

# Education: The Fundamentals – eleven facts about the education system in England

## Introduction and background

The UK 2040 Options project addresses the defining issues facing the country, including tax and economic growth, health, and education. It assesses the policy landscape, explores key areas in depth, and provides insights about the choices which policymakers will need to make between now and 2040.

The project is run by Nesta (National Endowment for Science, Technology, and the Arts), and the Behavioural Insights Team, working with a range of expert partners.

This latest report from UK 2040 Options and the Education Policy Institute combines data and analysis from over 75 education experts to present 11 key facts about the English education system.

### Fact 1: England performs well against international comparators

- Pupils in England perform well across all the major international benchmarking assessments that measure performance in years 5, 9, and 11.
- In the most recent Progress in International Reading Literacy Study (PIRLS) for year 5 pupils, England was placed fourth overall, behind only Russia, Hong Kong, and Singapore. Comparisons with other countries were, however, complicated in this round of PIRLS by the pandemic.
- In the latest Trends in International Mathematics and Science Study (TIMSS), England's overall performance was significantly above average in mathematics and science for pupils in both year 5 and year 9.
- Outcomes in mathematics for England's 15-year-olds showed a statistically significant increase in the 2018 round of PISA (the Programme for International Student Assessment).

- reduce accessibility if disadvantaged children are crowded out or providers are forced out of business.
- There are major recruitment and retention issues in the early years workforce, particularly in private, voluntary, and independent settings.
- Only 8.6 per cent of the early years workforce have graduate status (early years teacher status or qualified teacher status), despite evidence that contact with graduate staff has a positive impact on children's outcomes.

### Fact 2: Around 40 per cent of the disadvantage gap at age 16 is already evident by age 5.

- In 2022, the attainment gap was equivalent to around 19 months of learning by the time pupils sat their GCSEs.
- Around 40 per cent of the gap at age 16 is already visible at age 5, highlighting the importance of early years education. Although early education has the potential to benefit those from disadvantaged backgrounds the most, existing use is highest amongst better off families. The growth in funded hours has disproportionately aided those higher up the income distribution.
- Prior to the pandemic, progress had been made in tackling the attainment gap, but in 2022 it was wider than it had been for a decade.

### Fact 3: Quality early years education and care leads to better outcomes, but for the average family, costs can amount to a quarter of their income.

- For a couple with two children aged 2 and 3, net childcare costs represent 25 per cent of their average wage, which is more than double the OECD average.
- Although the 2023 Spring Budget announced an extension of 30 hours of free childcare to working parents of children aged 9 months to 2 years, this will not address the issue of lack of accessibility of early childhood education and care (ECEC) for the poorest children whose parents are not in work. It may even

### Fact 4: Today's geographic attainment inequalities will become tomorrow's disparities in earnings and quality of life.

- In summer 2022, around a quarter of students in London completed compulsory schooling without achieving a grade 4 (considered to be a standard pass) in English and mathematics. Across the north of England, this increased to a third, and in some parts of the country, as many as half of students did not achieve this threshold.
- The geographical disparity gap is not simply between the north and the south. There are big differences between local authorities within regions. North Tyneside, Redcar and Cleveland, Gateshead, and Stockton-on-Tees all outperform a number of London boroughs.
- Prior to the pandemic, the attainment gap was much wider in some areas than in others. By age 16, the attainment gap was 26.3 months in Blackpool, 24.7 months in Knowsley, and 24.5 months in Plymouth. By contrast, it was low in London – 4.6 months in Ealing, 2.7 months in Redbridge, and just 0.5 months in Westminster.
- The range of routes available to students in post-16 education varies considerably across the country.

### Fact 5: While the overall population is set to increase, the number of children in the UK will fall by 1.5 million by 2040.

- In 2023, the pupil population in state schools in England was 7.93 million. The Department for Education estimates that this will fall by 802,000 by 2032.
- The number of primary aged pupils is already in decline. In 2022, there were 569,000 unfilled places in primary schools. The number of pupils in secondary and special schools is expected to peak in the middle of this decade. Thereafter, within the current per pupil

funding system, falling pupil numbers will mean less funding for schools' budgets.

**Fact 6: One in 5 pupils are now persistently absent, with vulnerable children among the worst affected.**

- There is no consistent data on children who are home educated, or not in school. Government plans to introduce a statutory register have been postponed.
- In the autumn term of 2022-23, the overall absence rate was 7.5 per cent, compared with 4.9 per cent in autumn 2019-20 (the last term of data prior to the pandemic). Persistent absence (when a pupil misses at least 10 per cent of possible sessions) – has also risen sharply, from 13.1 per cent of all pupils to 24.2 per cent over the same period.
- Since 2019, disadvantaged pupils and children with special educational needs (SEN) have been worst affected by high rates of absence. The widening in the absence gap between disadvantaged pupils and their peers has been driven by unauthorised absences rather than illness.

**Fact 7: Rising demand and an unresponsive funding system has meant that the school system is struggling to support some of the most vulnerable children.**

- High needs funding which supports provision for children with special educational needs and disabilities (SEND) has not coped with rising demand. In January 2023, there were over 389,000 pupils with an Education, Health, and Care Plan (EHCP), or statement of special educational needs in schools in England, representing an increase of over 50 per cent in the last 5 years.
- In its 2019 report, the Education Select Committee concluded that special provision faces “practices of rationing, gatekeeping, and, fundamentally, children and young people’s needs being unidentified and unmet.”
- Mental Health Support Teams (MHSTs) serving groups of schools and colleges are the cornerstone of the current government’s response to a significant increase in mental health issues amongst young people. However, need far outstrips available support.

**Fact 8: Spending on education is above the OECD average, but schools and colleges have faced a funding squeeze which now looks set to continue.**

- Public and private spend on primary to tertiary education in the UK represents 6.3 per cent of GDP, higher than the OECD average of 5.1 per cent. Spending per child, pupil, or student is highest in higher education (£9,600), and lowest in the early years (£4,400). In the decade to 2020, school spending per pupil fell by 9 per cent in real terms.
- It had been expected that recent increases in school funding would mean that per pupil funding would return to 2009-10 levels in 2024-25. However, reallocation of funding from other programmes to meet teacher pay increases, and the high inflation rate, mean that current funding will not give schools the purchasing power which they once had.
- Over the last decade, 16-19 funding has fallen in real terms while participation in full-time 16-19 education has been on the rise. Cuts in 16-19 education have been twice the rate of those in other school phases.
- Schools serving the most disadvantaged communities have typically seen funding increase by around 4 per cent in real terms since the introduction of the National

Funding Formula in 2018-19. Schools with the very lowest levels of disadvantage have seen funding increase by 8.5 per cent, although they still receive lower per pupil funding overall.

- Funding for disadvantaged students in 16-19 education is based on the deprivation levels of a local area, not on the individual young person (in contrast to the pre-16 funding system), meaning that it is less responsive and does not benefit from having both an area and student level source of funding.

**Fact 9: The government is recruiting fewer than two-thirds of the secondary teachers it needs, and a third of teachers leave within 5 years.**

- Recruitment into initial teacher education has worsened since the pandemic. The percentage of the Postgraduate Initial Teacher Training (PGITT) target achieved across primary and secondary schools in 2022-23 was 71 per cent, with the problem particularly acute in secondary schools (59% of target achieved).
- Under-recruitment is greatest in computing, design, and technology and physics. In physics, less than a fifth of the required trainees were recruited in 2022-23.
- Salaries for more experienced and senior teachers have fallen by 13 per cent in real-terms since 2010 and starting salaries have fallen by 5 per cent.
- Of the cohort who began teaching in 2017, 69 per cent were still in teaching after 5 years.
- Retention is particularly poor in further education colleges. In 2019, around 25 per cent of college teachers left the profession after one year, and almost half had left after 3 years.

**Fact 10: England is home to world-class universities, but challenges remain around financial sustainability.**

- Universities in England take 9 of the top 100, and 3 of the top 10 spots in the Times Higher Education World University rankings. However, finding a sustainable balance of costs between students and the tax payer has been an ongoing challenge.
- Graduates now owe an average amount of £45,600, and student loan debt in England has surpassed £200bn. It is now expected that by the mid-2040s, total student debt will reach £460bn.
- Following changes to the repayment period and minimum income threshold for loan repayments from September 2023, the average graduate will pay back around £5,700 more than before. There will be no change for the very lowest earners, but those in the 2<sup>nd</sup> earnings decile will be nearly £18,000 worse off. Those in the 9th decile will benefit by £25,000.
- The access gap remains wide: students from the most affluent areas are twice as likely to enter higher education as those in the most deprived areas.

**Fact 11: Closing the gap between skill supply and employer demand could increase national productivity by 5 per cent.**

- Today, 1 in 10 employers report having a vacancy that they have struggled to fill due to lack of skills or qualifications. Skill-shortage vacancies represent 42 per cent of vacancies in manufacturing, 43 per cent of vacancies in information and communications, and 52 per cent of vacancies in construction.
- There is a well-documented employer underinvestment in employee training. Findings from the Employer Skills Survey (ESS) in 2022 indicate that the average number of training days per trainee fell from 7.9 in 2011 to 5.9 in 2022, and from 4.3 to 3.5 per employee.

**The full document can be downloaded from:**

<https://epi.org.uk/wp-content/uploads/2023/11/NESTA-2040-Options-report-FINAL.pdf>