

INSIGHT

# Strengthening relations with local delivery bodies

Department for Education

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# Strengthening relations with local delivery bodies

**Department for Education**

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## **Report by the Comptroller and Auditor General**

Ordered by the House of Commons  
to be printed on 20 May 2026

This report has been prepared under Section 6 of the  
National Audit Act 1983 for presentation to the House of  
Commons in accordance with Section 9 of the Act

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**Gareth Davies**  
**Comptroller and Auditor General**  
**National Audit Office**

**12 May 2026**

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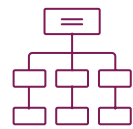
## Summary

**1** Eight actions for the Department for Education (DfE) to consider to strengthen its relations with local delivery bodies, including local authorities and other front-line providers.



**Action 1:**

Establish a clear vision and ensure it is coherently translated into local performance measures, so local decisions consider the outcomes wanted by DfE.



**Action 2:**

Set out clear, transparent systems so all parties, including DfE, fully understand where responsibilities for delivering outcomes lie, and any misalignment is addressed.



**Action 3:**

Collect and use proportionate and reliable cost and outcome data to understand how funding is used and make informed decisions.



**Action 4:**

Target support and guidance, informed by insights into organisations' capabilities and local context, where it can have the greatest impact.



**Action 5:**

Be clear on the standards expected from local bodies to ensure realistic expectations and clarity on when DfE will intervene.



**Action 6:**

Strengthen the identifying and sharing of good practice, insights and data through making best use of information and channels available.



**Action 7:**

Use whole-system approaches and work with wider government to share funding, priorities and expectations.



**Action 8:**

Ensure that local accountability arrangements are supported and regularly reviewed so they adapt and remain effective.

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## Part One

### Importance of local delivery relationships

#### About this report

**1.1** Our work often examines how well central government departments work with local bodies to deliver public services. This includes the Department for Education (DfE), which works with schools, early years settings and residential care providers, often through local authorities, to deliver its strategic objectives. This report brings together insights from our previous work on how to get these relationships right. It does not evaluate DfE's current position but is designed to encourage DfE, and wider government, to consider how to ensure effective relationships with local delivery bodies.

#### Background

**1.2** Departments must get the best value from taxpayers' money. Accounting officers must assure Parliament that their department's spending complies with the regularity, propriety, value for money and feasibility standards set out in *Managing Public Money*.<sup>1</sup> This means they have a stewardship role over how the bodies which are funded by their departments spend taxpayers' money.

**1.3** To carry out its responsibilities, DfE relies on local front-line providers. DfE looks to them to help deliver wider outcomes across the education, early years and children's residential care sectors. Many of these relationships are managed through 153 upper tier local authorities,<sup>2</sup> which have statutory responsibilities to support the education and welfare of children and young people. Local authorities and DfE use front-line providers, including approximately:

- 20,200 state-funded mainstream schools, for around 8.5 million children, delivering DfE's aim to level-up education standards for children and young people;
- 53,600 early years settings with places for around 1.6 million children, supporting DfE's aim to provide all children the best start in life; and
- 5,600 children's social care providers supporting DfE's aim to provide the most disadvantaged and vulnerable children and young people high-quality local services. This includes 4,900 children's home and supported accommodation providers offering places for around 35,900 children.

<sup>1</sup> HM Treasury, *Managing public money*, April 2016.

<sup>2</sup> Upper tier local authorities include county councils, unitary authorities, metropolitan districts and London boroughs. DfE also has relationships with Mayoral Strategic Authorities, who have greater autonomy over spending with an agreed outcomes framework to oversee performance. These arrangements are not considered as part of this report.

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**1.4** In 2024-25, DfE provided local authorities and front-line providers with around £80 billion, including £4.5 billion capital funding.<sup>3</sup> They have significant freedom to decide how to spend this money within, for example, grant conditions and public spend principles. The government sees local autonomy as important as it enables local bodies to make decisions based on their knowledge of local circumstances and needs. DfE supports local decision-making, but remains ultimately accountable for stewardship of the system and how money is spent. This means it must create the right conditions for policies to work, and address national or systemic challenges. DfE can use its sector understanding to develop a national approach, offer support or guidance, and act when risks increase.

**1.5** DfE describes its sector relationships in its Accounting Officer System Statement, alongside its processes to understand risks and gain assurance that funds are spent for the purposes voted by Parliament. This includes relying on others, such as local authorities, academy trusts, and Ofsted, as well as parents and local residents, to hold local bodies to account.

**1.6** Getting relationships with local bodies right is crucial for DfE to deliver its strategic priorities. These relationships are vital to help DfE understand progress, costs and risks, to develop a national approach and ensure value for money. For example, recent legislation has provided greater financial oversight over some providers within children's residential care, where costs had increased significantly. DfE has also set out plans to improve its evidence base to better use funding for the attainment of disadvantaged children, after not fully understanding outcomes resulting from a significant proportion of its £9.2 billion support. We have also seen how misaligned priorities and incentives can undermine a whole-sector approach, such as for special educational needs.

**1.7** DfE's approach to its stewardship role has evolved differently across schools, early years and children's residential care. For example, it has historically taken a more active approach in increasing teacher and early years practitioner numbers compared with children's home workers. After setting out its overarching vision, framed around opportunity, DfE has recently begun to take a more strategic view of stewardship, seeking to better understand and address delivery risks in the round.<sup>4</sup> DfE has identified local government reorganisation as a major risk given its impact on sector relationships.

<sup>3</sup> Figures include funding for schools, early years and children's social care and not further education colleges and other local providers.

<sup>4</sup> Department for Education, *Education Estates Strategy: a decade of national renewal*, February 2026.

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## Scope of our work

**1.8** This report draws together insights from our recent work across DfE to provide our perspectives on:

- actions to challenge DfE, and wider government, as it considers its stewardship over local bodies; and
- what these actions may mean for DfE across the schools, early years and children's residential care sectors given our recent findings.

**1.9** DfE is continuing to develop its approach across all its responsibilities. This report is not designed to assess the adequacy of DfE's existing relationships with local delivery bodies. Instead, it sets out suggested actions based on insights from our existing work for getting these relationships right. These actions are not intended to be exhaustive but highlight the things that we see as important. They also depend on the right behaviours and culture, that lead to collaboration, transparency and productive long-term relationships. We have not sought to consider the impacts of wider local government reorganisation. Appendix One describes our approach to developing this report.

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## Part Two

### Eight actions identified from our work



#### Action 1:

Establish a clear vision and ensure it is coherently translated into local performance measures, so local decisions consider the outcomes wanted by the Department for Education.

**2.1** A clear national vision provides a starting point for effective stewardship. The Department for Education (DfE) has set out its overarching vision, framed around opportunity, to break down barriers and ensure that every child, regardless of their background, has a chance to succeed. Within this, areas have underlying outcomes and national metrics, with published strategies and legislation providing more detail.<sup>5</sup> DfE told us that it uses established indicators to track progress.

**2.2** DfE must set out what it wants certain sectors, or areas, to achieve and turn this into coherent, measurable outcomes that support local decision-making. This helps to avoid local bodies making choices based on short-term pressures or affordability, rather than prioritising overall outcomes. A clear vision across sectors is especially important given DfE's distance from and reliance on local authorities and front-line providers to meet outcomes where it does not have direct contractual or statutory levers. In February 2026, government published the Local Outcomes Framework, which sets out the outcomes it expects from local authorities, including around schools, early years and children's social care.

#### Why this matters:

- **A clear vision increases the likelihood of local decisions aligning with government objectives:** Across children's residential care, DfE had not articulated a vision for what a productive and resilient market should look like. This limited local authorities' and residential care providers' ability to plan, led to local authorities competing to find places in homes and contributed to costs almost doubling over three years and vulnerable children not always receiving the support they needed. (*Managing children's residential care*, 2025.)

<sup>5</sup> DfE's strategies include for schools and SEND in *Every child achieving and thriving*, published in February 2026; for children's social care in *Keeping children safe, helping families thrive*, published in November 2024; and for early years in *Giving every child the best start in life*, published in July 2025.

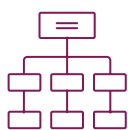
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DfE has two related priority outcomes to support the most disadvantaged and vulnerable children. While expanding early years provision, local authorities and sector representatives were concerned that rapidly increasing provision could impact quality or displace certain children. DfE engaged Ofsted, local authorities and the sector to inform its understanding but had not confirmed how it would monitor the impact on attainment, with a time lag in its understanding of emerging issues. (*Preparations to extend early years entitlements for working parents in England, 2024.*)

More widely, we have recommended bodies should clearly and consistently communicate their long-term strategic ambitions so the sector can organise itself. The Department for Transport (DfT) published a new vision and aims for bus services in April 2026. We had previously found that while improving bus services remained a priority, DfT had not published an updated strategy with refreshed strategic priorities to guide policymaking and funding. (*Local Bus Services in England, 2025.*)

- Progress is easier to understand when it is clear how local performance contributes to a strategic objective:** Departments vary in their use of Outcome Delivery Plans to set out their priorities and how they will measure progress. Clear priorities at whole-of-government and departmental level provide a basis for affordable spending choices. (*Lessons learned: a planning and spending framework, 2024.*)

In relation to how schools plan for changing demand for places, DfE's recent strategy set out a vision for a safe, suitable, sustainable and sufficiently sized school estate, which includes flexing to future need. It has considered various scenarios, but has not yet set out what a resilient school system might look like given these uncertainties. This limited its ability to make informed plans. (*Responding to changing demand for school places, 2026.*)



#### Action 2:

Set out clear, transparent systems so all parties, including DfE, fully understand where responsibilities for delivering outcomes lie, and any misalignment is addressed.

**2.3** HM Treasury guidance stresses strong governance and accountability as essential to joint working. Where there are gaps in accountability, or a lack of transparency over where it falls, oversight of public spending will be harder. We have seen how gaps can lead to delayed or inconsistent action across government. Any misalignment between accountabilities and the ability to act needs to be addressed. Clear roles, including for DfE, give organisations the confidence to act, and help avoid defensive, fragmented or risk-averse decision-making.

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## Why this matters:

- **Clear, transparent accountabilities and expectations provide a foundation for effective relationships:** As accountability for delivering the government's Modern Slavery Strategy was unclear, the government could not meet its objective to significantly reduce modern slavery or demonstrate value for money. There was no overarching governance structure or coherent programme. DfE had recognised the integral role of its arm's-length bodies but did not reflect this in its initial statement. A single UK government statement later covered the role of wider providers. (*Reducing modern slavery*, 2017.)

Within DfE, we have seen the positive impact of clear accountabilities. As part of its risk approach for expanding early years entitlements and developing a transparent risk management culture, for each risk DfE identified accountabilities, metrics for monitoring and mitigations. This helped support identifying risks including at a local level. (*Preparations to extend early years entitlements for working parents in England*, 2024.)

However, in planning for school places, while local authorities have a statutory duty to provide every local child a school place, it is unclear how or if this applies to surplus places. DfE's guidance sets out some expectations but did not clearly signpost these to the sector. (*Responding to changing demand for school places*, 2026.)

More widely, we have also recommended that government bodies clearly articulate their role. While responsibility for bus services sits locally, DfT needs to ensure that its national funding and policy enables its desired outcomes. It has published a vision for buses and written to local authorities to clarify roles and funding. We had recommended that it ensure sector roles, responsibilities and accountabilities were clearly articulated, understood and shared, which included DfT's role as custodian of the national bus services system. (*Local Bus Services in England*, 2025.)

- **Aligning responsibilities and levers across local bodies achieves better outcomes:** In March 2026, DfE published guidance on multi-agency working to safeguard children. This set out organisations' responsibilities and emphasised the need for organisations to understand their respective roles and how they work together. In relation to vulnerable adolescents, we had recommended that DfE and other departments work together to set out how they would support local bodies to improve local safeguarding arrangements, after they were found to be not adequately joined-up or effective.

For children with special educational needs we found that cross-government roles and accountabilities were clear. However, local authorities were accountable for providing support but had limited levers to encourage health providers to prioritise special educational needs. They also had no powers to require academy schools to admit children without consulting the school. (*Support for children and young people with special educational needs*, 2024.)

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### Action 3:

Collect and use proportionate and reliable cost and outcome data to understand how funding is used and make informed decisions.

**2.4** Across government, poor and incomplete data can make it difficult for departments to understand what is being achieved and at what cost. This makes it harder to identify opportunities for improvement and build a clear, consistent understanding of costs to inform decision-making and identify productivity gains.<sup>6</sup> As local authorities and front-line providers deliver outcomes, DfE faces inherent challenges in gathering robust cost and outcome information. Understanding end-to-end costs can be particularly difficult without a direct relationship with providers, as seen for children's homes and special schools. Although DfE collects large amounts of information, being one step removed means it does not always have the context to immediately fully interpret data and local variations and assess what this may mean from a departmental context.

### Why this matters:

- Effective stewardship is strengthened by collecting and using insights on how local bodies use funding and the outcomes achieved:** In its schools white paper, DfE set out plans to improve its evidence base and use expert reviews to better use disadvantage funding. We had found that it did not have a good understanding of how schools spent funding to support the attainment of disadvantaged children, and had recommended that DfE develop a research and evaluation strategy to better understand how to allocate funding. DfE has used evidence to inform funding decisions, with early years pupil premium being increased based on evidence of take-up and comparisons with schools' pupil premium. (*Improving educational outcomes for disadvantaged children*, 2024.)

Across our work we have seen the importance of information focusing on what matters. As DfT's monitoring of local bus services focused on individual activities rather than desired outcomes, we recommended it agree and communicate to stakeholders the information it needed, including to help assess local authority performance, identify emerging issues, and target funding. It has introduced a new outcomes framework and set out plans to publish a comprehensive list of the data it expects to collect from local authorities. (*Local Bus Services in England*, 2025.)

In terms of using data, DfE collects data from local authorities on schools' capacity and pupil number forecasts. DfE assumes the sector will respond to falling pupil numbers, given their responsibilities, but does not currently use school capacity or other data sources to monitor how schools respond or understand the extent of value for money risks. (*Responding to changing demand for school places*, 2026.)

<sup>6</sup> Comptroller and Auditor General, *Improving government's productivity through better cost information*, Session 2024–2026, HC 1291, National Audit Office, September 2025.

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DfE and other departments collectively agreed a dashboard of outcome measures on support for vulnerable adolescents. We had found they collectively had no overall assessment of whether needs were being met, with gaps in evidence of what works. We recommended cross-government objectives and outcome measures. (*Support for vulnerable adolescents*, 2022.)

- **Explicitly considering whether and how to collect and understand data, particularly whole system-costs, is important:** As local authorities contract children’s residential care providers, DfE had few detailed insights on their performance and costs. It could not explain the reasons for cost increases or identify what placements should and do cost. DfE did not have a market oversight function (like that of the Care Quality Commission). The Children’s Wellbeing and Schools Act, which received royal assent in April 2026, provides for a financial oversight scheme allowing government and regulators to monitor the financial health and risks of some providers and their corporate owners, based on their size or market share. We recommended DfE work quickly to define and develop its role overseeing the operation and resilience of providers. (*Managing children’s residential care*, 2025.)

Given its stewardship role, DfE will not understand first-hand the context for local bodies’ performance and the reasons that may explain local variation, including whether this is expected or illustrates something to be considered at a national level. Our work on special educational needs in 2019 described substantial unexplained local variation across aspects of provision, which DfE believed reflected local context and practice. The schools white paper has introduced plans for whole-system reform to help with greater consistency in approaches. (*Support for pupils with special educational needs and disabilities in England*, 2019.)

We have also seen how data flows need to be carefully considered. The Department for Health & Social Care (DHSC) does not have routine demographic data on people invited to the NHS Health Check programme. We recommended that DHSC and NHS England assess the effectiveness of data flows between organisations, which would include assessing the value of giving DHSC more access to some data. (*Progress in preventing cardiovascular disease*, 2024.)

Across home to school transport, DfE had established a new data collection process across local authorities. However, DfE acknowledged the need to work with local authorities to collate the disparate data in a more uniform way. (*Home to school transport*, 2025.)

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#### Action 4:

Target support and guidance, informed by insights into organisations' capabilities and local context, where it can have the greatest impact.

**2.5** DfE's stewardship role includes providing local authorities and front-line providers with guidance and support to help them make effective local decisions. This is most effective when proportionate and focused on the highest risk areas. In some areas, DfE has identified that gaps in local authority capacity and capability present risks. We have seen differences in how DfE offers support and guidance and in its ability to target this based on an understanding of the organisations' skills, knowledge, and local challenges.

#### Why this matters:

- Insights on local capacity and capability can help target support and guidance:** DfE has continued to develop various initiatives to support responsible bodies and schools to manage their estate, including publishing standards and launching a digital service. It has also described collating data on schools' estate management ability. In 2023, we had found that despite considerable anecdotal evidence, DfE had little quantitative evidence on their capability and capacity. This made it difficult to target guidance and support. Some eligible schools had not applied for maintenance funding as they did not have the capacity, and DfE had not assessed whether responsible bodies receiving direct funding had the capacity and skills to use it effectively. Separately, given many children's residential homes needed repairs, we recommended DfE provide local authorities with guidance and support to reduce the need for expensive repairs or new buildings. (*Condition of school buildings*, 2023; *Managing children's residential care*, 2025.)

As a good practice example, DfE gathered more provider and local authority data for early years entitlements, and developed models, to understand likely pressure points. It created a unit to centralise monitoring and analysis. This helped provide more targeted support and respond sooner to changing pressures. (*Preparations to extend early years entitlements for working parents in England*, 2024.)

More widely, after identifying that 46% of local authorities rated their capacity to deliver local transport as poor, DfT established a Bus Centre of Excellence to provide training and to share skills and best practice. As more specialist expertise would be needed, we recommended DfT develop its understanding of local transport authorities' capabilities, to better target support. It told us it has increased funding to the Bus Centre of Excellence and that a regionally-based engagement team will work closer with local transport authorities. (*Local Bus Services in England*, 2025.)

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Government decisions will have a cumulative impact on local bodies' capacity and capability. DfE has tested its plans to implement reforms set out in its schools white paper to understand their impact on schools. We had recommended it developed its understanding of schools' capacity and capability, which it did not routinely monitor in relation to the support it provided to improve the attainment of disadvantaged children. (*Improving educational outcomes for disadvantaged children*, 2024.)

Similarly, for adult social care, we recommended DHSC assess the impact of its current and planned reforms on local authorities, and other stakeholders, to ensure that the cumulative impact was manageable. DHSC had not established a programme to coordinate its reforms, which risked putting pressure on local authorities. (*Reforming adult social care in England*, 2023.)

- **Developing a national response to systemic issues needs to be specifically considered to avoid missing opportunities:** For the children's residential care market, DfE has identified social worker capacity as a high risk. It has described commissioning a review of the workforce's professional development to be completed by summer 2026, to identify improvements to, for example, training and career pathways. We had found that it periodically ran a sector workforce census but described having limited evidence on effective interventions. We recommended DfE consider how it could learn from its approach to increasing early years sector staff. There, DfE had taken a more proactive national approach, setting up a central team to bring together workforce information and help forecast future needs. It had created an ambitious workforce growth strategy with measures designed to increase and better use the workforce, and improve staff retention. (*Managing children's residential care*, 2025.)

A national response can help identify further opportunities to support local bodies to deal with common issues. For local buses, we recommended DfT look at ways to avoid duplicating effort by providing advice on standardised approaches, or templates such as best practice for enhanced partnerships. It has now published updated guidance for enhanced partnerships. (*Local Bus Services in England*, 2025.)

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## Action 5:

Be clear on the standards expected from local bodies to ensure realistic expectations and clarity on when DfE will intervene.

**2.6** With system stewardship, DfE can step in when local bodies do not meet expected standards, or when wider pressures, such as affordability constraints, lead to poor performance. To do this effectively, DfE must be clear when it has the power to intervene and the reasons for doing so. Clear, well-defined expectations – supported by a shared understanding of risks – help local bodies know what DfE expects. They also make it easier to see when more collaboration is needed or when DfE should act to protect value for money.

### Why this matters:

- **Agreed and defined thresholds make it easier to consistently and swiftly identify when action is needed:** On planning for school places, DfE does not have a framework to help the sector determine how much spare capacity it may need and when to respond. Its guidance sets out that the sector should retain some unfilled places. Determining an appropriate range or parameters for surplus could help DfE interpret local authority data and identify when it may want to provide more support or intervene. (*Responding to changing demand for school places*, 2026.)

Our report on developer funding highlighted the importance of Local Planning Authorities having up-to-date local plans. The Ministry of Housing, Communities & Local Government (MHCLG) – through the Secretary of State – has wide-ranging powers to intervene if one is failing to meet its local plan obligations. Ministers have made clear that they are willing to fully use intervention powers. MHCLG has introduced revised criteria to help inform some types of intervention so action is “targeted, swift and proportionate”. (*Improving local areas through developer funding*, 2025.)

- **Consistent and realistic expectations make it easier for local bodies to plan and respond proportionately:** Stakeholders told us that DfE teams can approach local authorities separately, each with different asks or expectations, creating confusion about the standards applied and the significance of issues. They also told us targets, set centrally, without consultation could set unrealistic expectations. In relation to setting expectations, DfE had not made clear what inclusive mainstream education looks like when considering how best to support children with special educational needs. It has since set out plans in the schools white paper to help schools identify evidence-based approaches for inclusive teaching practices and cultures. (*Support for children and young people with special educational needs*, 2024.)

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## Action 6:

Strengthen the identifying and sharing of good practice, insights and data through making best use of information and channels available.

**2.7** Local authorities and front-line providers across schools, early years and children's social care often face similar challenges. This creates opportunities to share data, lessons, and good practice to help bodies plan, target resources and innovate. Although local bodies can play a role, DfE's stewardship role provides a unique position to support this, within data-handling constraints. In 2022, DfE created a Regions group within the Department with responsibilities including area-based programmes to improve outcomes.

### Why this matters:

- **Collating and analysing data creates valuable opportunities for benchmarking and learning from others:** To help schools understand their position, DfE has shared school attendance data through regular national, regional and local authority publications. Many schools participated with 92% of schools submitting data. DfE considered this helped schools identify trends, understand variation, and enable benchmarking. (*Improving educational outcomes for disadvantaged children*, 2024.)

In planning for school places, DfE did not use available local authority data to identify and share good practice, reducing opportunities for local authorities to learn from successful approaches in similar contexts. (*Responding to changing demand for school places*, 2026.) Difficulties obtaining financial information make it hard for DfE to identify how much children's home places should cost, with local government representatives describing considerable cost differences. DfE-commissioned research also found that some data could be more standardised. Local authorities did not always understand the market and costs and they could better use benchmarking to negotiate costs. DfE expects regional approaches, currently being piloted, will strengthen commissioning and market oversight through shared data, forecasting and regional planning. (*Managing children's residential care*, 2025.)

As part of its schools white paper, DfE has introduced more ways to help benchmark the cost of specialised provision for children with special educational needs. We previously recommended it should draw on local authority insights to benchmark costs. (*Support for children and young people with special educational needs*, 2024.)

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- National channels for sharing lessons can help consistently disseminate good practice:** Gaps in lesson sharing are seen across different sectors, including home to school transport, special educational needs and planning for falling pupil numbers. Across children’s residential care, an independent review recommended regional commissioning bodies. Pilot groups have shown how sharing lessons could work, with groups sharing good practice and individual authorities using lessons from outside their region. However, there were not yet consistent national channels for sharing insights. We recommended DfE establish regular information sharing between local authorities to better understand good practice. (*Managing children’s residential care*, 2025.)



#### Action 7:

Use whole-system approaches and work with wider government to share funding, priorities and expectations.

**2.8** To achieve its objectives, DfE, central government and local bodies must work effectively together. Supporting children with special educational needs is a good example: local authorities, education providers, health commissioners and providers, and parents all need to collaborate. DfE’s national oversight and government relationships can influence what happens locally. Our work has shown how effective collaboration can be impacted by accountability structures, priorities, data-sharing and culture.<sup>7</sup>

#### Why this matters:

- Legislative and practical challenges to whole-system models and shared approaches need to be explicitly addressed:** DfE and the Home Office jointly run a national scheme to transfer statutory responsibility for unaccompanied asylum-seeking children between local authorities. Children are allocated between authorities based on metrics reflecting existing social care pressures. Local authorities have worked together to place children in suitable areas, with some offering to take more children than allocated. (*Managing children’s residential care*, 2025.)

In 2019, DHSC and Public Health England (PHE) launched a Trailblazers project to test childhood obesity interventions and share good practice. PHE did some work to understand the number of local authorities using the whole-systems approach and the specific interventions they may use which suggested up to one-third were using the whole-systems approach locally. (*Childhood obesity*, 2020.)

<sup>7</sup> National Audit Office, *Cross-government working – Good practice guide for leaders and practitioners*, July 2023.

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Across children’s residential care, DfE has committed to moving towards a more collaborative approach through regional commissioning, building on the best local practice to help address issues in the market. Following a pilot in two areas, and an evaluation of the model being published, DfE has set out plans to rollout regional commissioning further. Some local authorities had raised concerns about how collective decision-making would affect their statutory responsibilities. We recommended that DfE produce a clear plan for how to overcome legislative, cultural and procedural challenges. The next roll-out phase will explore how local authorities’ involvement with regional commissioning could be mandatory. (*Managing children’s residential care, 2025.*)

- **Shared funding and priorities can support local co-operation:** For home to school transport, fragmented responsibilities between departments and separate funding streams made coordinated action harder. (*Home to school transport, 2025.*) And a lack of joint bids with health or justice partners for capital funding of children’s residential care limited opportunities for collaborative decisions. (*Managing children’s residential care, 2025.*)

Through the Children’s Wellbeing and Schools Act, DfE is aiming to better join up education, children’s social care, police, and health services locally, giving education a greater safeguarding role. We previously found that a lack of shared priorities across government on vulnerable adolescents undermined local collaboration. Local bodies implementing policies led by different central departments had to navigate complex requirements which could lead to confusion. (*Support for vulnerable adolescents, 2022.*)



#### Action 8:

Ensure that local accountability arrangements are supported and regularly reviewed so they adapt and remain effective.

**2.9** To gain assurance over how taxpayers’ money is used, DfE relies on local accountability arrangements. These include parents and governors holding schools to account. For these arrangements to work well, DfE must make sure stakeholders have the information they need and understand how effectively local mechanisms operate as circumstances change. Reforms – such as local government devolution, reorganisation, and changes to school accountability – will affect how local accountability works and create opportunities for learning and improvement.

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## Why this matters:

- Local accountability arrangements need the right information to be effective.** For children with special educational needs, we found in 2024 that DfE had not met its aims to publish local and national inclusion dashboards intended to improve visibility of local performance and strengthen accountability. This gave stakeholders limited access to consistent, comparable information. We found families lacked confidence in the overarching special educational needs system, which DfE is accountable for with elements funded and provided by DHSC. With DHSC, DfE has commissioned local area partnerships to set out SEND reform plans by June 2026, with clear expectations for joint governance, monitoring and shared accountability across education and health partners. (*Support for children and young people with special educational needs, 2024.*)

Also, in terms of understanding how schools spend funding to support the attainment of disadvantaged children, DfE relies on Ofsted, alongside local accountability mechanisms such as scrutiny by school governors. DfE has sought to encourage parents to hold schools to account for how they spend pupil premium funding, requiring all schools to publish an up-to-date statement on how they plan to use this. With some improvement work already undertaken, in DfE's schools white paper it committed to support schools to develop more effective strategies, with stakeholders provided more data on how schools allocate funding. We had found that only 80% of schools sampled by DfE in 2023 had published a 2022-23 pupil premium statement. (*Improving educational outcomes for disadvantaged children, 2024.*)

- Regularly reviewing and updating accountability arrangements ensures they reflect the current risks, responsibilities and context:** Across comparable areas, such as the oversight of arm's-length bodies, guidance recommends that framework documents be reviewed at least once every three years to ensure bodies remain accountable, effective, efficient, and aligned to the government's priorities. (Cabinet Office, *Guidance on the undertaking of Reviews of Public Bodies, 2024.*) In relation to the attainment of disadvantaged children, DfE did not know how parents – including parents of disadvantaged children – access or use published information, limiting its ability to judge whether current arrangements are sufficient. (*Improving educational outcomes for disadvantaged children, 2024.*)

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## Part Three

### Applying insights across DfE sectors

**3.1** Our eight actions are intended to challenge departmental thinking. The Department for Education (DfE) will need to consider these across the sectors and systems it oversees. Here we provide some specific actions for DfE, based on our recent report findings, in relation to the schools, early years and children’s social care sectors.

#### Schools

##### Relevant insights

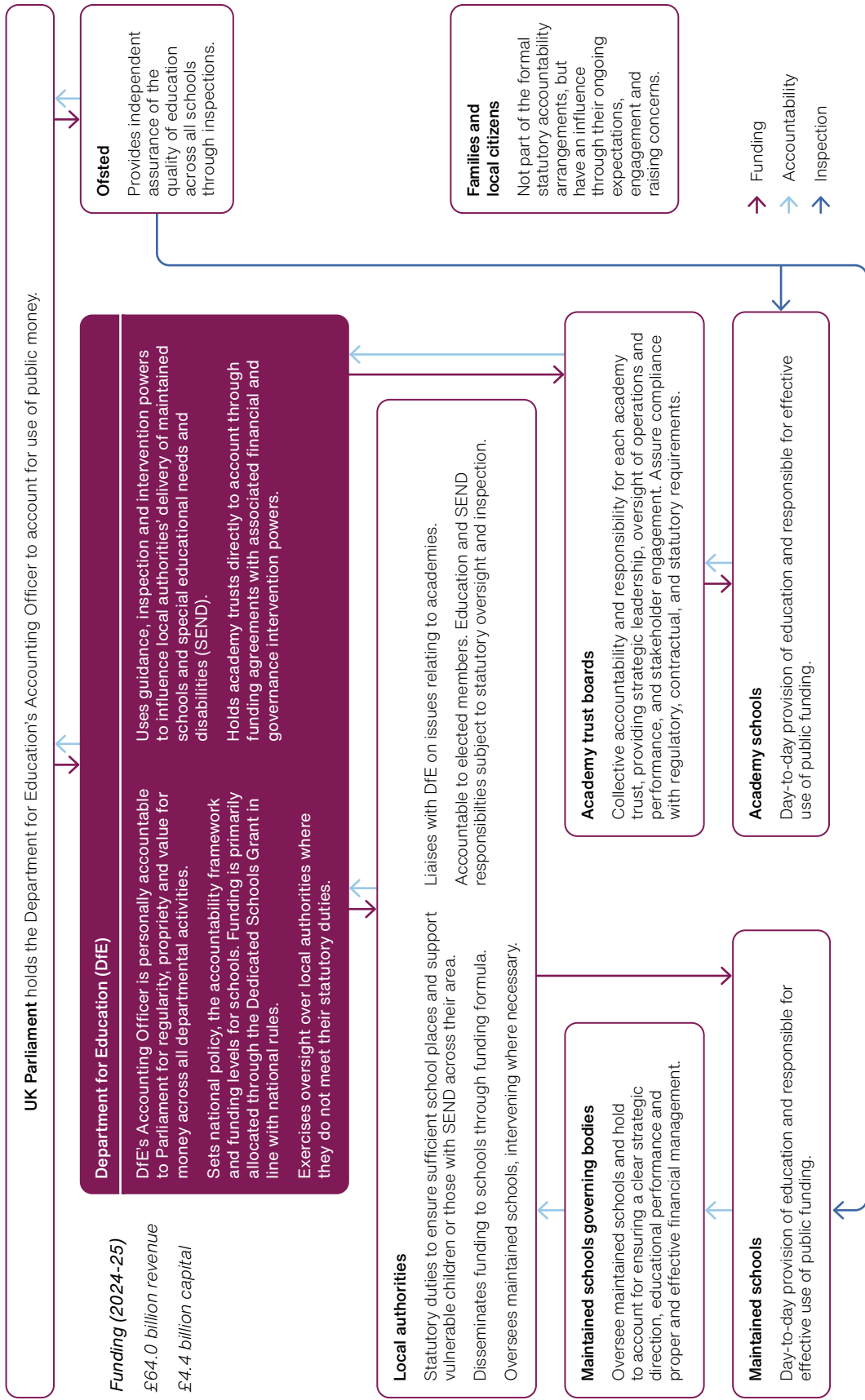
**3.2** DfE aims for “every child to be achieving and thriving.” This includes across 9,600 schools maintained by local authorities and 10,600 academies, overseen by trusts (**Figure 1**).<sup>8</sup> However, clear accountabilities do not always mean accountable bodies can act. For example, local authorities have accountability for providing special educational needs support but have limited levers over schools and health providers. DfE has introduced plans for whole-system reform in its schools white paper. Local authorities also cannot require academies to admit a child without first consulting the schools. DfE expects the sector to work together to plan for falling pupil numbers, but there is currently no duty on local authorities, trusts and schools to work together, which may be challenging. Parliament is currently considering legislation which seeks to place a duty on all schools to cooperate with local authorities on planning for school places.

**3.3** Although DfE collects and publishes extensive data about schools – including information to compare finances and pupil attendance – information gaps remain. DfE does not always know how funding is spent, what outcomes it delivers, and the challenges across the sector. For example, DfE has plans to build a better evidence base, and use expert reviews, to better use disadvantage funding. DfE also uses data collected from local authorities to understand the supply of school places but does not routinely analyse how well the sector responds to falling pupil numbers. DfE has supported some good practice sharing across the sector, such as through the Education Endowment Foundation and benchmarking school attendance data. It is looking to improve this, including through helping local authorities benchmark costs and learn from one another around home to school transport costs. Also, the schools white paper introduced more ways to help benchmark the cost of specialised provision for children with special educational needs.

<sup>8</sup> Academy trusts operate with more independence and receive funding allocated by DfE.

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**Figure 1** Summary of roles and responsibilities for holding schools in England to account for delivering outcomes, April 2026



**Note**  
 1 Schools are legally classified as maintained schools or academies which influences their core funding, governance and accountability framework. Within these two groups, any variations, such as between free schools and faith schools, will not change these aspects.

Source: National Audit Office analysis of public information and Department for Education documents

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**3.4** DfE has also had some gaps in its understanding of sector capacity and capability to target guidance and support. This includes around estate management capabilities, and how broader asks impact the sector. Government decisions, including those aimed at improving outcomes for disadvantaged children, impact on local bodies' capacity and capability. DfE's Regions group aims to provide schools with bespoke targeted support and DfE has tested the impact of reforms to support disadvantaged children set out in the schools white paper. It also set out plans, in the schools white paper, to help schools identify inclusive approaches and set a clearer standard, after not defining what inclusive mainstream education looked like. On planning for school places, DfE does not have a framework to help the sector determine how much spare capacity it may need to help interpret local authority data and identify when it may want to provide more support or intervene.

**3.5** DfE relies on Ofsted, and local accountability mechanisms (such as scrutiny by school governors) to oversee school performance. However, information that may be needed for local accountability has not always been available, such as up-to-date statements on how schools spend pupil premium or local and national inclusion dashboards. DfE has committed to improving the information available on pupil premium spending, to supporting schools to develop better strategies, and for stakeholders to be provided better data.

## Actions for DfE to consider in relation to schools

Drawing on the eight actions identified in the previous section of this report, we emphasise the following actions in relation to schools:

- **Action 2:** Set out clear, transparent systems so all parties, including DfE, fully understand their role, and any misalignment is addressed, particularly across local authority and academy relationships.
- **Action 3:** Collect and use proportionate, reliable cost and outcome data to understand how funding is used and make informed decisions. This includes around how schools spend funding, such as to support disadvantaged children.
- **Action 4:** Target support and guidance, informed by insights into organisations' capabilities and local context, where it can have the greatest impact.
  - Develop a better understanding of the capacity and capability of local authorities and schools, including where wider demands impact, especially around estate management.
- **Action 5:** Be clear on the standards expected from local bodies to ensure realistic expectations and clarity on when DfE will intervene.
  - Establish a clear vision for what a resilient school place planning system looks like, setting out parameters to understand risks, performance and when further action is required.

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- Set clearer expectations for what an inclusive mainstream education looks like to more easily assess progress and when to intervene.
- **Action 8:** Ensure that local accountability arrangements, particularly involving parents and governors, are supported and regularly reviewed so arrangements adapt and remain effective.

## Children's residential care

### Relevant insights

**3.6** Whereas local authorities have a statutory duty to care for looked-after children (**Figure 2** overleaf), DfE oversees the national approach and regulatory framework for children's social care. It has committed to reforming the whole system and started making changes through, for example, focusing on increasing the numbers of foster carers and helping children stay with their families rather than entering care.

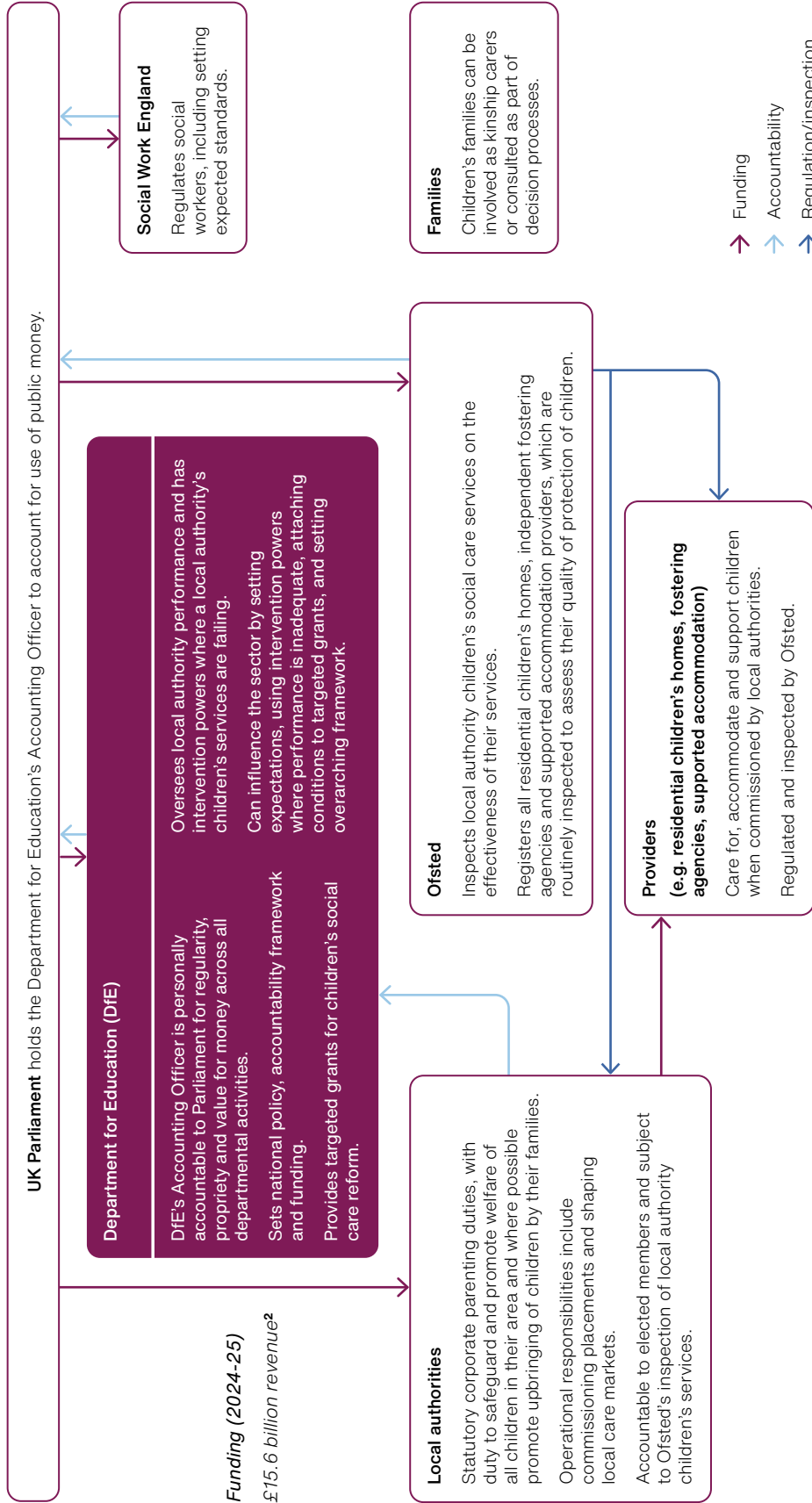
**3.7** To meet their duty to care for looked-after children, local authorities contract third parties, including voluntary and private sector organisations, to provide fostering or residential care. Our insights are mainly drawn from our 2025 report assessing DfE's approach to supporting value for money across the residential care aspect of the system. Where relevant, we have drawn from other reports looking at DfE's support for vulnerable adolescents. Many children in care need support from other parts of government, which depends on effective cooperation across organisations. DfE has published guidance on multi-agency working to safeguard children. The cooperation between DfE and the Home Office on unaccompanied asylum-seeking children shows how joint working can achieve outcomes.

**3.8** Within children's residential care, DfE has outlined the sector changes it wants, including reducing the dominance of private providers. However, it has not translated this into a clear vision for what a productive and resilient residential care market should look like. Without this, local authorities lack direction when planning local delivery models. DfE does not have a systematic approach to gathering insights from local authorities or providers to identify and share challenges and good practice.

**3.9** DfE does not collect comprehensive information, such as on children's needs and places available, to better understand the causes of market issues for children's residential care. DfE also recognises providers face workforce issues which impacts places available. However it described feeling it had few levers to influence the size or quality of the residential care workforce, and having limited evidence on effective workforce interventions. Although it has not set out how it could support providers, it has recently described commissioning an external review of professional development for the workforce. In relation to building maintenance, DfE could provide local authorities with further guidance and support to reduce the need for expensive repairs or new buildings.

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**Figure 2** Summary of roles and responsibilities for holding children's social care in England to account for delivering outcomes, April 2026



**Notes**

- 1 Children's social care providers include residential children's homes, fostering agencies and supported accommodation for 16-17-year-olds. Most provision is delivered by independent providers commissioned by local authorities.
- 2 From 2021 to 2025, DfE also secured £563 million capital funding for local authority residential care up to 2029. It has not published a yearly breakdown of this funding.
- 3 Core children's services funding includes part of the un-ringfenced local government finance settlement set by the Ministry of Housing, Communities & Local Government, and targeted grants for children's social care reform from DfE. The Home Office funds support for unaccompanied asylum-seeking children.

Source: National Audit Office analysis of public information and Department for Education documents

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**3.10** As local authorities contract with providers for residential care, DfE lacks direct visibility of the contract and financial information to fully understand how costs break down or what constitutes a reasonable price. The Children's Wellbeing and Schools Act provides for a market oversight function for government and regulators to monitor the financial health and risks of some providers and their corporate owners based on market share. Difficulties obtaining financial information had made it hard for DfE to identify how much places should cost and excess profits. Local government representatives told us there was considerable variation in the cost of similar placements. DfE also plans to improve cost data collected from local authorities and increase transparency. DfE has committed to moving towards a more collaborative commissioning approach.

## Actions for DfE to consider in relation to children's social care

Drawing on the eight actions identified in the previous section of this report, we emphasise the following actions in relation to children's residential care:

- **Action 1:** Establish a clear vision for the residential care market, defining what a productive and resilient market looks like, so local decisions consider the outcomes wanted by DfE.
- **Action 3:** Collect and use proportionate and reliable cost and outcome data to understand how funding is used and make informed decisions.
  - Consider how to collate more comprehensive information to understand the causes of market issues, and whether those places provided meet children's needs. Also, develop an approach to better understand provider costs, position and performance.
- **Action 4:** Target support and guidance, informed by insights into organisations' capabilities and local context, where it can have the greatest impact, including in relation to tackling workforce challenges and more effectively maintaining homes.
- **Action 6:** Strengthen the identifying and sharing of good practice, insights and data through making best use of information across local authorities and providers. This should include financial benchmarking to help local authorities understand what they should pay.

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## Early years

### Relevant insights

**3.11** The early years sector includes around 58,000 providers, including schools, childminders and private and voluntary providers of differing sizes. DfE funds providers through local authorities, which must ensure there are enough places for children receiving entitlements (**Figure 3**).

**3.12** Between April 2024 and September 2025, DfE extended working parents' entitlements to early years provision. By March 2026 this had given around 550,000 more children access to funded provision. To manage this expansion, DfE strengthened its data collection and analysis, including around costs and providers' and local authorities' challenges. Alongside this, DfE has clarified accountabilities as it worked towards establishing a transparent risk management culture. DfE also created a central team to bring together information on local demand, availability of places, workforce needs and take-up. DfE used its data to inform local and national planning, better understand risks, and target support for those local authorities most at risk of not having enough places. Alongside this, DfE created an ambitious workforce growth strategy. However, it lacked clarity on thresholds for programme performance and how it would respond. While expanding entitlements may bring economic benefits, it risks reducing quality, particularly for disadvantaged children, if local authorities must make difficult trade-offs.

**3.13** More widely, DfE has set a strategic aim to give every child the best start in life. Achieving this will require effective partnership working between local authorities, the health service and family hubs. Through the Children's Wellbeing and Schools Act, DfE is aiming to better join up education, children's social care, police, and health services locally.

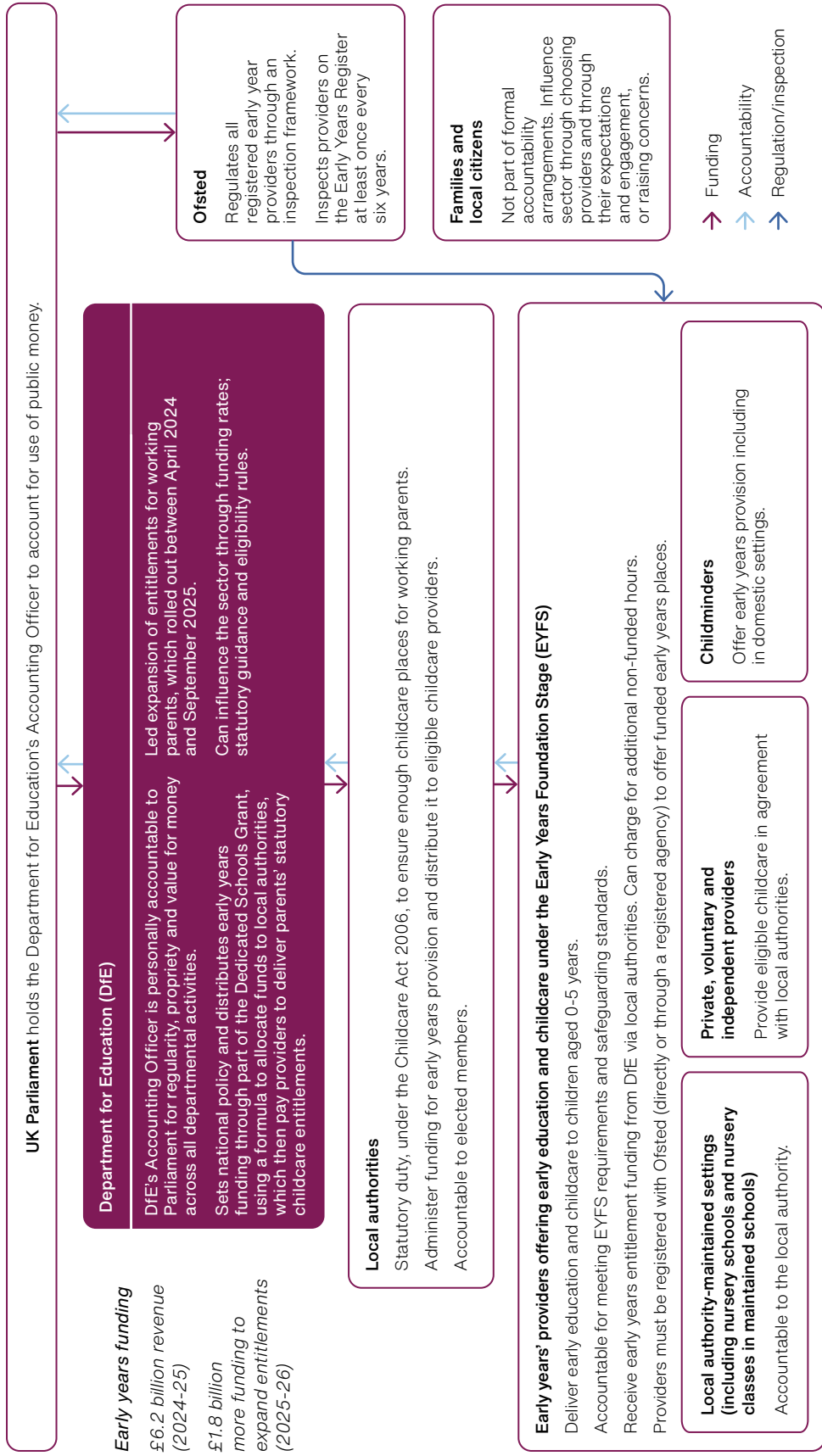
### Actions for DfE to consider in relation to early years

Drawing on the eight actions identified in the previous section of this report, we emphasise the following actions in relation to early years:

- **Action 1:** Establish a clear vision and ensure it is coherently translated into local performance measures, so local decisions consider the outcomes wanted by DfE. Set clear quality measures, to effectively balance quickly expanding childcare benefits against risks to quality and outcomes.
- **Action 2:** Set out clear, transparent accountability systems so all parties, including DfE, fully understand their role, particularly in relation to health and family hubs.

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**Figure 3** Summary of roles and responsibilities for holding early years foundation stage provision in England to account for delivering outcomes, April 2026



**Notes**

- 1 Providers operate under a common Early Years Foundation Stage regulatory framework but have differing relationships with local authorities for funding and oversight.
- 2 Early years funded entitlements (e.g. universal 15 hours, additional 15 hours for working parents and the expanded offers for younger children) are financed through the early years block of the Dedicated Schools Grant and distributed by local authorities in line with national rules.
- 3 DfE has provided time-limited capital funding to local authorities to support expansion of early years childcare capacity (for example, through the Childcare Expansion Capital Grant).

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## Appendix One

### Our audit approach

#### **Our scope**

1 The lessons in this report have primarily been drawn from our work looking across the schools, early years and children’s social care sectors, for which the Department for Education (DfE) has overarching system stewardship. We also looked at reports relating to other government departments which have local delivery elements to their work.

#### **Our evidence base**

##### Past report review

2 We reviewed National Audit Office (NAO) reports published between January 2016 and May 2026 to understand how the government delivers services through local organisations and how accountability operates in practice. Using targeted searches, our knowledge of the NAO back catalogue, and discussions with relevant teams, we identified 46 reports in scope: 16 relating to education (DfE) and 30 from non-education departments. Of these, 37 were assessed as most relevant to our study questions and formed the basis of deeper review.

- *Children in need of help or protection*
- *Retaining and developing the teaching workforce*
- *Pressures on children’s social care*
- *Supporting disadvantaged families through free early education and childcare entitlements*
- *School funding in England*
- *Education recovery in schools in England*
- *Condition of school buildings*
- *Preparations to extend early years entitlements for working parents in England*
- *Improving educational outcomes for disadvantaged children*

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- *Support for children and young people with special educational needs*
- *Investigation into introducing T-Levels*
- *Teacher workforce: secondary and further education*
- *Managing children's residential care*
- *Home to school transport*
- *Responding to changing demand for school places*
- *Personalised commissioning in adult social care*
- *Local support for people with a learning disability*
- *Reducing emergency admissions*
- *Improving children and young people's mental health services*
- *Investigation into the management of health screening*
- *Childhood obesity*
- *The adult social care market in England*
- *Progress in improving mental health services in England*
- *Reforming adult social care in England*
- *Progress in preventing cardiovascular disease*
- *NHS England's management of elective care transformation programmes*
- *Primary and community healthcare support for people living with frailty*
- *Active travel in England*
- *The condition and maintenance of local roads in England*
- *Local Bus Services in England*
- *Reducing modern slavery*
- *Improving local areas through developer funding*
- *The effectiveness of government in tackling homelessness*
- *Departments' oversight of arm's-length bodies: a comparative study*
- *Accountability to Parliament for taxpayers' money*
- *Central oversight of arm's-length bodies*
- *Accountability in small government bodies.*

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**3** We extracted around 400 statements relating to front-line delivery, categorised and tagged each statement against study questions, example type (good/poor practice), and strength of evidence. We also summarised the core message of each statement to identify cross cutting themes. We developed study questions impartially by first drawing out themes from core accountability reports, then testing them across the wider evidence base.

## Workshops

**4** To test and refine our emerging findings, we held workshops and meetings with stakeholders from local government and the three sectors, and internal NAO teams with relevant experience. We used these both as a quality assurance mechanism and to gather additional evidence and perspectives.

**5** We asked open questions linked to emerging themes to explore practical experience across sectors. We then categorised workshop feedback within the same framework as the report review. We used this to identify recurring issues and new angles that help validate and challenge our initial analysis.

## DfE interviews

**6** To test our lessons and to refine our factual understanding of DfE's approach to accountability, we held interviews with DfE policy teams (schools, early years, children's social care, regions and strategy unit). We used these to:

- gauge responses to our initial lessons to understand how to contextualise these;
- enhance our factual understanding of approaches to local engagement across different areas; and
- ensure that we had an up-to-date picture of changes DfE is making to its approach to local accountability.

## Synthesising evidence

**7** We brought together the evidence from the report review to produce a consolidated set of actions, which we tested with the workshops. In selecting the actions and how to organise them, we used both the weight of the evidence drawn from past report review and our judgment and experience from our work within education and beyond.

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**8** We tested each insight for relevance to the study questions, consistency with DfE and stakeholder perspectives, and strength of supporting evidence. We looked to ensure that these had a clear link to the study questions, and were supported by one strong example or a small number of moderate examples from our back catalogue.

## Review of recent developments

**9** For some of our case studies, we also made relevant recommendations in the original reports. For these we checked for relevant updates received as part of our work regularly following up recommendations. The most recent updates were in February 2026. In some cases we have also used other sources of published evidence to support DfE's responses, including DfE's policy statements and responses to recommendations from the Committee of Public Accounts.



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