

11.8 Department for Education

Table 2.11: Department for Education

	£ billion					
	Baseline			Plans		
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 ⁽²⁾
Resource DEL (1)	53.6	54.4	55.5	56.4	57.1	*
Capital DEL	4.6	5.2	4.6	4.4	4.4	4.6
Total DEL	58.2	59.6	60.1	60.8	61.6	*

(1) In this table, Resource DEL excludes depreciation

(2) 2020-21 Resource DEL departmental budgets have only been set for some departments. For the rest, these budgets will be set in full at the next Spending Review.

The Department for Education (DfE) settlement includes:

- doubling free childcare from 15 hours to 30 hours a week for working families of 3 and 4 year-olds, worth up to £5,000 per child per year from September 2017, and investing over £1 billion more a year by 2019-20 on free childcare places for 2, 3 and 4 year-olds
- protecting the schools budget in real terms, enabling a per pupil protection for the Dedicated Schools Grant and the pupil premium
- making around £600 million savings from the Education Services Grant (ESG) and supporting schools to realise efficiencies
- £23 billion capital investment over the Parliament to open 500 free schools, provide over 600,000 additional school places, rebuild and refurbish over 500 schools and address essential maintenance needs

Security

Investing in education and skills will help deliver economic security. In addition to providing 600,000 additional school places, funding for universal infant free school meals will be maintained, supporting healthy eating and saving families around £400 for every infant each year.

Long-term investment

The government will invest over £1 billion more a year by 2019-20 in free childcare places for 2, 3 and 4 year-olds. To enable the doubling of free childcare for 3 and 4 year-olds with working parents, the government will invest at least £50 million of capital funding to create additional places in nurseries and over £300 million a year to increase the average hourly rate paid to childcare providers. From 2019-20 the government will spend a record £6 billion a year supporting parents with their childcare costs – this includes Tax-Free Childcare and Universal Credit.

The government will support 800 more National Leaders of Education to continue driving up performance in schools, while increasing funding for teacher training and recruitment to deliver the English Baccalaureate and more specialist STEM teaching.

The current national base rate per student for 16-19 year-olds in England will be protected in cash terms over the Parliament and the government will deliver 3 million high quality apprenticeship starts by 2020. Some targeted savings will be made from 16-19 funding, including from declining demographics and funding outside the national base rate per student.

Efficiency and reform

To focus support where it is most needed and improve work incentives, the government will apply an upper income limit per parent of £100,000, and a minimum weekly income level per parent equivalent to 16 hours (worked at the National Living Wage) to the additional 15 hours of free childcare offered to 3 and 4 year-olds in working families from September 2017, and make the same changes in Tax Free Childcare. This will save £215 million by 2020.

The government will protect the department's central children's services budget at over £300 million per year to help drive up social care workforce standards to improve support for vulnerable children.

The government will introduce the first ever national funding formula for schools, high needs and early years. This will end the unfair system where a child from a disadvantaged background in one school attracts half as much funding as a child in identical circumstances in another school, simply because of where they live. There will be a transitional phase to help smooth the implementation of the new schools formula. The government will launch a detailed consultation in 2016 and will implement the new formulae from 2017-18.

Savings of around £600 million will be made on the ESG, including phasing out the additional funding schools receive through the ESG. The government will reduce the local authority role in running schools and remove a number of statutory duties. The government will consult on policy and funding proposals in 2016.

The government will help schools to make savings on procurement, including by exploiting economies of scale. In 2016 the government will publish a set of specific actions to support school leaders target over £1 billion a year in procurement savings by the end of the parliament through benchmarking, guidance and improved framework contracts.

As part of the government's one-off restructuring of post-16 education and training, Sixth Form Colleges in England will be given the opportunity to become academies, allowing them to recover their non-business VAT costs. They will have the option of joining a Multi-Academy Trust if they choose too, which will help drive up standards and improve efficiency of 16-19 education by enabling further collaboration between schools and Sixth Form Colleges.

The department will deliver 20% core administrative savings through greater efficiency.