000	£000
Other taxation and social security	166	189
Trade payables	446	68
Other payables	156	131
Accruals	8,312	10,352
	9,080	**10,740**

11. Capital and other commitments

11.1 Capital commitments

Contracted and approved commitments at 31 March not otherwise included in these financial statements.

	2024	2023
	£000	£000
Intangible assets	5,765	4,054
	5,765	**4,054**

11.2 Other commitments

The Agency has entered into non-cancellable contracts which are not leases or service concession arrangements, for operation services for KS1 and KS2 tests and the PSC.

The total payments to which the Agency is committed are as follows:

	2024	2023
	£000	£000
Non-cancellable contracts		
No later than one year	30,628	35,036
Later than one year and not later than five years	18,704	37,526
Later than five years	-	-
	49,332	**72,562**

12. Related party transactions

As well as the disclosures in the Remuneration and Staff Report, the following relationships are also considered as related parties and have therefore been disclosed in line with IAS 24 Related Party Disclosures. Transactions are classified as related party transactions if they occurred during the period the board member named held office.

The Agency regards the Department as a related party. During the year, the Agency had a number of material transactions with the Department and with other entities for which the Department is the parent department including the Education & Skills Funding Agency and the Teaching Regulation Agency.

In addition, the Agency has had a number of transactions with other government departments and central bodies. Most of these transactions have been with HMRC, PCSPS and CSOPS.

The Agency and its Board members had no other relationships which would be considered as related parties in 2023-24 (2022-23: none).

13. Events after the reporting period

13.1 Adjusting or non-adjusting events

There have been no events after 31 March that require disclosure.

13.2 Authorisation

These accounts were authorised for issue by the Accounting Officer on the date they were certified by the Comptroller and Auditor General. There have not been any other significant post year end events that have required disclosure in the accounts.

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Annexes (not subject to audit)

Annex A – Glossary of terms

Abbreviation or term	Description
STA, or Agency	Standards and Testing Agency
AFR	Assurance framework record
ARA	Annual Report and Accounts
ARC	Audit and Risk Committee
AOS	Assessment Operations and Services division
ARD	Assessment Research and Development division
AuC	Assets under Construction
BCP	Business Continuity Plan
BTEC	Business and Technology Education Council
Capita	Capita Business Services
CEO	Chief Executive Officer
CETV	Cash Equivalent Transfer Value
DDaT	Digital, Data and Technology
DfE, Department	Department for Education
EMB	Executive Management Board
ESFA	Education and Skills Funding Agency, an executive agency of the Department
FReM	Financial Reporting Manual
FTE	Full Time Equivalent
GCE	General Certificate of Education
GCSE	General Certificate of Secondary Education
GDS	Government Digital Service
GQ	General Qualification
GIAA	Government Internal Audit Agency
HMRC	His Majesty's Revenue and Customs
HMT	His Majesty's Treasury
ICO	Information Commissioners Office
IT	Information technology
KPI	Key Performance Indicator
KS1	Key stage one
KS2	Key stage two

Abbreviation or term	Description
MTC	Multiplication tables check
NAO	National Audit Office
ODPO	Office of the Data Protection Officer
Ofqual	Office of Qualifications and Examinations Regulation
PAG	Primary Assessment Gateway
PCSPS	Principal Civil Service Pension Scheme
PPM	Programme and Project Management
PRC	Performance and Risk Committee
PSC	Phonics screening check
RaSC	Risk and Security Committee
RBA	Reception baseline assessment
SCS	Senior Civil Servant
SIRO	Senior Information Risk Owner
SPR	Strategic Performance Review
STA	Standards and Testing Agency
T Level	Technical Level
TOpS	Test Operation Service
VTQ	Vocational Technical Qualification
2022-23 and 2023-24	Financial years, ending on 31 March
2022/23 and 2023/24	Academic years, ended on 31 August
2022 and 2023	Year in which assessments are carried out

Annex B – Sustainability and TCFD disclosures

Taskforce on Climate-related Financial Disclosures (TCFD)

The TCFD recommendations are structured around 4 thematic areas that relate to core elements of how organisations operate.

Governance

- describe the Board's oversight of climate-related risks and opportunities
- describe management's role in assessing and managing climate-related risks and opportunities

Strategy

- describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term
- describe the impact of climate-related risks and opportunities on the organisations business, strategy and financial planning
- describe the resilience of the organisation's strategy, taking into account different climate scenarios including a 2°C or lower

Risk management

- describe the organisation's processes for identifying and assessing climate-related risks
- describe the organisation's processes for managing climate-related risk
- describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Metrics and targets

- disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process
- disclose scopes 1, 2 and 3 (where appropriate) greenhouse gas emissions and related risks
- describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

The government has endorsed the TCFD framework and has mandated TCFD-aligned disclosure for large entities in the private sector. HMT have subsequently introduced guidance for the public sector to implement these same disclosures, with a view to fundamentally changing how organisations address climate change and its impacts, culminating in insightful disclosures in ARAs.

HMT's TCFD guidance includes a 3-year implementation period, described in the following timeline.

TCFD adoption timeline

Phase 1	Phase 2	Phase 3
• adopted 2023-24 • high-level overview • focus on full governance disclosures • focus on scope 1, 2 and 3 (business travel) disclosures • compliance statement	• adopted 2024-25 • qualitative disclosures with existing quantitative disclosures • as phase 1 but add-in full metrics and targets disclosures • full risk management disclosures	• adopted 2025-26 • full TCFD disclosure compliance • as per Phase 2 and add-in full strategy disclosures

Compliance statement

The Agency has reported on climate-related financial disclosures consistent with HMT's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the public sector.

The table below shows the TCFD disclosures the Agency has included, and an assessment of the extent to which they are compliant with HMT's implementation plan:

- not compliant
- partially compliant
- fully compliant

TCFD disclosures

	Compliance status
Governance	
Describe the Board's oversight of climate-related risks and opportunities	Fully compliant
Describe management's role in assessing and managing climate-related risks and opportunities	Fully compliant
Metrics and targets	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Fully compliant
Disclose scopes 1, 2 and 3 (where appropriate) greenhouse gas emissions and related risks	Fully compliant
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Fully compliant

The Agency expects to produce risk management disclosures in next year's ARA, and strategy disclosures the following year.

DfE Board oversight of climate-related risks and opportunities

DfE response to GGCs on behalf of STA:

- in 2023, a governance review of sustainability and climate change in the Department was concluded to the satisfaction of the GIAA
- climate-related risk has been tabled at board meetings, the NDPB Chairs Network and their sub-boards – the highest levels of governance in the Department
- sustainability sits within the ministerial portfolio for Baroness Barran
- Jack Boyer is lead non-executive board member for sustainability and attends the cross-government Climate Non-executive Board Member Liaison Forum
- the Permanent Secretary appointed the Director General of Strategy Group as director general champion for sustainability
- the role of Chief Sustainability Officer (CSO) has been confirmed at director level
- ministers, Directors General, CSO and the Senior Responsible Officer (SRO) attend relevant cross-government climate change and environment boards

In each of the following sections, disclosures are compliant with HMT's 2023-24 Sustainability Reporting Guidance (SRG) that organisations can consider how they could seek to improve sustainability in areas where they have an influence, for example in policy or procurement.

Management's role at Group and Agency level in assessing and managing climate-related risks and opportunities

- in 2022 a corporate sustainability strategy was developed to mitigate decarbonisation and adaptation risk in the corporate estate, to be reviewed in 2025
- a corporate estate sustainability strategy has also been developed to set out the path to meeting GGC targets
- delivery of both of these strategies is monitored via the DfE portfolio delivery board
- DfE have recruited sustainability expertise and a corporate office estates sustainability manager to bring focus to ensure our office estate, operations, and policies support resilience and adaptation
- DfE has begun the process of assessing climate risk across its own buildings and operations and is making use of a new climate risk assessment tool, commissioned by the landlord (the Government Property Agency), to screen for priority risks
- climate-related risk was tabled at the Board during the reporting period

Metrics used by the Agency to assess climate-related risks and opportunities in-line with its strategy and risk management process

The Government Greening Commitments [27] are a set of targets for central government and its executive agencies to reduce their environmental impact. The commitments, and their associated metrics include:

- reductions in operational consumption and waste (tCO2e)
- mitigating climate change and working towards net zero by 2050
- minimising waste and promoting resource efficiency (tonnes)
- reducing water usage (m3)
- reduced business travel (tCO2e per journey, numbers of journeys taken using a particular mode of transport)
- key sustainability areas including biodiversity, climate change adaptation (increase in number of completed projects aimed at boosting biodiversity and adaptation)

Beyond GGC reporting, the DfE and its agencies' corporate sustainability strategy includes further metrics and targets, including:

- become an accredited carbon literate organisation at bronze level (number of staff trained and accredited)
- environmental considerations are embedded into policy development and delivery processes (bi-monthly sampling of usage of new environmental principles digital app)
- environmental effects of policies and behaviours is embedded into our culture (sustainability embedded in recruitment adverts and our careers page; at least 25% of staff have a sustainability objective)
- reduce the number of physical IT servers on Departmental premises and move towards cloud-based computing solutions (% reduction in server hardware; % reduction in public cloud costs)

Scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks

Overall GGC performance

This data is not available at agency level. The Group's performance against the 6 overall GGC performance criteria against the baselines set from 2017-18 values can be found in the DfE Group Annual report and accounts.

Agency targets to manage climate-related risks and opportunities, and performance against targets

The Department is aiming to increase biodiversity by 10% across our Group office estate in conjunction with our landlord, the Government Property Agency. We are taking a scientific approach to surveying land identified for biodiversity development, before and after an intervention to quantify how effective it has been.

27 https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025/greening-government-commitments-2021-to-2025

Sustainability reporting

The Agency adopts the Department's policies on sustainability which are managed by Departmental teams owing to the level of shared workspaces across the Department and its executive agencies. This is the second year detailed Agency-level information has been available to present here.

The Agency recognises its responsibilities to the Greening Government Commitments (GGCs), 25 Year Environment Plan, and forthcoming Environmental Principles – and we are incorporating climate change considerations in our operational delivery and policy development. The GGCs affect how we operate as an organisation and our ways of working. We have plans of how the Agency staff can support us in ensuring we meet these centrally mandated targets, along with the close support of Department staff.

The Department set up a Sustainability and Climate Change Unit in April 2021 to embed sustainability across the education system as well as into the Department's operations and education policies, which included the Agency's operations.

In April 2022, the Department launched the Sustainability and climate change: a strategy for the education and children's services systems. [28] This set out how the Department would support education settings so that the UK's education sector can become world-leading in sustainability and climate change by 2030. However, importantly, it also included a commitment to launch a Corporate Sustainability Strategy. This was published in March 2023, outlining our commitments up to 2025 to align with our corporate plans to achieve the GGCs.

We aspire to lead our organisation towards a more sustainable future, as well as being active contributors to cross-government priority outcomes, strategies and programmes.

More sustainability reporting can be found in the Department's consolidated ARA, which also includes commentary on how the Department, supported by its executive agencies, is working to improve sustainability over the education sectors.

Scope of the following disclosures

This annex has been prepared in accordance with HMT's Sustainability Reporting Guidance 2023-24 [29] and covers Greening Government Commitments – quantified disclosures along with policy statements relating to the Agency's own activities.

GGC information is collected centrally by the Department as the tenant to the buildings occupied by the Department and its three executive agencies.

Greening Government Commitments

The Agency is reporting against the 2017-18 baseline to meet our GGCs, and we have effectively reduced utilities usage and waste across the whole estate. The Agency, through the Department, has developed an operational estates sustainability management plan, which outlines our values and intended interventions required to reach the GGC targets.

On behalf of the Agency, the Department has developed a corporate office Estates Sustainability Strategy which comprehensively outlines our Net Zero road map for the next three years and the strategy required to meet the GGCs targets set out by 2025.

The Department recruited sustainability expertise and a corporate office Estates Sustainability Manager to bring focus to ensure our office estate, operations, and policies support resilience and adaptation.

We have continued to implement a range of practical interventions in the education estate which will drive forward knowledge of how to achieve sustainable outcomes economically and efficiently whilst supporting the overall aim of productive learning environments.

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28 https://www.gov.uk/government/publications/sustainability-and-climate-change-strategy/sustainability-and-climate-change-a-strategy-for-the-education-and-childrens-services-systems

29 https://www.gov.uk/government/publications/sustainability-reporting-guidance-2023-24

Corporate Sustainability and Climate Change Strategy

The Department's Corporate Sustainability and Climate Change Strategy demonstrates how we will embed sustainability across everything we do – from how we maintain and use our office estate, to our decision-making and business processes, policy development and training our people.

It sets out how the Agency will:

- embed environmental considerations into policy development and delivery, including preparations to comply with the Environmental Principles legal duty which came into force in November 2023
- protect and enhance the environment in the Agency's operations as an organisation, including our offices, business travel and use of ICT, in line with the GGCs

As part of this, climate literacy training is now available to staff. This is accredited by the Carbon Literacy Project [30] and includes the science of climate change, how this links with education policy and disadvantage, and how to comply with the Environmental Principles.

Greening Government Commitments reporting

The Agency is committed to a number of targets including the mandatory GGCs for reducing energy, water, paper, travel emissions and waste management. These targets were updated during 2021-22 with a new target period to 2025. The greenhouse gas emissions target for the Department is a reduction of 56% in total emissions, 36% in direct emissions and to reduce water consumption compared to the 2017-18 baseline. Waste targets are less than 5% sent to landfill and at least 70% sent to be recycled.

Scope

The data below shows the Department's present position for 2022-23 against a 2017-18 baseline (unless otherwise stated). Environmental data is for a 12-month reporting period from January 2022 to December 2022. In accordance with annual reporting conventions across other government departments, the Department's non-financial indicators are compiled using data from the final quarter of the previous reporting year plus the first three quarters of the current reporting year. 2021-22 non-financial indicators have been restated to include actual environmental performance for 2021-22.

Governance and data validation

The Government Property Agency (GPA) was responsible for managing the property portfolio for the Department and its executive agencies in 2023-24. However, overall responsibility for sustainability remains with the Agency. Internal data validation checks are carried out by Avieco, who are retained by our landlord (GPA) to monitor performance. In order to report the greenhouse gas emissions associated with activities, 'activity' data such as distance travelled, litres of fuel used, or tonnes of waste disposed has been converted into carbon emissions. The greenhouse gas conversion factors used in this report can be found in the government environmental impact reporting requirements for business. [31]

30 https://carbonliteracy.com/
31 https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

Governance

On behalf of the Agency, the Department undertakes a stringent monitoring regime in relation to GGC performance management, working closely with the GPA as property asset managers and our NDPBs.

This is supplemented by periodic audits conducted by the GIAA, reported to the Accounting Officer via the Department's finance function.

Internal and cross-governance arrangements are also in place for the phases of development and delivery of initiatives set out within the Department's Sustainability and Climate Change Strategy for the education and children's services systems. These are regularly reviewed by the GIAA.

In addition to the internal governance process, external audits are also undertaken to assure processes and systems including methodologies for recording, analysing and verifying data, as well as the calculations for quarterly GGC returns. These external validation audits are carried out on Defra's behalf by Carbon Smart. The vast majority of this report has been compiled using accurately measured data, verified through internal controls. This includes checking samples of automatically generated meter-reading data with manual meter reads. Where complete data sets have not been available, (for example through lack of detail, or due to landlord service charges), internal benchmark figures have been applied based on known parameters and data sets.

Summary of GGC performance

It has not been possible to disaggregate some of the performance metrics at Agency level. A summary of performance against the GGC quantitative targets for the Group is disclosed in the Department's published consolidated ARA.

Performance indicators relate to the previous GGC targets. [32]

Overall GGC performance

Achievement against target

In 2023-24, the Agency:

- saw a decrease in electricity, gas and water use compared to the baseline year
- is yet to meet the GGC targets for greenhouse gas (GHG) reduction but has seen a 43% decrease for in-scope overall emissions and 4% decrease for in-scope direct emissions – the GHG emissions target for overall emissions by 2025 is a reduction of 56% compared to a 2017-18 baseline
- met all targets related to waste reduction, waste management and water consumption

Emission scopes

The emission scopes [33] can be explained as:

- Scope 1 (direct GHG emissions): these occur from sources owned or controlled by an organisation - examples include emissions as a result of combustion in boilers owned or controlled by the organisation and emissions from organisation-owned fleet vehicles
- Scope 2 (energy indirect emissions): these are emissions a body makes indirectly that are a consequence of the organisation's activities, but which occur at sources you do not own or control. For example, the electricity or energy purchased to heat and cool buildings has associated emissions generated by the energy supplier
- Scope 3 (other indirect GHG emissions): all other emissions which occur as a consequence of activity, but which are not owned or controlled by the accounting entity - this is primarily business travel emissions

32 https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020
33 https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance

Consumer single use plastics

The DfE and agencies remain committed to removing consumer (avoidable) single use plastics from the office estate in line with the government's pledge in the 25-year environmental plan. Considerable success has already been achieved – where possible, we have made every effort to remove plastic cutlery, cups and straws, and to improve the recyclability of takeaway containers. Other initiatives included the introduction of "bring your own" policies so that reusable cutlery, coffee cups, containers are used over other disposable or recyclable alternatives.

ICT waste

The Agency continues to utilise technology to improve our overall environmental impact. Recent initiatives include replacing desk phones with softphones (software for making telephone calls over the internet). Encouraging the use of softphones over mobiles further supports a reduction in our physical impact and footprint. In addition, improvements to our videoconferencing provision seeks to aid and enable effective hybrid working, reducing the need for travel.

Accounting for shared, offset, renewable and sequestered carbon

The Agency does not purchase or utilise carbon credits at all across the office estate.

Adapting to climate change

The Agency's own offices will be adapted to reduce the effects of climate change in line with the activities of other departments. The Agency, through the Department:

- has begun the process of assessing climate risk across its own buildings and operations
- is making use of a new climate risk assessment tool, commissioned by the GPA, to screen for priority risks

Sustainable procurement

Within the Agency we take account of social value in the award of central government contracts. Procurement Policy Note 06/20 is applied to all new in scope procurements from January 2021, with at least one of five social value themes being assessed in the procurement and subsequent contract with suppliers. Themes are selected which are most relevant to the subject matter of the contract, and one of the themes is fighting climate change. In addition, new contracts require that suppliers meet the Government Buying Standards on sustainability. We have implemented Procurement Policy Note 06/21: Taking account of carbon reduction plans in the procurement of major government contracts, which came into effect on 30 September 2021 for all in scope procurements. Commercial staff involved in letting and managing contracts undertake Chartered Institute of Procurement & Supply ethics e-learning which covers three key pillars of the ethical procurement and supply profession, one of which is environmental procurement.

Procurement of food and catering services

Using both the Department and GPA supply chain, food provided in catering outlets is local and in season, where possible. The Department buys food from farming systems that minimise harm to the environment, such as produce certified by LEAF (Linking Environment and Farming), the Soil Association or Marine Stewardship Council. Fairly traded and ethically sourced products are also available. The amount of food of animal origin eaten is being reduced, as livestock farming is one of the most significant contributors to climate change, and caterers ensure that meat, dairy products, and eggs purchased are produced to high environmental and animal welfare standards. The amount of palm oil used is also being reduced.

More broadly, we will encourage and support education settings to gather data and take action on food waste and to share their evidence-based best practice for sustainable waste prevention and management. We will also work with Defra and the Waste and Resources Action Programme to share resources for schools and children that support food waste prevention.

Standards & Testing Agency

An executive agency of the Department for Education

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