



HM Government

Department for Education and Skills

Departmental Report 2006



department for

education and skills

creating opportunity, releasing potential, achieving excellence

This is part of a series of departmental reports which, along with the Main Estimates, the document *Public Expenditure: Statistical Analyses 2005-06*, and the Supply Estimates 2005-06: Supplementary Budgetary Information, present the Government's expenditure plans for 2005-2008.

The complete series of departmental reports and *Public Expenditure Statistical Analyses 2005-06* is also available as a set at a discounted price.

Conventions

The report relates to England, unless otherwise indicated.

Financial years are shown 2005-06, academic years as 2005/06.

Dates refer to financial year 2005-06 unless otherwise stated.

Calendar years are shown as 2005 or 2006.

Figures in a number of tables and annexes have been rounded and therefore may not sum to the total.

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Department for Education and Skills

Departmental Report 2006

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Foreword by the Secretary of State



I am delighted and excited to be returning to the Department for Education and Skills, and to be presenting my first Departmental Report as Secretary of State. This report sets out what the Department has achieved during 2005-06, progress towards Public Service Agreement (PSA) targets and expenditure plans based on the Spending Review 2004 settlement.

Education remains one of the Government's top priorities. All children should grow up able to aspire and achieve. We need to unlock their potential, and improve their life chances, regardless of class, ethnicity or parental background. That means childcare must be high quality and affordable, with parents in a position to make informed decisions about how best to combine work and family life. Our schools system must deliver both excellence and equity and we want our young people to be actively involved in their communities. We need further and higher education that delivers world-class standards for everyone – adults, young people and employers – so that we achieve social inclusion, employability and economic prosperity for all.

The Government is investing unprecedented resources in education and skills with spending on education in England set to rise by over £12 billion in the next three years. A 73 per cent increase since 1997. Budget 2006 announced new resources to transform the way pupils are taught in classrooms up and down the country and to close the nation's skills gap.

With the energy and commitment of those at the frontline, we are making impressive progress:

- In children's services, *Every Child Matters* sits at the heart of the Government's ambition to improve outcomes for all children and young people and to narrow the gap in outcomes and educational achievement between those who do well and those who do not. By 2008, all local areas will have a Children's Trust bringing improvements in efficiency and effectiveness by involving a wider range of partners in both planning and providing services. Sure Start Children's Centres now reach over 650,000 children and the 800th Sure Start Centre opened recently. Over 600,000 registered childcare places have been created since 1997. Through the *Safeguarding Vulnerable Groups Bill* and other reforms, the Government is setting the framework to make children's and other vulnerable people's safety unequivocally the first priority;
- In schools, we are seeing improved attainment with young people achieving record results at age 11, age 14 and at GCSE. Schools in deprived areas are improving faster than the rest. At the heart of the *Education and Inspections Bill*, our 14-19 reforms and Youth Matters proposals, and the Review of Teaching and Learning 2020, is a desire to see no child's talents left untapped and rethink how teachers, individual schools and the education system as a whole can work in

partnership and draw in fresh energy and ideas to achieve this. Parents will play a key role and we must ensure that all are fully engaged in their child's education, if we are to drive up standards;

- In further education and training we have brought about substantial progress in raising the skills of disadvantaged people, especially second chance learners. Over one-and-a-quarter million adults have improved their literacy, numeracy and language since 2001 and over 800,000 more adults now have level 2 qualifications than in 2003. Progress will be driven further forward by the programme of reform set out in the White Paper *Further Education: Raising Skills, Improving Life Chances*, which will enable colleges to achieve their full potential as a powerhouse of economic prosperity and social mobility; and
- In higher education we are committed to providing predictability and stability in policy and funding so that Universities can plan

and innovate, transforming individual lives and developing communities. We will continue to ensure fair access to universities for those of all backgrounds. Participation in higher education has increased in the face of significant demographic expansion, with 42 per cent of young people now participating and completion rates among the highest in the OECD.

This Government has a proud record of improvement and investment in education, but we have more to do before we can be satisfied that every child in every school is receiving the highest standard of education that we can provide. Maintaining momentum, as well as appreciating the scale of the challenges we face, is crucial if we are to make our country a fairer and more socially just place.



Rt Hon Alan Johnson MP

Foreword by the Permanent Secretary



The beginning of 2006 coincided with my starting as Permanent Secretary at the Department for Education and Skills. I am both delighted and honoured to lead this great Department of State which has, as its very purpose, an ambition to create opportunity, release potential and achieve excellence for all.

Last year was an extremely busy one for the Department and its partners. Together, we are moving away from centrally managed programmes and initiatives, towards a smaller, more streamlined Department giving strategic leadership to a system in which frontline services are capable of continually improving and taking forward reform. The *New Relationship with Schools*, the *Every Child Matters* programme and a new partnership with the Learning and Skills Council are testimony to this approach. At the very heart of our work is improving outcomes for all learners, of whatever age. At the same time, we must always seek to achieve value for money, enabling the Department and the system it leads to work more effectively and efficiently.

Organisations need capability to achieve their objectives. With the support of the Prime Minister's Delivery Unit, the Department has already started its Capability Review – part of a cross Whitehall

programme to improve the capability of the Civil Service to meet today's delivery challenges and be ready for the challenges of tomorrow. This is a critical element in the reform and development of our Department, helping us to identify and focus on key priorities and manage change better.

Of course, we cannot simply wait for the Capability Review to tell us what we need to do in the future as we have to continue with the day to day work of the Department. On the delivery side we have been reviewing all of our lines of business looking at how we can improve even more the work that we do to help improve outcomes. At the same time, the Department will keep moving with its efficiency and reform programme.

Since my arrival, I have been struck by the dedication of staff right across the Department and by the contribution made by all of our partners. I am grateful for the work that we have done collectively and collaboratively over the year. Together, we can go on making a difference to the life chances of millions of our fellow citizens.

A handwritten signature in black ink that reads "David Bell". The signature is written in a cursive style with a horizontal line underneath.

David Bell

CHAPTER 1:

About the Department

The Department for Education and Skills is responsible for children's services, education and lifelong learning in England. It also has wider responsibilities for a range of policies, some of which it shares with other government departments, such as the Sure Start programme (shared with the Department for Work and Pensions).

The Department's aim is to:

Help build a competitive economy and inclusive society by:

- creating opportunities for everyone to develop their learning;
- releasing potential in people to make the most of themselves; and
- achieving excellence in standards of education and levels of skills.



The Department's objectives are:

- I. Safeguard children and young people, improve their life outcomes and general well-being and break cycles of deprivation (Chapter 3).
- II. Raise standards and tackle the attainment gap in schools (Chapter 3).
- III. All young people to reach age 19 ready for skilled employment or higher education (Chapter 3).
- IV. Tackle the adult skills gap (Chapter 4).
- V. Raise and widen participation in higher education (Chapter 5).

The Ministerial responsibilities within the Department are shown in table 1.1.

Table 1.1: Ministerial Responsibilities



Rt Hon Alan Johnson MP

Secretary of State for Education and Skills

Has overall responsibility for the Department, its policies and strategy.



Rt Hon Beverley Hughes MP

Minister of State for Children, Young People and Families

Takes an overview of all policies for children, young people and families, including overall responsibility for new legislation in this area. She works closely with colleagues across government to ensure that these issues are taken forward in a co-ordinated and joined up way.



Jim Knight MP

Minister of State for Schools

Takes an overview of all schools strategy, with a particular focus on: transforming secondary schools; behaviour; 14-19 learners; school funding and capital including Building Schools for the Future; remodelling the school workforce; the secondary school curriculum; and raising standards across the board.



Bill Rammell MP

Minister of State for Higher Education and Lifelong Learning

Takes an overview of higher education, further education, adult skills, the LSC and lifelong learning ensuring the overall coherence of all post-19 policy. He takes a direct lead on HE issues and the reform of FE including the Foster Review, on which Phil Hope supports him. He also leads on the LSC, its budget and operational performance.



Parmjit Dhanda MP

Parliamentary Under Secretary of State

Responsibilities include: Family Policy; Young People; Safeguarding Children; Green and Environmental issues.



Lord Andrew Adonis

Parliamentary Under Secretary of State for Schools

Has a particular focus on primary schools, the school curriculum (supporting Jim Knight) and SEN/disability and the delivery of the Academies programme and the London Challenge.



Phil Hope MP

Parliamentary Under Secretary of State

He has a specific focus on adult skills. Supports Bill Rammell on the reform of FE and the Foster Review. Support on Education and Inspections Bill.

The Department's Board

The Board leads the work of the Department by charting the overall strategic direction, and providing direction on major operational and management issues.

To achieve its objectives the Department is organised into Directorates, which together take forward a wide-ranging policy programme, underpinned by a suite of Public Service Agreement targets against which progress and achievement is measured.

The Permanent Head of the Department is appointed by the Prime Minister, on the recommendation of the Head of the Home Civil Service and with the agreement of the Ministerial Head of the Department. Sir David Normington was Permanent Secretary from June 2001 until December 2005 and was replaced by David Bell who took up post on 3 January 2006.

Other departmental members of the Board are appointed by the Permanent Secretary (with the approval of the Senior Appointments Selection Committee where appropriate).

Members of the Board (heads of the Department's Directorates) meet with the Permanent Secretary every month. In addition to the executive board members there are also two non-executive board members who provide external perspectives and act as critical friends.

In July 2006 HM Treasury issued the *Corporate Governance Code of Good Practice*. The Department was already broadly compliant with the Code but has made further changes to adhere more closely to the Code's suggestions.

The most significant change has been the implementation of a new Board architecture for the Department, to change the way it manages its own business. The main Departmental Board is now supplemented by sub-boards covering Strategy, Executive Management, Efficiency

and Reform and Communications and Technology. This new structure will allow the Board to focus more clearly on the Department's strategy and performance and ensure decisions are delegated to the appropriate level within the Department in line with section 2 of the Code.

The Risk Committee and Audit Committee have been combined into a new Audit and Risk Assurance Committee which will advise the Accounting Officer and the Board on audit, risk and control issues and manage high level risks which may jeopardise the achievement of the Department's objectives. The composition of the Committee is in line with the guidance in section 5 of the Code.

A summary of key decisions made at the Board is currently made available to all staff, with detailed minutes circulated to standing attendees. Staff are welcome to attend Board meetings as part of their personal development, and a number have chosen to do so.

This year has seen a new non-executive Board Member – Christine Gilbert – appointed to replace Lin Homer. The appointment process followed the guidance set down in para 2.8 of the Code, including an emphasis on transparency objectivity and induction. The other non-executive Board Member is Philip Augar. The Board has assured itself of their independence.

The Board has recruited a professional Finance Director General, Jonathan Thompson, in line with section 3.3 of the Code.

Section 6 of the Code sets out the relationship the Department is expected to have with its Arms Length Bodies, which for this department are all non-departmental public bodies (NDPBs). The Department has started a programme to introduce greater consistency in the management arrangements it has with its NDPBs through the Departmental sponsor teams.

Following its own self assessment against the HM Treasury financial management framework in 2004-05, the Department has asked each of its NDPBs to carry out a similar self assessment of financial and risk management which will include sponsor teams to increase capacity for relationship and financial management.

Senior Department for Education and Skills officials regularly sit on NDPB Boards and audit committees.

The Behaviours

The Board creates a culture of learning within which all staff can develop to their full potential and actively promote the Department's Behaviours.

- We are determined to make a difference.
- We listen and value diversity.
- We are honest and open.
- We innovate and challenge.
- We learn and improve.

How the Department is organised is shown in table 1.2 along with Government Office Regional Directors.

Table 1.2: Organisation Chart by Directorate (including programme and target responsibilities)**Permanent Secretary**

David Bell (from 3 Jan 2006)

Directorate	Director/Director General	Main programmes	Spending Review 2004 PSA Targets
Children, Young People and Families	Tom Jeffery	Every Child Matters: Change for Children	
		Sure Start and Extended Schools (both joint with DWP)	1 and 2
		Youth (joint with DH)	3 and 12
		Safeguarding	5
Schools	Ralph Tabberer	Primary and 11-19	4, 6 and 9
Lifelong Learning and Skills	Stephen Marston	11-19	7, 8, 10 and 11
		Success for All	
		Skills	13
Higher Education	Sir Alan Wilson	Higher Education	14
Communications	Caroline Wright (from 15 May 2006)	Informing Customers	
Technology Group	Michael Stevenson	e-Strategy	
Corporate Service and Development	Susan Thomas	Departmental Reform	
Finance	Jonathan Thompson	Efficiency	Efficiency
Strategy and Reform	Peter Makeham	Departmental Reform	

Non-Executive Board Members

Philip Augar

Christine Gilbert

Government Office**Regional Director**

North West	Keith Barnes
North East	Jonathan Blackie
East of England	Brian Hackland (Acting)
Yorkshire and the Humber	Felicity Everiss
West Midlands	Sheila Healey (Acting)
South West	Bronwyn Hill
South East	Colin Byrne
London	Liz Meek
East Midlands	Jane Todd

Five Year Strategy

The Department's *Five Year Strategy for Children and Learners* set out the Government's priorities for the Department's work in all its main policy areas and puts into context the reforms of the Department's organisation and staffing.

The strategy sets out an ambitious agenda for the development of the education, skills and children's services sectors and how they will be delivered:

- through a simpler, less bureaucratic system of planning, budgeting and accountability, releasing time and resource at the front-line;
- by developing effective leadership at every point in the system and supporting the large, diverse workforce in children's services, education and training on whom successful public service will depend; and
- through greater exploitation of information and communications technology (ICT).

The Department itself is changing in order to implement the Five Year Strategy. It will do less direct management and direct service delivery and will be: more strategic; smaller; professional and expert; and strong in its partnerships.

A smaller, more strategic department will require a different mix of grades and skills. The Department is engaged in a major programme of upskilling existing staff and will continue to bring in people with practical experience.

Our Partners

At a national level, the Department for Education and Skills works with other government departments to join up policy thinking and to ensure the Department's agenda is strongly linked to the Government's wider priorities, including those to improve public health, reduce crime, promote culture and sport and develop strong communities. A number of the Department's PSA

targets are joint with other government departments.

Joint International Unit

The Joint International Unit (JIU) serves both this Department and the Department for Work and Pensions and throughout 2005-06 has continued to promote internationally the Government's policies.

The Unit's key achievements in 2005-06 include:

- Delivering a successful UK Presidency of the EU in the area of education, skills and youth;
- Organising a successful informal meeting of education ministers from the EU, EEA and accession and candidate countries in London on 12-13 July 2005, chaired by the Secretary of State for Education and Skills, to discuss skills and competitiveness;
- Progressing EU education and skills work smoothly and efficiently during our Presidency, including at the Education and Youth Council in Brussels on 15 November 2005 which the Secretary of State for Education and Skills chaired and which secured partial political agreement on new EU education, training and youth programmes for 2007-2013;
- Exceeding 2005 targets for the Prime Minister's Initiative (PMI) to attract an extra 50,000 non-EU students in UK higher education and 25,000 in further education;
- Using the European Social Fund to support an additional 211,000 learners and achieve 145,000 qualifications (71,000 at basic skills level and 74,000 at level 2 or 3) in England; and
- Publishing the International Strategy Action Plan.

The Unit's key priorities for 2006 include:

- Continuing to drive forward the EU's Lisbon competitiveness agenda by ensuring that the UK's approach to delivering the right outcomes on skills and education is at the forefront of the EU debate;
- Following up the Prime Minister's priority of more work and EU cooperation on higher education and competitiveness from the informal summit of EU Heads of State and Government at Hampton Court in October 2005;
- Implementing Phase 2 of the Prime Minister's Initiative to attract more international students to the UK;
- Continuing to support England's Skills Strategy through careful targeting of European Social Fund money both within the existing 2000-06 programme, and the new 2007-13 programme which will be developed during 2006; and
- Implementing the next generation of international programmes to contribute to achieving the skills agenda.

The Office for Standards in Education (Ofsted)

Ofsted is a non-ministerial government department headed by Her Majesty's Chief Inspector of Schools, which works to help improve the quality and standards of education and childcare through independent inspection and regulation, the wide dissemination of inspection findings and advice to the Secretary of State for Education and Skills. Ofsted published their Departmental Report (Cm 6813) on 9 May 2006.

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33 Kingsway Email: enquiries@ofsted.gov.uk
London WC2B 6SE www.ofsted.gov.uk

Non-Departmental Public Bodies

During 2005-06 the Department continued to fund and work with a wide range of partner organisations to achieve its objectives. Details of the Department's main non-departmental public bodies (NDPBs) are shown at Annex M.

To ensure the Department can fulfil its function as strategic leader, while working effectively with independent delivery partners, there is a sponsor team for each of the Department's main NDPBs. Sponsor teams agree the NDPB's remit and monitor performance. They work collaboratively with NDPBs to support relationship building, capacity building and management and communication, this includes operating as a central point of contact and budget control.

Details of public appointments to non-departmental public bodies are shown at Annex N and the administration costs of non-departmental public bodies are shown in table 8.9.

Details of current Department for Education and Skills public appointments vacancies can be found at: <http://www.dfes.gov.uk/recruitment/>

Further information about Public Appointments and the DfES Annual Appointment Plan can be found at: <http://www.dfes.gov.uk/ndpb/>

Regional Development Agencies

The eight Regional Development Agencies (RDAs) set up in the English Regions are non-departmental public bodies. Their primary role, along with a ninth RDA, the London Development Agency, is as strategic drivers of regional economic development in their region. The RDAs aim to co-ordinate regional economic development and regeneration, enable the regions to improve their relative competitiveness and reduce the imbalance that exists within and between regions.

Under the *Regional Development Agencies Act 1998*, each Agency has five statutory purposes, which are:

- To further economic development and regeneration.
- To promote business efficiency, investment and competitiveness.
- To promote employment.
- To enhance development and application of skill relevant to employment.
- To contribute to sustainable development.

Government Offices

Government Offices have a key role in delivering the Department for Education and Skills PSA targets and policies, in particular the Every Child Matters (ECM) agenda. In 2005-06 the Department strengthened its presence in Government Offices and committed new resources. A newly appointed Director for Children and Learners in each Government Office leads a Children and Learners team and is supported by three or four Children's Service Advisers who will head up the Department's work with local authorities at the strategic level.

Local Authorities

Local authorities play a key strategic role ensuring services: education; social services; health; and other agencies are brought together through children's trusts and Local Area Agreements to serve the best interests of children and young people in their areas. Top tier and unitary authorities continue to have responsibilities for

the strategic management of education and children and young people's services, and the reforms announced in the Schools White Paper in October 2005 will reinforce this strategic role in relation to education by placing new duties on local authorities to promote choice, diversity and fair access to schools, when carrying out their existing duties for providing school places.

Third Sector

Third sector organisations play a key role in helping the Department to deliver its objectives. At a strategic level, they participate in the development of policies and programmes and in service planning. They also make a significant contribution to delivery of services for children, young people and families and learners of all ages.

Much of the third sector's contribution to achieving the Department's objectives take place at sub-regional or local level, through bodies such as local Learning and Skills Councils or children's trusts. The Department has sent clear messages to regional and local partners about the importance of working effectively with the third sector.

Through its relationship with the third sector, the Department contributes to the achievement of a Home Office led Public Service Agreement target to increase voluntary and community engagement. The Department is committed to the Compact with the voluntary and community sector and works to ensure that it is embedded across all policies and programmes.

The Department also works with many other partners, including trade unions and employers.

CHAPTER 2:

Public Service Agreement targets: Review of performance in 2005–06



Summary Assessments of Progress

In order that judgements on final outturn against all PSA targets are made on a consistent and comparable basis, a short summary phrase is included when reporting a final assessment against a target. This is in addition to the more detailed reporting against the target included in the appropriate chapter.

Term (summary phrase) Usage

Met	Target achieved by the target date – must not be used before the target end-date unless there is no possibility at all of subsequent slippage.
Met-ongoing	For older open-ended targets where the target level has been met and little would be achieved by continuing to report the same information indefinitely (in using this term it should be made clear that a final assessment is being given).
Partly met	Where a target has two or more distinct elements, and some – but not all – have been achieved by the target date.
Not met	Where a target was not met or met late.
Not known	This should only be used where it is not possible to assess progress against the target during its lifetime or subsequently – an explanation should be given and reference made to any subsequent targets covering the same area.

A short summary phrase is also included when summarising progress against ongoing targets. Once again, this is in addition to the more detailed reporting against the target included in the appropriate chapter.

Term (summary phrase) Usage

Met early	Only to be used in circumstances where there is no possibility of subsequent slippage during the lifetime of the target.
Ahead	If progress is exceeding plans and expectations.
On course	Progress is in line with plans and expectations.
Slippage	Where progress is slower than expected, e.g. by reference to criteria set out in a target's Technical Note.
Not yet assessed	For example, a new target for which data is not yet available.

Table 2.1: Spending Review 2004 PSA targets

Spending Review 2004 PSA targets	Latest Assessment
Safeguard children and young people, improve their life outcomes and general well-being, and break cycles of deprivation (Chapter 3)	
<p>1. Improve children's communication, social and emotional development so that by 2008 50% of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the level of development achieved by children in the 20% most disadvantaged areas and the rest of England (Sure Start target, joint with the Department for Work and Pensions).</p> <p>The provisional target has now been reviewed and increased from 50% to 53% by 2008. The target for reducing the inequality gap has been set at four percentage points – from 16% to 12%.</p> <p><i>SR 2004 PSA target 1 contact: Graham Archer</i> <i>Tel: 020 7273 5775</i> <i>Email: Graham.Archer@dfes.gsi.gov.uk</i></p>	<p>Not yet assessed</p> <p>Too early to make an assessment</p> <p>The baseline has now been established at 48% of children reaching a good level of personal, social and emotional development and communication, language and literacy as measured through the Foundation Stage Profile in 2005</p>
<p>2. As a contribution to reducing the proportion of children living in households where no one is working, by 2008:</p> <ul style="list-style-type: none"> ■ increase the stock of Ofsted-registered childcare by 10%; ■ increase the take-up of formal childcare by low income working families by 50%; and <ul style="list-style-type: none"> ■ introduce by April 2005, a successful light-touch childcare approval scheme. (Sure Start target, joint with the Department for Work and Pensions) <p><i>SR2004 PSA target 2 contact: Colin Curtis</i> <i>Tel: 020 7273 4924</i> <i>Email: Colin.Curtis@dfes.gsi.gov.uk</i></p>	<p>Met early</p> <p>Not yet assessed</p> <p>Too early to make an assessment</p> <p>The baseline and target level are still under consideration</p> <p>On course</p>
<p>3. Reduce the under-18 conception rate by 50%, by 2010, as part of a broader strategy to improve sexual health. (Joint target with the Department of Health).</p> <p><i>SR 2004 PSA target 3 contact: Rob MacPherson</i> <i>Tel: 020 7273 4824</i> <i>Email: Robert.Macpherson@dfes.gsi.gov.uk</i></p>	<p>Slippage</p>

Spending Review 2004 PSA targets

Latest Assessment

4. Halt the year-on-year rise in obesity among children under 11 by 2010 in the context of a broader strategy to tackle obesity in the population as a whole. (Joint target with the Department of Health and the Department for Culture, Media and Sport).	Not yet assessed Too early to make an assessment Baseline figure for 2002/03/04 established as 14.9% Progress can be assessed when 2003/04/05 figure is available in winter 2006/07
<p><i>SR2004 PSA target 4 contact: John Hubbard</i> <i>Tel: 020 7925 6176</i> <i>Email: John.Hubbard@dfes.gsi.gov.uk</i></p>	
5. Narrow the gap in educational achievement between looked after children and that of their peers, and improve their educational support and the stability of their lives so that by 2008, 80% of children under 16 who have been looked after for 2.5 or more years will have been living in the same placement for at least 2 years, or are placed for adoption.	Slippage
<p><i>SR2004 PSA target 5 contact: Becky Benwell</i> <i>Tel: 020 7273 5110</i> <i>Email: Becky.Benwell@dfes.gsi.gov.uk</i></p>	
<h3>Raise standards and tackle the attainment gap in schools (Chapter 3)</h3>	
6. Raise standards in English and maths so that:	
<ul style="list-style-type: none"> ■ by 2006, 85% of 11-year-olds achieve level 4 or above, with this level of performance sustained to 2008; and 	Slippage
<ul style="list-style-type: none"> ■ by 2008, the proportion of schools in which fewer than 65% of pupils achieve level 4 or above is reduced by 40%. 	On course
<p><i>SR2004 PSA target 6 contact: Nina Curley</i> <i>Tel: 020 7925 5691</i> <i>Email: Nina.Curley@dfes.gsi.gov.uk</i></p>	
7. Raise standards in English, maths, ICT and science in secondary education so that:	
<ul style="list-style-type: none"> ■ by 2007, 85% of 14-year-olds achieve level 5 or above in English, maths and ICT (80% in science) nationally, with this level of performance sustained to 2008; and 	Slippage
<ul style="list-style-type: none"> ■ by 2008, in all schools at least 50% of pupils achieve level 5 or above in each of English, maths and science. 	Slippage
<p><i>SR2004 PSA target 7 contact: Max Galla</i> <i>Tel: 020 7925 6977</i> <i>Email: Max.Galla@dfes.gsi.gov.uk</i></p>	
8. Improve levels of school attendance so that by 2008, school absence is reduced by 8% compared to 2003.	Ahead
<p><i>SR2004 PSA target 8 contact: Arun Arul</i> <i>Tel: 020 7925 5556</i> <i>Email: Arun.Arul@dfes.gsi.gov.uk</i></p>	
9. Enhance the take-up of sporting opportunities by 5 to 16-year-olds so that the percentage of school children in England who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum increases from 25% in 2002 to 75% by 2006 and to 85% by 2008, and to at least 75% in each School Sport Partnership by 2008. (Joint target with the Department for Culture, Media and Sport)	Ahead
<p><i>SR2004 PSA target 9 contact: Mike Diaper</i> <i>Tel: 020 7925 5837</i> <i>Email: Mike.Diaper@dfes.gsi.gov.uk</i></p>	

Spending Review 2004 PSA targets

Latest Assessment

All young people to reach 19 ready for skilled employment or higher education (Chapter 3)

10. By 2008, 60% of those aged 16 to achieve the equivalent of 5 GCSEs at grades A*-C; and in all schools, at least 20% of pupils to achieve this standard by 2004, rising to 25% by 2006 and 30% by 2008.	On course Slippage
<p><i>SR2004 PSA target 10 contact: Max Galla</i> <i>Tel: 020 7925 6977</i> <i>Email: Max.Galla@dfes.gsi.gov.uk</i></p>	
11. Increase the proportion of 19-year-olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008, and increase the proportion of young people who achieve level 3.	Not yet assessed Too early to make an assessment In 2005, 69.8 per cent of people aged 19 were qualified to at least Level 2
<p><i>SR2004 PSA target 11 contact: Brian Teahan</i> <i>Tel: 0114 259 4112</i> <i>Email: Brian.Teahan@dfes.gsi.gov.uk</i></p>	
12. Reduce the proportion of young people not in education, employment or training (NEET) by 2 percentage points by 2010.	Not yet assessed Too early to make an assessment The most recent participation estimates put the baseline for this target at 10%
<p><i>SR2004 PSA target 12 contact: Matthew Hopkinson</i> <i>Tel: 0114 259 3781</i> <i>Email: Matthew.Hopkinson@dfes.gsi.gov.uk</i></p>	

Tackle the adult skills gap (Chapter 4)

13. Increase the number of adults with the skills required for employability and progression to higher levels of training through:	
<ul style="list-style-type: none"> ■ improving the basic skill levels of 2.25 million adults between the launch of Skills for Life in 2001 and 2010, with a milestone of 1.5 million in 2007; and 	On course
<ul style="list-style-type: none"> ■ reducing by at least 40% the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010. Working towards this, one million adults in the to workforce achieve level 2 between 2003 and 2006. 	On course
<p><i>SR2004 PSA target 13 (first element) contact: Paul Baker</i> <i>Tel: 020 7273 5447</i> <i>Email: Paul.Baker@dfes.gsi.gov.uk</i></p>	
<p><i>SR2004 PSA target 13 (second element) contact: Eric Yates</i> <i>Tel: 0114 259 1623</i> <i>Email: Eric.Yates@dfes.gsi.gov.uk</i></p>	

Raise and widen participation in higher education (Chapter 5)

14. By 2010, increase participation in higher education towards 50% of those aged 18 to 30 and also make significant progress year on year towards fair access and bear down on rates of non-completion.	On course
<p><i>SR2004 PSA target 14 contact: Gregory Boone</i> <i>Tel: 0114 259 1622</i> <i>Email: Gregory.Boone@dfes.gsi.gov.uk</i></p>	

Table 2.2: Spending Review 2004 Efficiency target

Spending Review 2004 Efficiency target	Latest Assessment (Chapter 10)
<p>To reduce the total number of civil service (full-time equivalent) posts by 1,960 (comprising 1,460 Department posts and 500 in the Office for Standards in Education) by 2008 from a baseline at October 2003; and be on course to relocate around 800 posts from the Department and its partner organisations out of London and the South East by 2010.</p> <p><i>SR2004 Efficiency target contact: Gita Dean-Andrews</i> <i>Tel: 020 7925 5051</i> <i>Email: Gita.Dean-Andrews@dfes.gsi.gov.uk</i></p>	On course

Table 2.3: Outstanding Spending Review 2002 PSA targets

Spending Review 2002 PSA targets	Latest Assessment
<p>2. Raise standards in English, maths, ICT and science in Secondary education so that:</p> <ul style="list-style-type: none"> ■ by 2007, 90% pupils reach level 4 in English and maths by age 12. <p><i>SR2002 PSA target 2 contact: Nina Curley</i> <i>Tel: 020 7925 5691</i> <i>Email: Nina.Curley@dfes.gsi.gov.uk</i></p>	Slippage
<p>5. Raise standards in schools and colleges so that:</p> <ul style="list-style-type: none"> ■ between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to five GCSEs at grades A*-C rises by 2 percentage points each year on average. <p><i>SR2002 PSA target 5 contact: Max Galla</i> <i>Tel: 020 7925 6977</i> <i>Email: Max.Galla@dfes.gsi.gov.uk</i></p>	Slippage
<p>8. Challenging targets will be set for minimum performance and value for money in Further Education colleges and other providers by the Government and the LSCs.</p> <p><i>SR2002 PSA target 8 contact: Catherine Jasinski</i> <i>Tel: 0114 259 3292</i> <i>Email: Catherine.Jasinski@dfes.gsi.gov.uk</i></p>	Minimum Performance Met-ongoing Value for Money On course
Sure Start Spending Review 2002 targets ¹	Latest Assessment
<p>2. A 6 percentage point reduction in the proportion of mothers who smoke during pregnancy</p> <p><i>Sure Start SR2002 PSA target 2 contact: Kevin Woods</i> <i>Tel: 020 7273 5689</i> <i>Email: Kevin.Woods@dfes.gsi.gov.uk</i></p>	Slippage
<p>3. An increase in the proportion of young children with satisfactory speech and language development as age 2 years</p> <p><i>Sure Start SR2002 PSA target 3 contact: Graham Archer</i> <i>Tel: 020 7273 5575</i> <i>Email: Graham.Archer@dfes.gsi.gov.uk</i></p>	On course
<p>4. A 12% reduction in the proportion of young children living in households where no-one is working</p> <p><i>Sure Start SR2002 PSA target 4 contact: Paul Long</i> <i>Tel: 020 7273 1125</i> <i>Email: Paul.Long@dfes.gsi.gov.uk</i></p>	Slippage

1. These PSA targets refer to progress in Sure Start Local Programme (SSLP) areas only.

Department of Health Spending Review 2002 target transferred to Department for Education and Skills

Latest Assessment

DoH target 9: Improve life chances for children, including by:

Substantially narrowing the gap between the educational attainment and participation of children in care and that of their peers by 2006. The target will have been achieved if: Slippage

- (a) outcomes for 11-year-olds in English and maths are at least 60% as good as those of their peers;
- (b) the proportion who become disengaged from education is reduced, so that no more than 10% reach school leaving age without having sat a GCSE equivalent exam; and
- (c) the proportion of those aged 16 who get qualifications equivalent to five GCSEs graded A*-C has risen on average by 4 percentage points each year since 2002; and in all authorities at least 15% of young people in care achieve this level of qualification.

DoH SR2002 PSA target 9 contact: Alex Kirwan

Tel: 020 7273 4853

Email: Alex.Kirwan@dfes.gsi.gov.uk

Joint Spending Review 2002 target with Home Office

Latest Assessment

Home Office target 6

Reduce the harm caused by drugs by:

Reducing the use of Class A drugs and the frequent use of any illicit drug among all young people under the age of 25, especially by the most vulnerable young people On course

This target has been rolled forward into the Spending Review 2004 period. Within the Home Office's overall responsibility for the drugs strategy, the Department for Education and Skills leads policy on preventing young people from becoming problematic drug users and shares responsibility with the Home Office for the target's delivery.

Home Office 2002 PSA target 6 contact: Anita Onyeledo

Tel: 020 7273 5867

Email: Anita.Onyeledo@dfes.gsi.gov.uk

Data Systems

The Head of Profession for Statistics in the Department and the National Audit Office (NAO) have reviewed jointly the data systems underpinning each of the Department's Spending Review 2004 PSA targets. This follows an earlier review of the data systems underpinning the Department's Spending Review 2002 PSA targets. The results of the review are expected to be published in June 2006 and the Department will respond in due course. The outcome of the review will also contribute to a NAO report to be published later in 2006.

Full information on target measurement and data sources are set out in the PSA targets' Technical Notes (TNs) and can be accessed via the 'TN' links on the following HM Treasury webpage:

www.hm-treasury.gov.uk/documents/public_spending_and_services/publicservice_performance/pss_perf_table.cfm

CHAPTER 3:

Children, Young People and Schools

Objective I:

Safeguard children and young people, improve their life outcomes and general well-being, and break cycles of deprivation.

Every Child Matters

The Every Child Matters: Change for Children programme is the most radical reform of children's services for a generation. The programme helps every child and young person from birth to age 19 to achieve their full potential in order to support better achievement at school and better life outcomes. In particular, Every Child Matters aims to ensure that every child and young person:

- Is healthy.
- Stays safe.
- Enjoys and achieves.
- Makes a positive contribution.
- Achieves economic well-being.

As a result of Every Child Matters, children's services are centred increasingly on the child, and focus on early intervention and prevention of problems. Services will aim to provide better help and advice for parents, to provide support for schools, to establish joint planning arrangements and to prevent children falling through the gaps between services.

Over the past twelve months, the Department has continued to build on earlier progress through improving access to services, enhancing the



quality of those services and securing better outcomes for children. Key achievements include:

- steady roll out of Sure Start Children's Centres with over 800 centres now reaching 650,000 children;
- progressive increase of early education for three- and four-year-olds;
- continued expansion of childcare with 1,254,000 registered places at the end of 2005;
- better-than-expected interest from schools in developing extended services, with nearly 6,000 accessing support and training;
- the introduction into Parliament of legislation to:
 - strengthen the system for vetting and barring people working with children;
 - improve childcare and outcomes for children under 5;
 - support contact between parents and children following separation or divorce; and
 - promote better school standards and to support every child in fulfilling their educational potential;
- establishment of Local Safeguarding Children Boards in all local areas by April 2006; and
- consultation on the Government's *Youth Matters* proposals to empower and support teenagers.

Furthermore, the Department has continued to work closely with local authorities to strengthen delivery. Every area has discussed its priorities, including those for education, based on performance assessments made by inspectorates and a local analysis of need, leading to the development of a Children and Young People's Plan for 2006/07. From April 2006, the Department has introduced new arrangements for Government Offices to support local authorities in each region and to monitor progress.

The Department has also supported improvements in local delivery through our actions to reform the children's services workforce, which will ensure more qualified staff and access to the most effective practices. For example, the Department has trialled and begun to introduce a Common Assessment Framework for use across services to enable better multi-agency team work. Guidance on the development of the Lead Professional role – a single point of contact for children and families who will co-ordinate and oversee interaction with services has also been introduced.

Safeguarding Children

Ensuring children's well-being and safety is critical to the Every Child Matters agenda. Safeguarding is everybody's business and it is critical that everyone plays their part. The Government's task is to set in place the right framework to make this happen. Employers, parents and other stakeholders have a responsibility to use the powers and checks the Department is putting in place to make sure the system works to protect children.

A key element of the overarching safeguarding framework is the use of vetting and barring procedures to prevent anyone unsuitable to work with children from having the opportunity to do so. The Department is committed to further significant reforms of these procedures to ensure

that the vetting and barring system is the toughest ever and clearly puts child protection first.

To achieve this, the Government is implementing the specific recommendation (19) made in the Richard Inquiry Report to strengthen vetting and barring procedures. The *Safeguarding Vulnerable Groups Bill*, introduced into Parliament in February 2006, will establish a new vetting and barring scheme for individuals working or applying to work with children and vulnerable adults. The new scheme will bring together the existing List 99 and *Protection of Children Act* (POCA) lists of people who are barred; it will create new offences for barred individuals seeking to work, or being offered work, with children and vulnerable adults; and it will allow, for the first time, continuous updating and online checking.

In the immediate term, the Department is tightening current procedures. Some of the measures being taken include: making Criminal Records Bureau (CRB) checks mandatory for all new appointments to the school workforce; adding to the list of offences which result in an automatic bar from working with children; and changing the way cautions and convictions are treated. These changes will ensure that, in the interim, there is a system in place which is as robust as possible in which parents and employers can have confidence.

The Department is also working to ensure that younger children are protected. Childminders and day care providers for children under eight are required to be registered by Ofsted. The CRB and other checks that Ofsted carries out are part of their robust system for preventing unsuitable people from being registered to provide childcare. Ofsted will always investigate further if they have any concerns about an applicant's suitability to work with children. The *Childcare Bill* introduced to Parliament in November 2005 will complement the Ofsted registration scheme for the registered

childcare sector by providing the option of Ofsted registration (which will include enhanced CRB checks as well as List 99 and POCA checks for staff) to a wider range of childcare providers such as provision for children eight and over and nannies.

In addition, a programme of work is underway to review and strengthen arrangements for the learning and skills sector and to align these with revisions for schools. The Department will ensure thoroughness and consistency in guidance across the education sector and will develop examples of good practice in providing a safe environment in the learning and skills sector to support institutions in fulfilling their safeguarding responsibilities. The Secretary of State has made a commitment that, in principle, any revised guidance that applies to schools should also apply to further education institutions.

Work on vetting and barring falls within a much wider safeguarding context. The overall aim is to prevent any child from being maltreated. This must be achieved through those universal services which reach all children, as well as specific work targeted on vulnerable groups and responsive work for children already affected. Key achievements in these areas include:

- The establishment, by April 2006, of a Local Safeguarding Children Board in every local authority, bringing together a range of agencies at local level with a role in safeguarding children; and
- The revision of the core safeguarding guidance *Working Together to Safeguard Children*, published in April 2006. The guidance sets out how organisations and individuals should work together to safeguard and promote the welfare of children.

Looked After Children

The latest statistics show that at the end of March 2005, there were 60,900 children looked after by English local authorities.

Educational outcomes for looked after children are poor, with many falling behind at Foundation Stage and achieving lower levels at Key Stages 3 and 4. Too many of them experience several changes in placement which can disrupt their education as well as compounding the difficulties that are often caused by their experiences prior to entering care. Building services around the individual needs of the child, young person and family is a key element of the Every Child Matters vision. Local authorities who have made significant improvements in placement stability have focused on four key areas: managing entries into care through providing better family based support; better placement choice through effective commissioning and management of the market; improved multi-agency support for children and carers to address their needs and maintain their placements; and ensuring that the issue has a high profile throughout the organisation.

The Department of Health Spending Review 2002 PSA target 9, transferred to the Department for Education and Skills following machinery of government changes is:

- To substantially narrow the gap between the educational attainment and participation of children in care and that of their peers by 2006.

The target will have been achieved if:

- (a) outcomes for 11-year-olds in English and maths are at least 60% as good as those of their peers;
- (b) the proportion who become disengaged from education is reduced, so that no more than 10% reach school leaving age without having sat a GCSE (or equivalent) exam; and

- (c) the proportion of those aged 16 who attain qualifications equivalent to five GCSEs graded A*-C has risen on average by 4 percentage points each year since 2002; and in all authorities, at least 15% of young people in care achieve this level of qualification.

Progress has been made towards all elements but rapid rises in performance need to be seen in order to achieve all of the elements of the target. There is therefore currently slippage against the overall target and a final assessment will be made in spring 2007.

The Department's subsequent Spending Review 2004 PSA target 5 is to:

- Narrow the gap in educational achievement between looked after children and that of their peers, and improve their educational support and the stability of their lives so that by 2008, 80% of children under 16 who have been looked after for 2.5 or more years will have been living in the same placement for at least 2 years, or are placed for adoption.

The percentage of the relevant group of children living in the same placement for at least two years remained at 65 per cent between 2004-05 (the baseline for this target) and 2005-06. This indicates slippage against the target's 80 per cent level. Performance on this measure has improved from 63 per cent in 2003-04, but the target is very challenging, and would require a very significant shift in every local area if it is to be achieved.

As announced in the White Paper *Higher Standards, Better Schools for All*, the Department intends to consult over summer 2006 on a wide-ranging set of proposals for transforming educational and other outcomes for looked after children.

Sure Start, Early Years and Childcare

The Government wants to help parents make confident choices that are best for their family

circumstances, so they can balance their working and personal lives effectively. There have been substantial increases to parental leave entitlements and chances to work flexibly, and a commitment to increasing access to high quality and affordable early years and childcare provision.

All children deserve the best possible start in life, including a strong foundation for their future learning and development. High quality early years services have been shown to lead to better health, cognitive, emotional and social development, and relationships between children and parents. These benefits are most marked for those living in poverty.

Sure Start programmes work with local authorities and local partners to deliver high quality integrated early learning and health and parental services at neighbourhood level. Sure Start is part of the Government's Change for Children programme and makes a major significant contribution to the achievement of the five outcomes.

The Government has funded a major expansion in provision for young children and families since 1997, including: guaranteeing free early education for all three and four-year-olds; creating over 600,000 new registered childcare places and almost doubling the childcare available across the country; and launching Sure Start in 1998. Pioneering Sure Start Local Programmes (SSLPs) were established from 1999 providing integrated health and family services and support and early learning for children aged under four and their parents in some of the most disadvantaged areas of the country.

The Government published *Choice for parents, the best start for children: a ten year strategy for childcare* in December 2004, which included commitments to extend and strengthen further early years and childcare services.

Its key themes were:

- Choice and flexibility – for parents to balance work commitments and family life, through enhanced parental leave and easy access to Sure Start Children’s Centres for all;
- Availability – flexible childcare for all families with children aged up to 14 who need it, together with 15 hours a week free early education for all three and four-year-olds for 38 weeks a year, with 20 hours as a goal;
- Quality – provision delivered by a skilled early years and childcare workforce, with full day-care settings professionally led, and a strengthened qualification and career structure; and
- Affordability – provision appropriate to parents’ needs, with substantial increases in tax credit support.

Multi-agency Sure Start Children’s Centres and extended schools are at the heart of the Government’s strategy. The introduction of Children’s Centres will allow babies and young children under five, and their families, to access one-stop support on integrated early education and childcare, health and family support, parenting, and employment advice. 2,500 Children’s Centres will be established by 2008 (including all disadvantaged areas), and 3,500 by 2010, so that services will be available to every community according to need.

SSLPs and Early Excellence Centres have been models for the new Sure Start Children’s Centres now being rolled out across the country. At the end of March 2006, 836 Children’s Centres had been established, offering services to over 656,000 children and families, which means the Department’s target set as part of the 2002 Spending Review settlement has been met.

In November 2005, the Department published early findings of an evaluation of the impact of Sure Start Local Programmes (*Early Impacts of Sure Start Local Programmes on Children and Families* (NESS Report 013)) which showed positive findings for the majority of children and families, such as, fewer behavioural problems and better social skills, and measurable improvements in parenting.

There were, however, some findings which showed SSLPs were not always reaching some of the most disadvantaged and vulnerable families and some work with families needed to be improved. The Government is committed to ensuring that Sure Start reaches all who need it; and that once people come through the door, the services on offer really help them. That is why the Department published, alongside the evaluation, detailed best practice guidance (*Children’s Centre Practice Guidance*) for Children’s Centres highlighting what works, particularly in reaching and working with the most vulnerable.

The *Childcare Bill* will take forward and give statutory force to key commitments in *Choice for parents, the best start for children: a ten year strategy for childcare*. It is the first legislation dedicated to early years and childcare and sets the foundations for the development of services for young children and to support parents in balancing work and family life. It gives outcomes for the youngest children the legislative importance and status they deserve, focusing on reducing inequalities between those with the poorest outcomes and the rest.

The Bill underlines the strategic role of local authorities (LAs) in developing and sustaining early years and childcare provision with new duties on LAs to: improve the outcomes of all children under five; secure sufficient childcare to ensure it meets the needs of local communities, in particular for those parents on low incomes and with disabled children; and ensure people have access to the full range of information they may need as a parent.

In addition, the Bill introduces a reformed and simplified regulatory framework for early years and childcare to reduce bureaucracy and raise quality, including a new Early Years Foundation Stage, which all registered settings for children under age five will be required to deliver. The framework also extends, for the first time, to providers caring for children over eight years old, giving parents the assurance that their children will be safe and well cared for in registered provision.

The Department published a Ten Year Strategy Action Plan *Choice for Parents, the Best Start for Children: Making it Happen* on 4 April 2006. It highlights achievements since the Strategy was published, the challenges ahead, and who needs to do what, by when, to ensure that Strategy commitments are delivered.

The Department has a number of early years and childcare PSA targets to enhance outcomes, reduce inequality and extend provision.

The Department's Spending Review 2002 PSA target 4 commits to:

- A 12% reduction in the proportion of young children living in households in SSLP areas where no one is working.

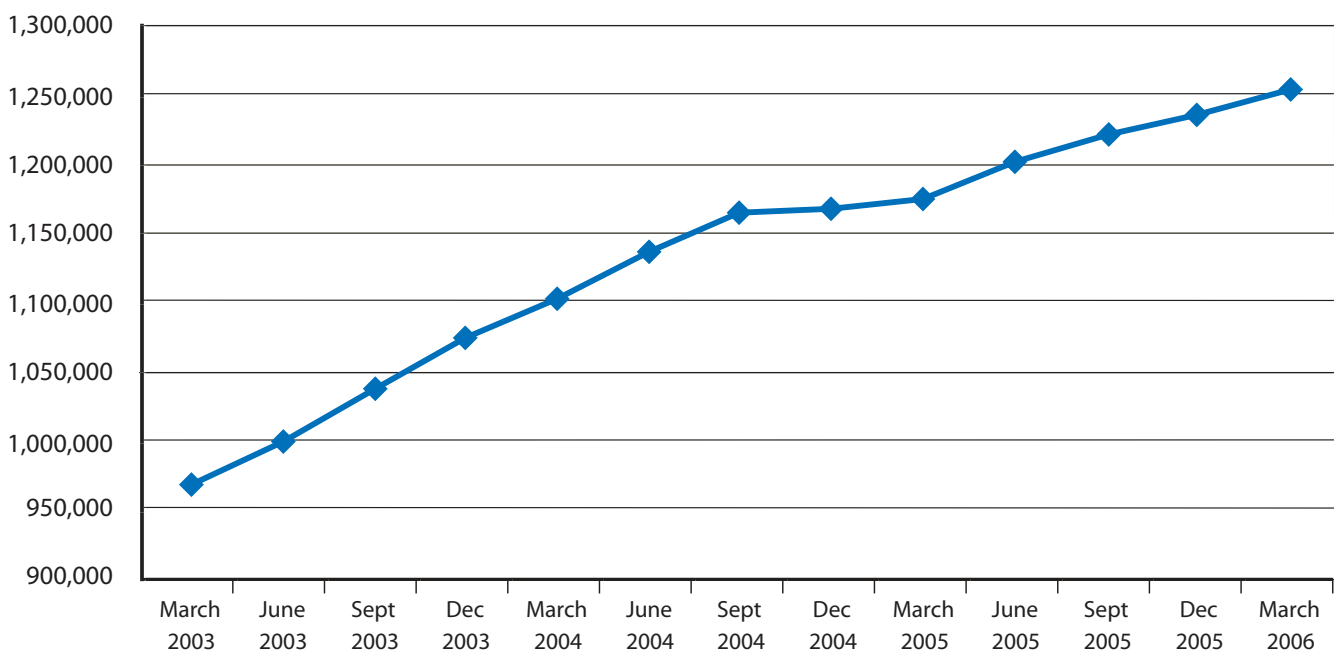
There is slippage against this target. The April 2003 baseline has been restated as 42.4 per cent and, by April 2005, the proportion of children aged 0-4 in SSLP areas living in households where no one is working had fallen to 39.7 per cent. This is a 6.4 per cent reduction from the baseline, but below the desired trajectory of eight per cent.

The reduction in SSLP areas is significantly greater than in England as a whole where, over the same period, the percentage of children aged 0-4 living in households where no-one is working fell by 5.2 per cent, from 23.3 per cent to 22.1 per cent.

The Department's Spending Review 2004 PSA target 2, which is jointly held with the Department for Work and Pensions (DWP), seeks to contribute to reducing the proportion of children living in households where no one is working. By 2008:

- increase the stock of Ofsted-registered childcare by 10 per cent;
- increase the take-up of formal childcare by low income working families by 50%; and
- introduce, by April 2005, a successful light-touch childcare approval scheme.

Figure 3.1: Growth in Ofsted Registered Childcare Places



The first element of PSA target 2 (Ofsted registered childcare) has been met early. The target requires a total 1,213,000 Ofsted registered childcare places, which is ten per cent above the stock in March 2004 of 1,103,000. In September 2005 the target was exceeded when the total stock of childcare places numbered 1,221,000. This has since risen further to 1,254,000 in March 2006 an increase of more than 13 per cent from the March 2004 baseline. Ofsted registered childcare accounted for an estimated 92 per cent of total childcare places. See figure 3.1.

The second element of PSA target 2 (increasing take-up by lower income families) has not yet been assessed and the 50 per cent level is provisional. The baseline and target level are still under consideration.

The third element of PSA target 2 – the introduction of a light-touch childcare approval scheme is on course. The scheme began operating in April 2005 incorporating criminal records checks, first aid certification and a minimum training requirement. It enables parents, for the first time, to receive financial support to help pay for childcare in their own home, including nannies. At the end of March 2006, there were 1,715 approved home carers under the scheme. It was agreed that the number of approvals due by March 2008 under this part of the PSA target would be set by the end of the first year of operation. A cumulative total of 3,500 carers to be approved by March 2008 has been set as the target figure.

Effective, good quality pre-school education improves the chances of social mobility and raises attainment later in life. The Foundation Stage curriculum, introduced in September 2000, provides a broad, balanced and purposeful curriculum, delivered through planned play activities. The Department has two PSA targets on children's development.

Impact of pre-school education

Research evidence suggests that, without the experience of pre-school education, it may be harder for poorer children to cope with the demands of their first years at primary school. *The Effective Provision of Pre School Education (EPPE)* research project found that children who had enjoyed two years of high quality pre-school were, in terms of development, four to six months ahead of those brought up entirely at home, when they started primary school. Those who had begun pre-school education earlier, starting in nursery at two, and enjoying a long spell of high quality provision, could be ten months ahead at the start of primary school contemporaries brought up at home. Pre-schoolers maintain an advantage through the first years of primary school, to age seven, which is particularly critical in helping to ensure that disadvantaged children reach the minimum level of achievement at Key Stage 1 in reading, writing and mathematics.

The Department's Spending Review 2004 PSA target 1 seeks to improve children's communication, social and emotional development so that:

- By 2008, provisionally 50% of children reach a good level of development at the end of the Foundation Stage, and reduce inequalities between the level of development achieved by children in the 20% most disadvantaged areas and the rest of England (Sure Start Unit target, jointly held with the Department for Work and Pensions).

The baseline has now been established as 48 per cent of children reaching a good level of personal, social and emotional development and communication, language and literacy as measured through the Foundation Stage Profile in 2005. The gap between children reaching this level in disadvantaged areas and the rest of England is 16 per cent.

The provisional target has now been reviewed and increased from 50 per cent to 53 per cent by 2008, reflecting the Government's ambitions for young children. The Department has set the target for reducing the inequality gap at four percentage points to acknowledge the particular importance of enhancing life chances and outcomes in the most disadvantaged communities.

The Department's Sure Start Spending Review 2002 PSA target 3 aims for:

- An increase in the proportion of young children aged five with normal levels of communication, language and literacy for their age and an increase in the proportion of young children with satisfactory speech and language development at age 2 years.

The first element of this target (progress on communication, language and literacy) is now being measured through the Department's Spending Review 2004 PSA target 1.

Progress against the second element of this target relating to development at age two for children in SSLP areas is on course. Speech and language development is measured by reference to the proportion of children with a high word count score, and parents free from concern over their language development. This level has risen from the baseline of 73 per cent in 2003 to 74 per cent in 2005, although this change is not statistically significant.

Smoking during pregnancy can cause increased risk of miscarriage, stillbirth and low birth weight. Second-hand smoking is also known to be a cause of Sudden Death Syndrome and childhood respiratory disease. Giving up smoking is the most effective action anyone can take to protect their own health, their child's and, if they are pregnant, their baby's health too.

The Department's Sure Start Spending Review 2002 PSA target 2 is to achieve:

- A 6 percentage point reduction in the proportion of mothers who smoke during pregnancy.

This target is measured through returns from SSLP areas and higher responses rates have led to the baseline for the target being revised.

Between March 2003 and March 2005, in SSLP areas, there was a reduction of 3.3 per cent in the proportion of those mothers whose smoking status was known, and who continued to smoke during pregnancy. This represents slippage from the desired four per cent reduction required to meet the target reduction of six per cent by 2006.

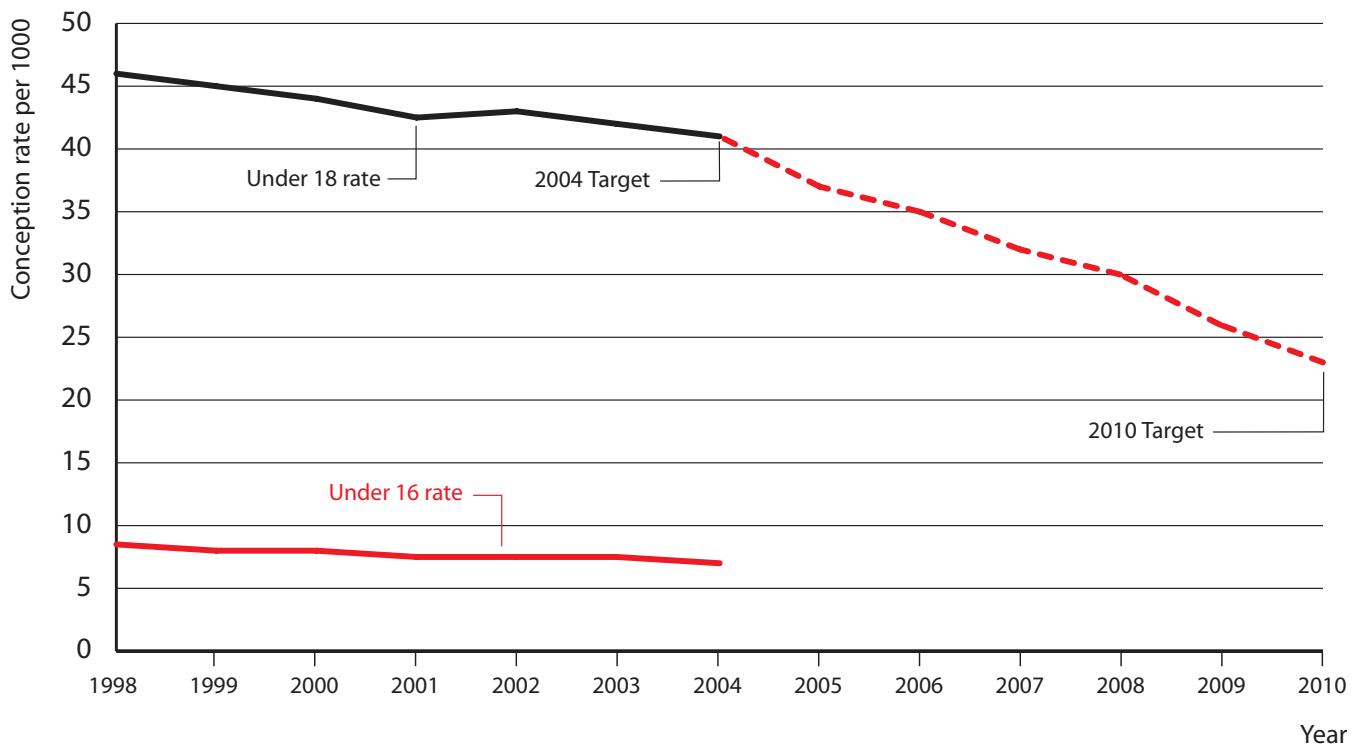
Childhood Obesity

Reducing obesity is one of the six overarching priorities in the public health White Paper *Choosing Health*. Obesity is one of the biggest public health issues and its prevalence in children and young people is increasing. The Government is responding to the year-on-year rise in obesity through Spending Review 2004 PSA target 4 (jointly owned by the Department of Health, the Department for Education and Skills, and the Department for Culture Media and Sport), seeking to:

- Halt the year-on-year rise in obesity among children under 11 by 2010 in the context of a broader strategy to tackle obesity in the population as a whole.

The baseline, drawn from the Health Survey for England, has now been established as 14.9 per cent of children aged between two to ten years old and is the weighted average for the three-year period 2002/2003/2004. Data to monitor progress will be available annually. The weighted average for the three-year period 2003/2004/2005 will be available in the winter of 2006/07. It is therefore too early at this stage to make an assessment of progress against this target.

Figure 3.2: England under-18 and under-16 conception rate



The PSA target is supported by a programme of action to help children and their families adopt and maintain a healthy lifestyle. A number of cross-Government schemes and initiatives will contribute to reducing childhood obesity, including:

- Sure Start Children's Centres;
- Healthy School programme;
- Food in Schools programme;
- Physical Education, School Sport and Club Links programme (see Spending Review 2004 PSA target 9 in chapter 3);
- School Travel Plans; and
- Extended Schools.

Primary Care Trusts (PCTs) are currently working with schools as part of the cross-Government programme. Weight and height measurements for all children in Reception and Year 6 will be taken by PCTs to help support schools and improve value for money by targeting resources more effectively. Guidance has been issued to PCTs on how to measure the height and weight of children

for monitoring the prevalence of childhood obesity.

Teenage Pregnancy

The UK teenage pregnancy rate is twice as high as in Germany and three times as high as in France and Italy. Teenage parents are statistically more likely than their peers to live in poverty, be unemployed and lack education.

The Teenage Pregnancy Unit, a cross-Government Unit located within the Department, was set up to implement the Social Exclusion Unit's report on *Teenage Pregnancy* published in 1999. The Department's Spending Review 2004 PSA target 3, jointly held with the Department of Health, sets out the Government's commitment to:

- Reduce the under-18 conception rate by 50%, by 2010, as part of a broader strategy to improve sexual health.

In 1998, the under-18 conception rate stood at 46.6 per 1,000 females (aged 15-17) – this is the target's baseline. Between 1998 and 2004, there was an 11.1 per cent reduction in the under-18 conception rate. This falls short of the 2004 interim target to reduce

the under-18 conception rate by 15 per cent. There was a 15.2 per cent reduction in the under-16 conception rate over the same period. In 2004, the under-18 conception rate stood at 41.5 per cent per 1,000 females (aged 15-17). This is encouraging progress: both the under-18 and under-16 rates are now at their lowest levels since the mid 1980s. However, the rate of decline needs to accelerate in order to meet the challenging PSA target.

Factors helping to reduce teenage pregnancy include providing young people with access to confidential sexual health and contraceptive advice; high quality sex and relationship education in school; support for parents to talk to their children about sex and relationship issues; well resourced youth services; targeted work with at risk groups; and consultation with young people on service design. The Teenage Pregnancy Strategy draws on the best international research evidence of what works.

Progress on reducing conception rates varies significantly between local authority areas. Visits to three local authority areas where rates have declined significantly, and three comparison areas where rates are static or increasing have helped to clarify the key measures put in place in the high performing areas, which were generally absent in the comparison areas. These findings have been sent to all local areas so that they can be taken into account as local strategies are developed. The findings will also form the basis of support and challenge to areas whose rates are not declining.

The Teenage Pregnancy Unit has also been carrying out further analysis on the underlying causes of teenage pregnancy and will be using this and the findings from the reviews as the basis for re-launching the strategy later in 2006. This will not involve a fundamental change in approach. Rather it is about sharpening local delivery and broadening the strategy to give

greater focus to addressing the wider causes of teenage pregnancy.

The Department will be using the findings from the in-depth reviews in six areas to drive better local performance, replicating what has worked in the best performing areas across the whole country. The Department will also take action to ensure that policies and programmes that tackle the underlying causes of teenage pregnancy such as deprivation, poor attainment and poor attendance have maximum impact.

Drug Use among Young People

Drug misuse can cause many problems in communities, from poor attainment in education to an increase in crime, and the Department, along with the rest of the Government, is working hard to help individuals and communities overcome it. The Department contributes to the Home Office's Spending Review 2002 target, which seeks to reduce the harm caused by drugs by:

- Reducing the use of Class A drugs and the frequent use of any illicit drug among all young people under the age of 25, especially by the most vulnerable young people.

This target has been rolled forward into the Spending Review 2004 period. Within the Home Office's overall responsibility for the drugs strategy, the Department for Education and Skills leads policy on preventing young people from becoming problematic drug users and shares responsibility with the Home Office for the target's delivery.

This target is on course. The baseline is 8.6 per cent in 1998. Class A drug use amongst 16-24 year olds was 8.1 per cent in 2004-05. Further information on this target is available in the Home Office's 2006 Departmental Report.

Objective II:

Raise standards and tackle the attainment gap in schools.

School Standards

In 1997, a third of children left primary school without the skills to make proper progress in the secondary curriculum. Now 79 per cent achieve these basic standards in English and 75 per cent do so in mathematics. At Key Stage 3 and GCSE, substantial progress has also been made. The number of failing schools has fallen by half and there are now 30,000 more teachers than in 1997/98. However, a quarter of children still leave primary school without the proper skills. England is ranked 27th out of 30 industrialised countries for participation in education or training at age 17, and key groups – some minority ethnic groups, white working class boys, looked after children – still experience poorer outcomes. The cycle of underachievement and low aspirations needs to be tackled to ensure that every child reaches their full potential, regardless of wealth or background.

The Department has five Public Service Agreement (PSA) targets to raise standards and tackle attainment outlined in this chapter.

The Schools White Paper *Higher Standards, Better Schools for All* published in October 2005, set out the Government's aim to achieve a world class education system, with every school a good school and every pupil achieving. Reforms will:

- Ensure that education is tailored to meet the needs of each and every child;
- Fully engage parents in their child's learning;
- Enable parents to influence the development of a more dynamic school system, offering greater choice and diversity;
- Position local authorities as strategic

commissioners and decision makers ensuring high standards and fair access; and

- Make it easier for schools, supported by external partners, to become responsible managers of their own affairs, collaborating and innovating to help every child reach their potential.

Personalised Learning

Personalised learning, with a stronger focus on ensuring that every child is secure in English and mathematics, is the key to driving up standards further and tackling the persistent achievement gaps between social and ethnic groups.

The proposals in the Schools White Paper *Higher Standards, Better Schools for All* – are designed to lead to a step change in personalising the learning of every child, with particular attention to those pupils who have fallen behind in English and mathematics, those who have a particular gift or talent, and to groups that are at risk of under-achieving such as some ethnic minorities, children with special educational needs (SEN) and looked after children.

Personalised learning is not a new initiative; it is a philosophy in education, and good schools have been personalising their pupils' education for years. It is about tailoring education to ensure that every pupil achieves and reaches their full potential, notwithstanding their background or circumstances, and it applies right across the spectrum of achievement. It also involves personalising the school experience to enable pupils to focus on their learning and for the school to involve the community.

Primary Years

Primary schools will continue to deliver a broad and rich curriculum, with literacy and numeracy at its heart. To deliver the personalised learning set out in the Schools White Paper *Higher Standards,*

Table 3.1: The attainment of 11-year-olds: percentage of pupils achieving level 4 or above

Test	1997	1998	1999	2000	2001	2002	2003	2004 target baseline for 1st element	2005
English	63	65	71	75	75	75	75	78	79
change from previous year		+2	+6	+4	0	0	0	+3	+1
Mathematics	62	59	69	72	71	73	73	74	75
change from previous year		-3	+10	+3	-1	+2	0	+1	+1

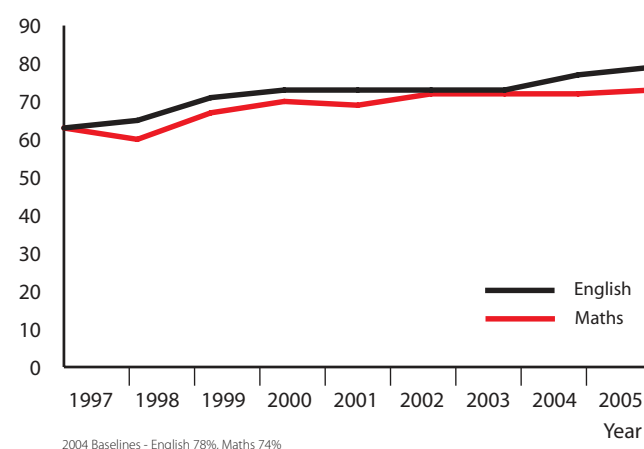
Better Schools for All, they will also deliver intensive support for children who fall behind and extra stretch for children that are gifted and talented.

The Department’s Spending Review 2004 PSA target 6 seeks to raise standards and tackle the attainment gap in primary schools so that:

- By 2006, 85 per cent of 11-year-olds achieve level 4 or above, with this level of performance sustained to 2008; and
- By 2008, the proportion of schools in which fewer than 65 per cent of pupils achieve level 4 or above is reduced by 40 per cent.

Primary standards in English and mathematics at Key Stage 2, as measured by National Curriculum tests, are at their highest levels ever. In 2005, a record 79 per cent of pupils achieved level 4 or above in English, an increase of one percentage point from the target’s baseline of 2004. Similarly in mathematics, in 2005 a record 75 per cent of pupils achieved level 4 or above, an increase of one percentage point from the target’s baseline of 2004. As set out in table 3.1 and figure 3.3, since 1997 the proportion achieving level 4 or above in English has increased by 16 percentage points and the proportion achieving level 4 or above in mathematics has risen by 13 percentage points. Despite this performance, there is slippage against the first element of PSA 6.

Figure 3.3: The attainment of 11-year-olds: percentage of pupils achieving level 4 or above



The second element of PSA target 6 is on course, with significant reductions having been made in the proportion of schools where fewer than 65 per cent of pupils achieve level 4 or above at Key Stage 2. In 2003, the baseline year, 2,849 schools in English and 3,570 schools in mathematics were achieving below the floor target. In 2005, these figures have dropped to 1,871 schools in English and 2,800 schools in mathematics.

In English, 14 per cent of schools are now below the floor target, a reduction of 34 per cent (978 schools) from the target’s baseline year and in mathematics, 21 per cent of schools are now below the floor target, a reduction of 22 per cent (770 schools) from the target’s baseline year.

Excellence and enjoyment – a strategy for primary schools, published in May 2003, outlined how the fusion of excellence in teaching and enjoyment of

learning makes good primary education great. Through the Primary National Strategy (which brings together the National Literacy and Numeracy Strategies), the Department is ensuring that all schools focus on the fundamentals of good teaching, particularly in English and mathematics. In 2006, the Primary National Strategy is updating its frameworks for teaching literacy and mathematics, and to provide teachers and practitioners with a clearer sense of progression in core learning areas. This will support further improvements in the quality of teaching and help secure personalised learning for children in primary schools. The renewed framework for teaching literacy will be guided by the conclusions of the recent independent review of the teaching of early reading by Jim Rose.

A comprehensive suite of targeted intervention programmes is available to help those pupils who require further support in literacy and numeracy. Delivery of PSA target 6 is also supported by a number of whole school programmes aimed at improving the leadership of school improvement and the quality of teaching and learning in English and mathematics, including:

- Primary Leadership Programme (PLP) – supporting schools in developing their capacity to lead excellent learning and teaching for all children and raise standards at Key Stages 1 and 2 and the Foundation Stage. Participating schools benefit from the support of another experienced Head teacher and Key Stage 2 results have improved in PLP schools faster than in other schools;
- Intensifying Support Programme (ISP) – supporting low attaining schools achieving below the 65 per cent floor target. The programme provides dedicated consultant support to raise standards and improve the quality of teaching and learning in English and mathematics. Key Stage 2 results in 2004

and 2005 show greater increases in ISP schools than the rate of improvement in schools nationally; and

- PNS Learning Networks – where groups of primary schools work collaboratively in raising standards of attainment in English and mathematics around a particular learning focus.

Secondary Years

To deliver the vision of personalised learning set out in the Schools White Paper *Higher Standards, Better Schools for All* secondary schools will also provide targeted catch up for those falling behind in English and mathematics, and stretch for gifted and talented pupils. The Department will encourage more grouping and setting by subject ability and ensure a much broader curriculum offering, including the new specialised Diplomas.

The Department's Spending Review 2004 PSA target 7 seeks to raise standards in English, maths, ICT and science in secondary education so that:

- By 2007, 85 per cent of 14-year-olds achieve level 5 or above in English, maths and ICT (80 per cent in science) nationally, with this level of performance sustained to 2008; and
- By 2008, at least 50 per cent of pupils in all schools achieve level 5 or above in each of English, maths and science.

There has been a sustained rise in standards in English, mathematics, ICT and science at Key Stage 3 since 1997. As set out in table 3.2 and figure 3.4, results in 2005 show:

- 74 per cent of pupils achieved level 5 or above in English, an increase of three percentage points from the target's baseline of 2004;
- 74 per cent of pupils achieved level 5 or above in mathematics, a one percentage point increase from the target's baseline of 2004;

Table 3.2: The attainment of 14-year-olds: percentage of pupils achieving level 5 or above

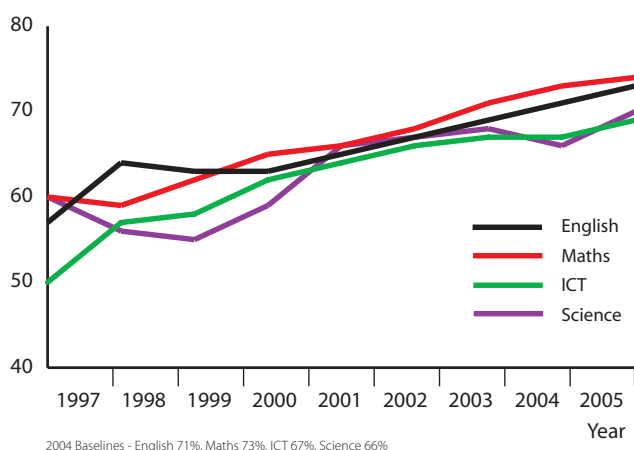
	1997	1998	1999	2000	2001	2002	2003	2004	2005
								Baseline	
English	57	65	64	64	65	67	69	71	74
Change from previous year		+8	-1	0	+1	+2	+2	+2	+3
Change since 1997									+17
Mathematics	60	59	62	65	66	67	71	73	74
Change from previous year		-1	+3	+3	+1	+1	+4	+2	+1
Change since 1997									+14
ICT^{1,2}	50	56	58	62	65	66	67	67	69
Change from previous year		+6	+2	+4	+3	+1	+1	0	+2
Change since 1997									+19
Science	60	56	55	59	66	67	68	66	70
Change from previous year		-4	-1	+4	+7	+1	+1	-2	+4
Change since 1997									+10

1. Provisional results.
2. Teacher assessment.

- 69 per cent of pupils achieved level 5 or above in ICT, a two percentage point increase from the target’s baseline of 2004; and
- 70 per cent of pupils achieved level 5 or above in science, an increase of four percentage points from the target’s baseline of 2004.

In 2005, 54,000 more 14-year-olds achieved the target level for their age in English compared with 2001, and around 48,000 more did so in mathematics compared with 2001. Despite this, performance is showing slippage against the first element of PSA target 7.

Figure 3.4: The attainment of 14-year-olds: percentage of pupils achieving level 5 or above



In 2005, 410 schools (13 per cent) failed to reach the 50 per cent floor target in English, mathematics and science, a reduction of 30 per cent (182 schools) from the target’s baseline year (2003). Despite this, performance against the second element of PSA target 7 is showing slippage.

In addition to PSA target 7, the Department also reports progress towards an element of Spending Review 2002 PSA target 2 which is:

- By 2007, 90% of pupils reach level 4 in English and maths by age 12.

This target is showing slippage. In 2005, 84 per cent of pupils aged 12 achieved level 4 and above in English, and 79 per cent did so in mathematics. This is an estimate of performance based on results drawn from a sample of pupils attaining level 4 and above at Key Stage 2 and the subsequent progression of any remaining level 3 pupils to level 4 in the first year of secondary education.

Delivery of Spending Review 2004 PSA target 7 and Spending Review 2002 PSA target 2 has been supported by the Key Stage 3 National Strategy

(introduced in 2001 to raise standards by improving the quality of teaching and learning) and now by the Secondary National Strategy for School Improvement. The Strategy is at the heart of plans to transform secondary education, including greater personalisation and choice so that every young person achieves their full potential. The Schools White Paper *Higher Standards, Better Schools for All* builds on this with greater investment in small group and one-to-one tuition.

Personalised learning enables schools to tailor teaching, learning and organisation to meet the needs, aptitudes and interests of individual pupils. It is key to driving up standards, improving social mobility and tackling persistent achievement gaps between different social and ethnic groups.

Through the Leading Edge Partnership Programme, secondary schools are working together to address some of the most critical learning challenges facing the education system. There are already 205 Leading Edge Partnerships established across nearly 100 local authorities, which focus on: raising performance; closing

achievement gaps; and providing support for under-performing schools.

School Attendance

Promoting regular school attendance is a key component in the Government’s strategy to raise educational standards. If children are not in school they cannot learn and if a child does not receive an effective education, it will affect the opportunities they can get in life.

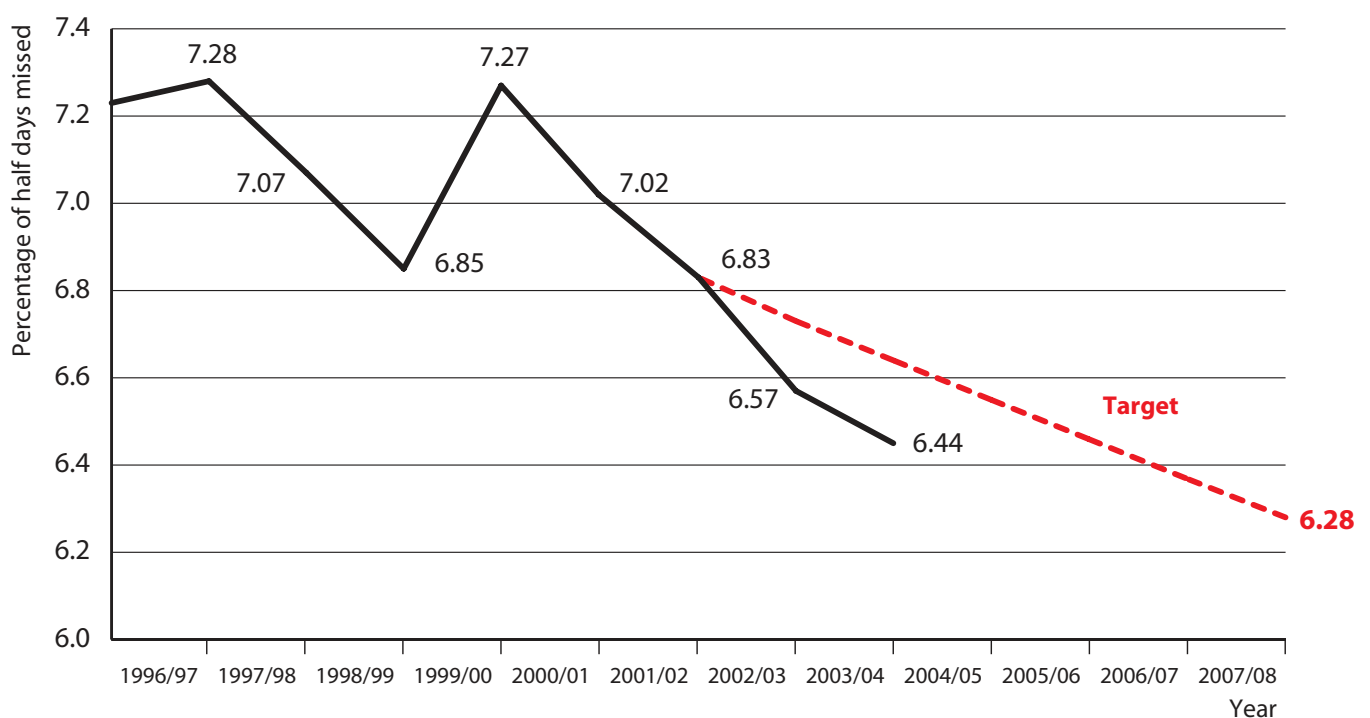
The Department’s Spending Review 2004 PSA target 8 seeks to improve levels of school attendance so that:

- By 2008, school absence is reduced by 8 per cent compared to 2003.

Spending Review 2004 PSA target 8 is ahead of trajectory. School attendance is at record levels. In 2004/05, school absence was 6.44 per cent, with 10,000 more pupils regularly attending school every day compared with 2003/04 and 60,000 more than in 1996/97. Figure 3.5 shows progress towards target 8.

Through the School Attendance Strategy, which focuses on schools which have higher levels of

Figure 3.5: Progress towards Spending Review 2004 PSA Target 8



absence (overall absence and unauthorised absence), schools and local authorities determine targets for improvement and progress is supported through additional resources, materials and sharing of effective practice. Parents play a vital role in school attendance and the Strategy offers support to families who need it and sanctions for those who refuse to engage. For the first time there will be a national systematic, large scale intervention on persistent truancy; recent findings show that just over six per cent of pupils account for around 80 per cent of unauthorised absence from school.

Around 13,000 persistent truants in 198 secondary schools are being targeted through the Schools Absence Strategy, accounting for a fifth of unauthorised absence from all secondary schools.

Each identified truant is given targeted support including: an individual 12 week action plan; a dedicated field officer; regular monitoring against parentally-agreed goals; and co-ordinated multi-agency support. Each local authority with targeted schools provides half-termly data returns to the Department for Education and Skills, and has agreed actions and per-school targets linked directly to reducing persistent truancy.

A similar targeted approach last year, aimed at reducing overall absence in 193 secondary schools, saw absence fall by twice the rate of all secondary schools.

School Behaviour and Discipline

The Government has made tackling poor behaviour a major priority, providing schools with unprecedented powers, training and resources to impose discipline and tackle disruption, bullying and abuse.

Ofsted reported that in 2004/05 behaviour was satisfactory or better in over 94 per cent of secondary schools, up from 91 per cent in 2003/04.

Despite exclusions falling by 20 per cent since 1997, professional and public concerns remain.

The Department has been developing and intensifying efforts on school behaviour, building on the materials and support which have already been injected into the system.

The main thrust of this has been to:

- Focus support on those schools which need it most; and
- Provide a framework within which schools can take on greater responsibility for managing behaviour themselves, working in partnership.

In summer 2005, an expert Practitioner Group chaired by Sir Alan Steer advised the Government about what else needs to be done to improve behaviour. The Department is implementing 19 of the Group's recommendations via the *Education and Inspections Bill* published in February 2006, and is working with the teacher professional associations and other key partners to take forward other recommendations and in promoting the Group's advice on good professional practice. The *Education and Inspections Bill* will clarify the school's powers to discipline pupils, as well as introducing specific measures to enforce parental accountability and improve arrangements for excluded pupils.

School Food

Every school should do their utmost to serve the needs of the whole child. This includes being a healthy school, giving good teaching and advice about nutrition, providing healthier food and encouraging children to make healthy choices.

If children eat well they have more chance of staying healthy and, ultimately, living longer.

Anecdotal evidence suggests that better health can also lead to better behaviour which in turn leads to better learning. The Government wants all children to have the opportunity to eat good

quality, nutritious, food while they are at school. In March 2005, the Secretary of State for Education and Skills announced a package of measures designed to improve significantly the quality of school food.

Work to transform school food is well under way. Some schools and local authorities are already offering healthy school food and developing innovative ways of encouraging children to make healthy choices. In autumn 2005, schools and local authorities received the first payment of a three year transitional grant to support the improvement of school food from the Department and are making effective use of it. New statutory nutritional standards for school food are being developed. A new organisation – the School Food Trust – has been established to help schools and local authorities improve school food and work with them, parents and others to understand and overcome the barriers to healthier eating for children. The Department is also working with others to create new qualifications for catering staff to improve the skills of the school catering workforce. The British Medical Association estimates that one in five boys and one in three girls will be obese by 2020, alongside the Department's Healthy Schools Programme, improving the basic standard of school food is crucial to tackling this (see also Childhood Obesity).

Inspection

Inspection is at the heart of the Government's drive for high quality public services and helps to ensure that the users and providers of public services have the information they need.

Ofsted advise on approaches to caring for and supporting children, and on the effectiveness of different types of educational provision. They also:

- highlight and advise on best practice;
- review and evaluate government strategies;

- publish evidence-based findings in thematic reports; and
- through their reports, help parents and carers make informed choices about schools and childcare providers.

During 2004/05, Ofsted inspectors found that around three-quarters of primary schools teaching in English and mathematics was good or better.

Since May 1997, 1,536 secondary schools have been identified as failing. Up to October 2005, 1,356 have been turned around and removed from special measures. 228 schools have been closed, including 44 given a Fresh Start.

Physical Education and School Sport

Physical Education (PE) and sport play an important role in school life, helping to raise standards, improve behaviour and health, and increase attendance. PE and school sport can develop important social skills and should be fun and attractive to all children, whatever their background, gender, group or level of skill.

The Department's Spending Review 2004 PSA target 9 seeks to enhance the take-up of sporting opportunities by 5 to 16-year-olds so that:

- The percentage of school children in England who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum increases from 25% in 2002¹ to 75% by 2006 and to 85% by 2008, and to at least 75% in each School Sport Partnership by 2008 (joint target with the Department for Culture, Media and Sport).

Spending Review 2004 PSA target 9 is ahead of trajectory.

This target is measured through the PE, School Sport and Club Links (PESSCL) School Survey. The survey covers schools within a School Sport Partnership. There are now 411 School Sport

1. The 2002 baseline within the PSA target 9 was an estimate of the level of PE and sports participation in English school.

Partnerships in operation, covering 80 per cent of schools. All schools will be in a School Sports Partnership by 2006.

Overall, 69 per cent of pupils in Partnership schools participated in at least two hours of high quality PE and school sport in a typical week, up seven percentage points from the 2003/04 PESSCL Survey.

A national network of sports colleges and School Sport Partnerships is supporting delivery of this target. At present there are 381 designated specialist sports colleges, including ten Academies with a sports focus, and 80 per cent of schools are now within one of the 411 operational partnerships. The Government is investing £1.5 billion in PE and school sport between 2003 and 2008.

The Government's ambition is that by 2010, all children are offered at least four hours of sport every week. This should comprise at least two hours of PE within the curriculum and an additional two to three hours of sport beyond the school day (delivered by a range of school, community and club providers).

The *Autumn Performance Report 2005* incorrectly stated the percentage of PE teaching judged by Ofsted to be good or better. It should have stated that Ofsted judged that in 2003/04, the quality of teaching was good or better in 84 per cent (not 76 per cent) of secondary schools and 63 per cent (not 62 per cent) of primary schools.

Special Educational Needs

Removing Barriers to Achievement – a strategy for children with Special Educational Needs (SEN) committed the Department to working with a range of partners to ensure that:

- Teachers and other professionals have the right skills to support and help all children with SEN achieve their full potential; and

- Parents are kept well-informed about their children's progress and have confidence in the quality of provision available.

Since the strategy was published, The Department has:

- Agreed a major £1.1 million programme with the Training and Development Agency to improve SEN coverage for teachers undergoing initial training and induction and to improve continuing professional development opportunities for teachers already in post;
- Conducted a national audit of the provision made to low incidence SEN;
- Carried out an evaluation of the SEN regional partnerships, and broadened their role;
- Published a new resource called *Implementing the Disability Discrimination Act in Schools and Early Years Settings* to help them meet the duties they have under the Act;
- Launched with the Department of Health, a scoping study to identify good practice in the delivery of speech and language therapy services; and
- Submitted evidence to the Education and Skills Committee Inquiry into SEN.

In January 2005, almost 242,600 pupils across all schools in England had statements of SEN. This represents the lowest number of pupils with statements of SEN over the last five years. There were some 1,230,800 pupils with SEN, but without statements, representing 14.9 per cent of pupils across all schools. This is an increase from 14.4 per cent a year earlier.

Extended Schools

High educational standards and well-being go hand in hand. Children succeed best when they are healthy, self confident and well-motivated.

Extending the range of services that schools can offer is crucial to making sure children and families are given the support they need to thrive. Many schools already offer a range of extended services including childcare and opportunities such as homework clubs, access to arts and sports opportunities beyond the school day and visits by multi-agency teams that offer specialist support. The Department wants all schools to develop access to extended services because of the impact that they can have on child outcomes and attainment. The Government's aim is that by 2010 every school will offer access to a core of extended services, with half of primary schools and a third of secondary schools doing so by 2008. This core of extended services includes:

- Access to year round, 8am-6pm childcare – either on site or at a nearby provider with supervised transfer arrangements;
- A wide range of activities including study support, sports clubs, music tuition, dance, drama, arts clubs, visits to museums and galleries, volunteering and business and enterprise activities;
- Parenting support opportunities, including family learning;
- Swift and easy referral from every school to a wide range of specialised support services for pupils; and
- Opening up sports, arts and ICT facilities to the community beyond the school day.

To develop the extended services that suit the needs of their children, schools will need to work in partnership with other schools, other children's services, through the Children's Trust approach, providers in the voluntary and private sectors, their parents and their wider community. The services offered will vary from school to school as services should respond to local need and take account of existing provision.

The Government is investing £840 million between 2003 and 2008 to support the development of extended services. The funding can be used flexibly to address barriers that schools may be facing, for example, to support small capital projects, such as revamping a play area or to employ staff that might work across a cluster of schools to lead on developing extended services to ease any workload burden on teachers. Nearly 6,000 schools have already come forward to work with their local authority to develop this core of extended services. It is anticipated that 2,500 schools will offer the full core of services from September 2006.

Teachers will not be expected to provide childcare or other activities. The Department has appointed the Training and Development Agency to provide support to schools and local authorities on developing extended services. Extended School Remodelling Advisers in each local authority will provide support and advice so that services develop consistently with the principles of workforce reform.

Parents

Local Authority or NHS services should offer all families with children aged under five information on parenting, drop-in groups and opportunities to access parenting support. Additional support will be available for families experiencing particular challenges that mean children may be at risk of poor outcomes, for example group-based ante-natal and post-natal support, structured parenting programmes, home visiting, and access to specialist services such as family therapy. Often these services will be accessed through Children's Centres.

Research shows that parents' attitudes to learning, their aspirations for their children and their involvement in school are key determinants of educational success. It was also found that parental involvement in the form of at-home good

parenting has a significant positive effect on children's achievement, even after consideration of all other factors shaping attainment.

There is huge potential to enhance levels of pupil achievement where schools and parents are partners in the child's learning and education. Parents are children's first and most enduring educators and are central to children fulfilling their potential. There are many opportunities to reinforce a culture of aspiration in the time young people spend outside school.

Partnerships between schools and parents means parents supporting their child and respecting education, and teachers valuing parents and encouraging them to be involved. Without the support of parents, there is a limit to what schools can achieve. Further, these links can make a real difference for groups of underachieving pupils and their families.

The best schools engage with parents as co-educators. The Department aims to encourage all schools to adopt this approach and has issued guidance and practical materials to support schools to involve parents effectively. The White Paper *Higher Standards, Better Schools for All* reiterated the Department's commitment to placing parents and carers at the heart of children's learning with a number of proposals to support parents to become more involved. Proposals include increased information to parents about their child's progress, new guidance on Home School Agreements and information and advice on choosing a school.

By 2010, all schools should offer access to extended services, including parenting support. All schools should offer:

- Information sessions for parents when their child starts school and moves to secondary school;

- Information on the advice and support available to parents – through national helplines and websites, and local services;
- Access to parenting groups using structured manual-based parenting programmes; and
- Access to more specialised support for parents who might need it, such as targeted support for parents whose children have problems with attendance or behaviour at school.

In 2005-06, the Department supported a small number of local projects to develop sustainable and effective partnerships between parents/carers, schools and their communities.

Choice and Diversity

The Schools White Paper *Higher Standards, Better Schools for All* envisages a new dynamic system of schools, offering greater choice and diversity. Local authorities will be champions of pupils and parents, commissioning provision in line with proposed duties to promote diversity and the fulfilment of every child's educational potential, set out in the *Education and Inspections Bill*.

Legislation now before Parliament envisages that all schools will be able to acquire a Trust, which will then be responsible for appointing governors to the school. Trust schools will manage their own assets and employ their own staff.

This approach builds on the success of existing policies such as Academies, Specialist Schools and Federations in harnessing the support of external partners to drive school improvement.

The Schools White Paper *Higher Standards, Better Schools for All* also envisages it being easier for independent schools to enter the maintained system. Last year, independent schools entered the state system on a no fees, fair funding basis, delivering the full national curriculum in line with other maintained schools.

Underpinning this new system will be the Schools Commissioner, working with schools, LAs, parents and potential partners to promote the benefits of choice and diversity, and to ensure that this is accompanied by an equal focus on fair access.

Academies

The Department made a commitment in the Five Year Strategy to there being at least 200 Academies open or in the pipeline by 2010.

By March 2006, the halfway point to that target had been reached ahead of schedule, with 100 projects open or in development. There are now 27 Academies open and 19 more are due to open in the next twelve months. Progress on the next 100 Academies in the pipeline is positive. There is no overall shortage of sponsors interested in working with the programme and the Department is focusing specifically on getting more regional sponsors involved. Work is also being taken forward to identify the schools and communities that will benefit the most from having an Academy. In March 2006 the Department announced that Academies would begin to be procured and constructed by Partnerships for Schools' through the existing Building Schools for the Future programme. This will help create savings in costs for the taxpayer as well as add the considerable knowledge and experience of PFS to the process.

The Academies programme has from its outset been a high risk policy, but also a high reward one. Academies are performing well, as successive Ofsted reports show, with increases in results at both GCSE and Key Stage 3 examinations at nearly three times the national average. Parents are voting for them with their feet, as demonstrated by the heavy oversubscription rates for nearly all the Academies now open.

Specialist Schools

The Specialist Schools Programme helps schools, in partnership with private sector sponsors and supported by additional Government funding, to establish a distinctive ethos through their chosen specialism, achieve targets to raise standards, and share their expertise and resources with partner schools and the wider community.

There are now over 2,500 specialist schools – exceeding the Government's target of designating 2,000 specialist schools by 2006 a year early. Almost 200 high performing specialist schools have been given the opportunity to take on system-wide roles, including second or vocational specialism, training school status or supporting under-performance through collaboration. This year, the Department is adding a new opportunity for high performing schools, to take on a special educational needs (SEN) specialism. About 130 schools will be eligible this year to take on leading roles.

The new SEN specialism has been successfully piloted in 12 trailblazing special schools.

As the Department moves closer to a system of 100 per cent specialist, it is timely to review the programme and over the summer of 2006, the Department will be undertaking an informal review which will look at:

- Specialist school status – pattern of specialisms, second specialisms, high performing status, maintenance of standards, etc; and
- The role of specialist schools in the wider education system – including the contribution to raising attainment, supporting 14-19 development, the community role, greater collaboration between schools, wider children's services and the involvement of external partners.

Education Improvement Partnerships and Federations

The Government attaches great importance to schools learning from effective partnership working. Strong, confident schools want to collaborate with others in their community to drive a shared agenda on standards and to underpin community cohesion. Through collaboration, schools can share best practice to improve teaching and learning, make better use of resources and offer a wider range of opportunities to children. Ofsted and National Foundation for Educational Research (NFER) reports published this year have both highlighted the impact of the partnership dividend. Over the last 12 months, demand from schools wanting to know how they can benefit from partnership has increased.

Education Improvement Partnerships (EIPs) is an umbrella term for partnerships with a range of different structures and purposes. This flexible format allows schools to evolve partnerships from existing models and to build on what works best locally. In March 2005, an EIP prospectus setting out the purpose and principles behind EIPs, and practical examples of better delivery through partnership was published. The Department has since held two successful conferences focussing on the benefits and practicalities of setting up and managing a partnership, which gave further opportunity to spread good practice and to consider improved ways to support and guide schools. In 2006, the Department will be issuing improved guidance through a range of media to ensure we meet practitioners' needs as effectively as possible.

A federation is set up where a number of schools agree to work together by sharing a single governing body (regulations for creating federations have been in place since 2002). Existing school federations show they can have an enormous impact on the quality of teaching and

extend learning opportunities for children and young people. Demand from schools for further information about creating federations has increased and the Department held a series of federation roadshows across the country to spread good practice. Guidance has been produced to help schools consider a federated structure that suits their needs.

The White Paper *Higher Standards, Better Schools for All* stated that federations and other forms of collaboration were particularly important in the delivery of the 14-19 programme, extended schools reforms and to reduce bad behaviour. For primary schools, federations can help to meet the challenges of personalisation and demographic change.

Fair Access

The Schools Commissioner will receive reports from local admissions forums and will produce biennially a national review of fair access. The Government plans to strengthen the School Admissions Code so that schools and local authorities will be required to act in accordance with its provisions rather than have regard to them. Proposals before Parliament will ban interviewing (except for the sole purpose of determining suitability for boarding in maintained boarding schools) in order to counter concerns that it can be used as a form of covert social selection. Local authorities will have an important new duty to promote the educational fulfilment of all children and to provide advice and assistance to parents when they are deciding which school they would prefer for their children.

Regulations made under the *Education Act 2005* have given looked after children top priority in all schools' admission arrangements, reflecting the particular importance of securing a place in a good school for these children.

The Government is determined that the admissions system should work for the benefit of all parents in a system of autonomous schools. Admission arrangements are and will continue to be, decided at local level in order to take account of local circumstances and needs.

LAs have to make transport arrangements where they consider it necessary to secure a child's attendance at school, and where they consider transport is necessary it must be free of charge.

LAs have wide discretion in deciding whether transport is necessary, but they must provide free home to school transport for pupils of compulsory school age who are attending their nearest suitable school, provided that the school is beyond the statutory walking distances.

The statutory walking distances are two miles for pupils below the age of eight and three miles for those aged eight and over. They are measured along the shortest available route along which a child, accompanied by an adult if necessary, may walk in reasonable safety.

LAs have a duty to assist parents and carers with transport where children have particular needs or disabilities such that travel assistance is required. Pupils with statements of Special Educational Need (SEN) who have transport needs written into their statement of SEN, must be provided with free transport to and from school.

Table 3.3 shows pupil numbers in maintained schools, academies and city technology colleges for the years 2000/01 to 2004/05 and projected pupil numbers for the years 2005/06 to 2007/08. These projections are guided by the Government Actuary's Department's birth and population projections and by current trends in pupil numbers, for example, the proportion of pupils in each type of school. Pupil numbers in maintained nursery and primary schools have been falling since 1997/98 and pupil numbers in maintained secondary schools have been falling since 2003/04.

Table 3.3: Maintained Schools, Academies and City Technology Colleges: Pupil Numbers (000s)

At January each academic year	2000/01 actual	2001/02 actual	2002/03 actual ¹	2003/04 actual	2004/05 actual	2005/06 projected	2006/07 projected	2007/08 projected
Nursery and Primary Schools								
Aged under-five²								
Total full-time and part-time	899	897	878	864	847	840	852	883
Full-time equivalent (FTE) ³	726	731	718	709	697	691	699	725
Aged five and over (FTE)³	3,553	3,509	3,473	3,429	3,396	3,355	3,311	3,269
Total Nursery and Primary (FTE)³	4,278	4,240	4,191	4,138	4,093	4,046	4,009	3,993
Secondary Schools								
Under school leaving age (FTE) ³	2,913	2,943	2,978	2,988	2,968	2,947	2,899	2,830
Over school leaving age (FTE) ³	319	321	330	338	349	360	366	372
Total Secondary (FTE)³	3,232	3,264	3,308	3,327	3,317	3,308	3,265	3,202
Special Schools								
Total full-time and part-time	91	90	91	89	87	86	83	81
Full-time equivalent (FTE) ³	90	89	90	88	86	85	82	80
Pupil Referral Units (FTE)³	9	10	18	20	22	22	21	20
Total Special Schools and Pupil Referral Units (FTE)³	99	99	107	108	109	107	104	101
Total Pupil Numbers in Maintained Schools (FTE)³	7,609	7,602	7,606	7,573	7,519	7,460	7,378	7,296
Academies⁴								
Under school leaving age (FTE) ³	n/a	n/a	3	9	13	24	39	68
Over school leaving age (FTE) ³	n/a	n/a	0	1	2	3	6	12
Total City Academies (FTE)³	n/a	n/a	3	10	15	27	45	80
City Technology Colleges								
Under school leaving age (FTE) ³	13	13	13	12	12	8	8	4
Over school leaving age (FTE) ³	4	3	4	4	4	3	3	2
Total City Technology Colleges (FTE)³	17	16	18	16	16	10	10	6
Total Pupil Numbers in Maintained Schools, Academies and City Technology Colleges (FTE)³	7,626	7,618	7,626	7,599	7,551	7,497	7,433	7,382

Sources: Annual Schools Census and DfES projections.

1. From 2002/03 onwards, the data includes dually registered pupils. Therefore, these figures are not directly comparable with those in the 2005 Departmental Report. Rounding of components may cause discrepancies in totals.
2. Age at the beginning of the academic year.
3. Full-time equivalents count each part-time pupil as 0.5. Until 2001/02, part-time pupils could only be recorded at age 4 and under; from 2002/03, primary, secondary and special schools may record part-time pupils of any age.
4. The projected pupil numbers in academies are subject to change.

Objective III:

All young people to reach age 19 ready for skilled employment or higher education.

The focus on personalised learning is a critical component to increasing the UK's participation level in education and training post-16. Young people need to be offered courses and ways of learning that tap into their interests. The White Paper *14-19 Education and Skills*, published in February 2005, set out the Government's strategy to tackle a range of challenges within 14-19 education: ensuring all young people master the basics; improving the quality and relevance of vocational learning; developing stretch for all; and tackling disengagement. It also set out the importance of ensuring that Key Stage 3 equips young people with the skills needed for the 14-19 phase. The review of Key Stage 3 commenced in January 2006 and will run until May 2007. It will give schools the flexibility to better meet students' individual needs and strengths. A sharper focus will be placed on maths, English and ICT.

The *14-19 Implementation Plan*, published in December 2005, set out three key priorities in taking forward this major reform programme: improving the system for today's young people;

qualification and curriculum reform; and supporting local delivery.

Improving the system for today's young people**Raising attainment at level 2**

Increasing the number of young people who achieve a level 2 qualification (the equivalent of five GCSEs at grades A*-C) is a priority as level 2 is the threshold for employability and a stepping stone to higher levels of achievement.

The Department's Spending Review 2002 PSA target 10 seeks to raise standards at Key Stage 4 so that:

- By 2008, 60 per cent of those aged 16 to achieve the equivalent of five GCSEs at grades A*-C; and in all schools, at least 20 per cent of pupils to achieve this standard by 2004, rising to 25 per cent by 2006 and 30 per cent by 2008.

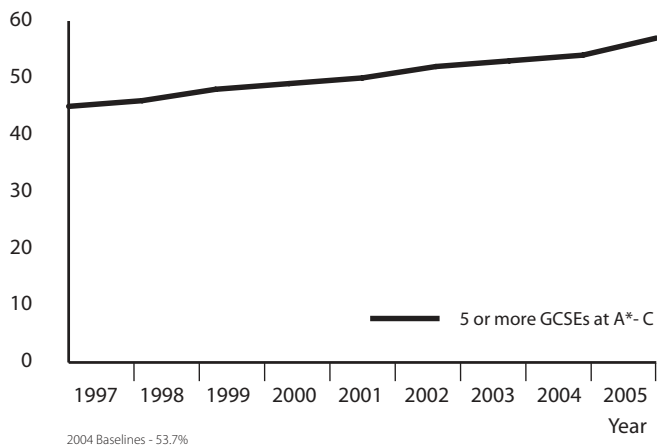
Steady progress has been made in improving level 2 attainment at age 16 with 2005 results representing the biggest single year-on-year improvement since PSA targets were introduced and with some of the most deprived areas continuing to show the fastest improvements (see Table 3.4 and Figure 3.6).

Table 3.4: GCSE Examinations: percentage of 15-year-olds achieving GCSEs or equivalent

	1997	1998	1999	2000	2001	2002	2003	2004	2005 ¹
								Baseline	
5 or more C or better	45.1	46.3	47.9	49.2	50.0	51.6	52.9	53.7	56.3
Change from previous year		+1.2	+1.6	+1.3	+0.8	+1.6	+1.3	+0.8	+2.6
Change since 1997									+11.2

1. Revised results.

Figure 3.6: GCSE Examinations: percentage of 15-year-olds achieving 5 or more A*-C grade GCSEs or equivalent



The number of schools where fewer than 25 per cent of pupils achieve 5 or more A*-C grade GCSEs or equivalent is continuing to fall. In 2005, there were 112 schools below this level compared with 186 in 2004. Table 3.5 shows the improvements made since 1997. Despite this, the second element of PSA target 10 is showing slippage.

By age 19, many more young people have achieved level 2. However, nearly a third of young people have not attained this standard.

The Department’s Spending Review 2004 PSA target 11 seeks to:

- Increase the proportion of 19-year-olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008,

and increase the proportion of young people who achieve level 3.

Action to raise attainment at level 2 by age 19 has four key components: strengthening the clarity and focus on level 2 at 19 at all levels of the system; targeting Learning and Skills Council (LSC) planning and performance management on this issue; raising the profile and improving teaching resources at this level (the booklet *Improving Success for Learners at Level 2* gives examples of how to make teaching more attractive/engaging for young people and adults at this level); and ensuring a smoother transition from school to post-16 learning for those failing to secure five good GCSEs or equivalent at 15 through provision of guidance and support.

The Department has also identified 14 areas which face particular challenges. These may relate to a combination of historically low attainment, limited progression between the ages of 16 and 19 and little improvement in attainment over time. Local LSCs have drawn up action plans to address issues and are working with local authorities, Connexions partnerships, schools and colleges to implement them. Up to £50,000 has been made available to each area in 2005/06 to kick-start targeted intervention.

In 2005, 69.8 per cent of people aged 19 were qualified to at least level 2 (three percentage

Table 3.5: Number of schools where below 20 and 25 per cent of pupils achieve the equivalent of five GCSEs at grades A*-C

Number of schools	1997	1998	1999	2000	2001	2002	2003	2004	2005 ¹
									Baseline
Below 20%	361	325	277	241	196	157	112	72	42
Change from previous year		-36	-48	-36	-45	-39	-45	-40	-30
Change since 1997									-319
Below 25%	616	553	487	436	369	294	224	186	112
Change from previous year		-63	-66	-51	-67	-75	-70	-38	-74
Change since 1997									-504

1. Provisional results.

points higher than the 2004 baseline figure). This is an increase of three percentage points since 2004.

Those at Risk of Disengagement

The Department's Spending Review 2004 PSA target 12 seeks to:

- Reduce the proportion of young people not in education, employment or training (NEET) by 2 percentage points by 2010.

The proportion of young people not in education, employment or training has remained broadly level for the last 12 years. The most recent participation estimates put the baseline for this target at ten per cent.

Work to prevent young people becoming not in education, employment or training, and to re-engage those that are, will mainstream into Children's Trusts under the changes set out in *Youth Matters*. This includes the further development of integrated targeted support, which is the subject of pathfinder work in 14 local authorities. It also includes the proposals to improve information, advice and guidance (see Information, Advice and Guidance).

As the changes take effect, local authorities are adopting local targets for reducing the proportion of young people not in education, employment or training. Many areas have already agreed stretching targets as part of Local Area Agreements. The work and extra resource outlined on raising attainment at level 2 is also intended to provide further support to meeting this target. The Activity Agreement pilots outlined are focused on making a real difference or re-engaging young people who have been not in education, employment or training over a long term.

The Entry to Employment (E2E) programme is an integral part of the 14-19 reforms to drive up participation, retention and attainment among priority groups of learners. E2E supports learners in

the achievement of level 1 qualifications (or other equivalent achievement) as a building block towards attainment at level 2 and progression to apprenticeships; employment or further learning. E2E supports learners to achieve basic/key skills, vocational development and personal and social development. The programme is meeting its target group with 98 per cent being 16- to 18-year-olds and around 30 per cent having learning difficulties or disabilities. In addition, 17 per cent are from ethnic minority backgrounds against a population of seven per cent. The overall number of E2E places filled is stable at approximately 25,000 a level the LSC believe is sustainable until July 2006.

The introduction of the Education Maintenance Allowance (EMA) in 2004 has made a major difference in the life chances of tens of thousands of young people from the poorest backgrounds. More than 297,000 young people have benefited under the national scheme in 2004/05. Over 110,000 young people had received the September bonus as at October 2005.

From 2006, the principles of EMA will be extended to young people not in education, employment or training through Activity Agreement and Learning Agreement pilots. The former will entail a personally negotiated contract with the young person, identifying specific steps they should take to move into education or training, in return for access to financial support. The latter will focus on the significant number of 16- and 17-year-olds who are in jobs but who do not have the opportunity to learn. Learning Agreements will combine different forms of incentives for them and their employers. £140 million has been allocated over two years to pilot different arrangements in eight areas.

The *14-19 Education and Skills* White Paper proposed a work-focused route to motivate 14- to 16-year-olds with relatively low attainment

and who are at serious risk of disaffection, building on the lessons of the E2E programme for 16- to 19-year-olds. The programme will help motivate and re-engage these young people into learning, using a work-focus to help demonstrate the importance of their learning, to develop basic skills such as literacy and numeracy, and personal and social skills such as team working. The aim is for up to 10,000 young people to be a part of the programme by 2007/08 when the first phase starts in selected areas.

Qualifications and Curriculum Reform

The second crucial set of reforms included in the *14–19 Implementation Plan* relates to the reform of curriculum and qualifications. Priorities are strengthening provision of functional skills in English, mathematics and ICT and developing new specialised Diplomas.

Functional skills

Good basic skills in English, mathematics and ICT are vital to enable individuals to operate confidently, effectively and independently in life and at work. The 14–19 reform programme will lock the functional skills into all qualification pathways, as part of improving achievement in this crucial area. Elements of improving functional skills will be: freeing up the curriculum at Key Stage 3 to make space for extra help and support on English and mathematics for those who need it (backed by £335 million announced in the White Paper, *Higher Standards, Better Schools for All*); toughening up GCSEs by incorporating functional skills, so that a grade C is a guarantee that young people have the functional skills they need in that subject; introducing specialised Diplomas that have functional English and mathematics at their core; and raising the bar by introducing changes to the 2006 Achievement and Attainment tables.

Generic definitions of functional skills were agreed in autumn 2005 and the Qualifications and

Curriculum Authority (QCA) began conducting a consultation exercise on standards in mid-February 2006.

Specialised Diplomas

Specialised Diplomas will give young people a real alternative to traditional learning styles by offering a high quality, innovative blend of general education and applied, work-related learning. Diplomas will be available at three levels – level 3 corresponding to A level standard. At the highest level they will provide an exciting, aspirational and stretching programme of learning for all young people, appealing to the most capable students preparing for the most demanding university courses. Diplomas at level 2 and level 3 can also motivate and appeal to students planning to enter the workforce directly at 18; at lower levels, they may provide a more motivating and engaging route for those who are currently not well engaged with current school provision, and therefore encourage those young people to stay in learning, achieve and progress. Fourteen diploma lines of learning will be available by 2013.

Employer-led Diploma Development Partnerships have been established for the first 10 Diploma lines. The first five of these will be ready for teaching by September 2006.

Apprenticeships

Apprenticeships are now available from age 14 to adulthood; and remain the main route to high-quality work-based learning for young people and adults. The Apprenticeship Programme is being linked into the 14 lines of specialised Diplomas for 14 to 19-year-olds and higher education, to ensure that apprentices have clearer progression routes through the education system.

The Department's Spending Review 2002 PSA target 6 foresees that by 2004, at least 28 per cent of young people were to start a Modern

Apprenticeship by age 22. This equated to 176,000 new entrants in 2004/05, which has been met. A new Performance Indicator has also been adopted that by 2008, the numbers completing apprenticeships will increase by three-quarters. This means an increase from 45,000 to 75,000 per annum. There were 68,000 completions in 2004/05. The completion rate of full frameworks has risen from 24 per cent in 2002/03 to 40 per cent for 2004/05. The number of apprentices in learning has grown from 75,000 in 1997 to 255,000 in 2005.

A-Levels

The Qualification and Curriculum Authority (QCA) have identified a number of possible ways of introducing Advanced Extension Award type material into all A-Level papers. Options were submitted to Ministers in December 2005 and will be piloted from September 2006. Revised A-Levels will be ready for first teaching in September 2008. In 2005, 22.8 per cent of A Level entries were awarded grade A, and nine per cent of all A Level students obtained three or more A grades (3.6 per cent of the age cohort).

Supporting Local Delivery

The third central priority of the *14-19 Implementation Plan* is to support every area of the country to deliver the reforms.

14-19 Entitlement

Central to 14-19 reform is the new curriculum and qualifications entitlement, for all young people. At the heart of this new entitlement is that every 14 to 19-year-old will be entitled to pursue any one of the 14 specialised Diplomas at an appropriate level for them wherever they are in the country. The Department does not expect any single institution to deliver the full entitlement by acting alone, but to develop arrangements with other local schools and colleges so that between them

they can offer the full entitlement to all young people.

The *Education and Inspections Bill 2006* includes a duty on local authorities to secure sufficient provision to enable the entitlement to be delivered at Key Stage 4, and on the LSC to secure sufficient provision to deliver the entitlement post-16 in their area. The LA and LSC will be required to work together to deliver a coherent 14-19 offer. The 14-19 plans will be part of the overarching Children and Young People's Plan for all services for young people in every local authority area, which must be in place by April 2006.

Performance management arrangements based on Joint Area Reviews and Annual Performance Assessments will be used to judge the overall effectiveness of local areas in delivering 14-19 reform, including how well local authorities are working with partners.

The 14-19 Prospectus

Local authorities and local LSCs will take the lead in drawing up a 14-19 prospectus, which will ensure that young people know what provision is on offer to them in each area. The development of the prospectus will be used by LAs and local LSCs to identify any gaps in provision. The prospectus will make the range of local provision more transparent and help young people to choose the most suitable options. Guidance on developing the prospectus will be made available in 2006.

Information, Advice and Guidance

The Green Paper *Youth Matters* stated that all young people should have access to good quality information, advice and guidance (IAG), and that advice given should be impartial, comprehensive and free from stereotyping. This is expressed as a minimum expectation of the advice young people should receive, and quality standards would be used to ensure that these are met.

In most cases, Children's Trusts, schools and colleges will be expected to agree on new arrangements. However, where schools and colleges believe existing provision is poor, they would have the right to withdraw from arrangements brokered by the Children's Trust.

The Department is developing quality standards and will consult key stakeholders at all stages. Draft standards will be ready for consultation by November 2006, with final standards expected to be complete by April 2007. These standards will ensure that high quality IAG will be in place for the first year of teaching specialised Diplomas.

Organisation and funding pilots

Funding allocated to localities for implementation of 14-19 reform includes an identified element of the Dedicated Schools Grant, money for the Increased Flexibility Programme and money for other pilot programmes. In the *14-19 Implementation Plan*, in the White Paper, *Higher Standards, Better Schools for All* and in *Guidance for the Dedicated Schools Grant*, the Department referred to pilots of new models of 14-19 partnerships, with clear local authority leadership in at least some, including pooled budgets, starting in 2006-07 and running for two years.

There will be 12 pilots, testing a range of: aligned/pooled budget arrangements with both revenue and capital funding as well as organisational structures, alongside Children's Trusts; City Regions (and the new concept of city employers' boards); and Local Area Agreements (LAAs). The Department will want to look at how 14-19 partnerships integrate with these structures to deliver the most impact.

CHAPTER 4:

Adults Skills and Further Education

Objective IV:

Tackle the adult skills gap.

The UK faces a major challenge in ensuring our workforce is equipped with the skills needed to compete in a global marketplace. Demographic trends make it more pressing to tackle these challenges: people are living longer; fewer young people will be coming into the labour market; and the average age of the workforce is rising. As careers become more wide ranging, raising the skills of those already in the workforce is key to enabling people to adjust to new roles and circumstances. Employers also rightly expect that training programmes meet their needs and are flexible and responsive.

As Lord Leitch reported in his interim findings on the UK's projected skills needs in 2020, the UK's productivity lags behind that of its competitors. Skills are central to achieving national goals of prosperity and social mobility and are an essential contributor to a successful, wealth creating economy. The Department must invest in helping more adults gain the skills they need both for productive and satisfying employment throughout longer working lives, and for personal enrichment through into active retirement.

The Further Education (FE) sector – colleges and other training providers – is vital to our economic future and to addressing the deep seated and long



standing weaknesses in national skills. It is at the heart of the successful implementation of new challenges as set out in the Department's 14-19¹ and Skills Strategies². To meet the skills challenges of the future, the Department has set out a comprehensive programme of change in the White Paper, *Further Education: Raising Skills, Improving Life Chances* published on 27 March 2006.

The principles underpinning the reforms are:

- putting the needs of learners at the heart of the system, so that their choices drive funding and performance management;
- creating a new entitlement to free training and support for those young people and adults who most need it;
- creating a new national strategy for raising the quality of teaching and learning, with robust intervention to tackle failing and mediocre provision, combined with more autonomy for the excellent;
- encouraging innovation and, through competition, enabling new providers to enter the market;
- ensuring clarity of role between commissioners, colleges and providers and regulators;
- reducing bureaucracy and give greater freedoms to the highest performing colleges and providers; and

1. *White Paper 14–19 Education and Skills* published in February 2005.

2. *White papers 21st Century Skills: realising our potential* published in July 2003, and *Skills: getting on in business, getting on at work* published in March 2005.

- a coherent framework of provision below Level 2 – the Foundation Learning Tier – to enable units and qualifications to be combined in ways that suit the needs and aspirations of the range of learners at this level and provide clear pathways for progression.

The key reforms in the White Paper *Further Education: Raising Skills, Improving Life Chances* include a new economic mission for further education; raising the bar on standards; a tough approach to inadequate and coasting provision; promoting learner choice and employer responsiveness; a new entitlement to free tuition for 19- to 25-year-olds for their first level 3 qualification; and a new relationship for colleges and other providers which is based on partnership and trust and which removes unnecessary bureaucracy. These changes will release the potential of the further education system to be a key driver of economic growth and social justice. The White Paper recognises that many colleges and training providers are excellent, and success rates are rising (from 59 per cent in 2000/01 to 72 per cent in 2003/04 for colleges, and completion rates for full apprenticeships frameworks is up from 31 per cent in 2003/04 to 40 per cent in 2004/05). These achievements are a tribute to the skill, dedication and hard work of all in the further education sector. The reforms in the White Paper will ensure the whole sector meets the standards of the best.

The new Quality Improvement Agency for Lifelong Learning (QIA), established in April 2006, will drive this rise in standards across the learning and skills sector. It brings together the former quality improvement activities of the Learning and Skills Development Agency, the Department's Standards and Skills for Life Units, the Learning and Skills Council (LSC) and the Adult Learning Inspectorate (ALI). A key task of the QIA will be to lead and co-ordinate the development of a single, integrated

Quality Improvement Strategy for the further education sector, which will subsume and build on the Success for All reform programme. Its outline strategy will be published in June 2006, followed by the full strategy in autumn 2006, and becoming operational by April 2007.

Together with the LSC and key partner organisations, the Department has made excellent progress in implementing and delivering the reforms set out in the Skills Strategy. The Department's primary aims are to ensure that employers have the right skills to support the success of their businesses, and individuals have the skills they need to be both employable and personally fulfilled. The reforms focus on four major themes:

Meeting the Skills Needs of Employers

The Government's commitment to employers is that the design and delivery of publicly-funded training and qualifications will be in a way that is directly led by their needs, will meet their skills priorities, and will be straightforward to use.

Employer Training Pilots and Train to Gain

Employer Training Pilots (ETPs) introduced in 2002 have been making a significant impact in 18 LSC areas in encouraging employers to invest in skills and qualifications, particularly for their low-skilled employees. At the end of the trials (March 2006), 29,141 employers and 256,689 employees had signed up, of whom 136,851 had successfully completed their learning.

Building on the successful pilots, the Department and LSC have been developing the policy framework for the national programme, branded Train to Gain. Beginning with 20 pilot areas in April 2006, Train to Gain rolls out nationally reaching full national coverage by August 2006.

Train to Gain will be at the heart of creating a demand-led system of training delivery and will

deliver a strong contribution to the second element of the Department's Spending Review 2004 PSA target 13 (see Skills for Employability section), providing a core offer of free training in the workplace in basic skills and a first full level NVQ level 2. The two level 3 trials announced in the White Paper *Skills: getting on in business, getting on at work*, will take place in the North West and West Midlands regions from August 2006 and will test the application of an additional subsidy to encourage employers to engage in level 3 training. Budget 2006 announced a further £10 million in both 2006-07 and 2007-08 for a third level 3 trial through Train to Gain specifically targeted towards women.

Union Academy and Union Learning Representatives

The Department has been supporting the Trade Union Congress' (TUC) ambitious plans for the creation of a Union Academy, announced in March 2005, to radically overhaul training offered to all workers across England. The Academy, to be launched as Unionlearn in May 2006, will offer guidance on training for employers and employees with courses ranging from basic skills to MBAs at colleges, universities and workplaces to suit individual needs.

Unionlearn will also build on the key role of over 12,000 trained Union Learning representatives in promoting and raising the demand for learning in the workplace especially amongst workers with low skills levels and those whose employers and training providers find hardest to reach.

Skills for Sectors

Employers will have a stronger voice in shaping the design and delivery of training and qualifications in each sector of the economy at local, regional and national levels to specifically meet their needs.

Skills for Business Network

With the launch of the final Sector Skills Council in November 2005, the Skills for Business Network (comprising of the 25 Sector Skills Councils (SSCs) and the Sector Skills Development Agency (SSDA)) is now complete and covers 84 per cent of the workforce. It is putting employers centre stage in tackling the skills, productivity and competitiveness challenges across the UK..

Sector Skills Agreements

SSCs are developing their Sector Skills Agreements (SSAs) as a way for employers to identify the skills their businesses need to achieve the highest levels of productivity or quality of service. These agreements set out how SSCs, Government and agencies, like the Learning and Skills Council, will work with employers to help shape education and training to meet those needs. Four sectors have now published their SSA and all others are currently in the analysis or planning stages. All agreements are expected to be published by 2008. Work is underway to firmly embed SSAs into the planning and funding of future provision, including strengthening the links with the higher education sector and Regional Skills Partnerships.

National Skills Academies and Centres of Vocational Excellence

The network of National Skills Academies (NSAs) announced in the White Paper *Skills: getting on in business, getting on at work*, is in development. In October 2005, Ministers announced the first four NSAs (in the construction, manufacturing, food and drink, and financial services sectors) to develop business plans and be operational by autumn 2006 and a prospectus for the next NSAs was published in March 2006.

NSAs will be led by employers and attract significant additional employer financial sponsorship. They will be sector based national centres of excellence, building on the excellence

developed through the network of Centres of Vocational Excellence (CoVEs) and leading schools. CoVEs are specialist areas of vocational provision based primarily in colleges and private training providers. They focus on developing and delivering specialist provision that meets local and regional employers' skills needs, principally at level 3. The LSC has approved 403 CoVEs across England covering a range of sectors.

Reforming Qualifications

The Qualifications and Curriculum Authority (QCA), LSC and SSDA are working together to develop and implement a modernised vocational qualifications system that promotes employability. Following extensive stakeholder consultation, Ministers have asked the QCA to test and trial a Framework for Achievement (FfA) from 2006 to 2008 and to co-ordinate this with sector qualification reviews, led by the Skills for Business Network. The FfA will be a unit-based qualification framework underpinned by a system of credit accumulation and transfer and will link to the 14-19 Specialised Diplomas (see chapter 3). The Framework will make the qualifications system more flexible and responsive to the needs of employers and individuals.

Skills for Adult Learners

The Department is committed to ensuring all adult learners have the best possible support to gain the skills and qualifications they need for employability and personal fulfilment.

Skills for Life Strategy

The Skills for Life Strategy for improving adult literacy, language and numeracy skills is continuing to make good progress in creating a society where adults have the skills needed to find and sustain work and participate fully in society, thereby increasing the economic performance and social cohesion of the country.

The Department's Spending Review 2004 PSA target 13 (first element) seeks to:

Increase the number of adults with the skills required for employability and progression to higher levels of training through:

- Improving the basic skill levels of 2.35 million adults between the launch of Skills for Life in 2002 and 2010, with a milestone of 1.5 million in 2007.

The 2005 milestone of 1 million more adults with basic skills was exceeded in July 2005 and the Department is on course to meet the 2007 milestone early.

Since 2001, over 1.25 million Skills for Life qualifications have been achieved which includes achievements by 134,000 offenders and 12,000 jobseekers. In that time, a total of 3.7 million learners took up 7.9 million learning opportunities.

Skills for Employability

The level 2 Entitlement plays a key role in tackling low skills and ensuring all adults have the basic skills for employability and a platform for progression to higher levels of training. It offers free training to all low skilled adults to achieve their first full level 2 qualification. Over the last year, the Department has been using the experience of the trials in the North East and South East to develop the capacity of the further education sector, so that a wide range of colleges and training providers can offer the Level 2 Entitlement nationally from September 2006.

The Department's Spending Review 2004 PSA target 13 (second element) seeks to:

Increase the number of adults with the skills required for employability and progression to higher levels of training through:

- Reducing, by at least 40%, the number of adults in the workforce who lack NVQ2 or equivalent qualifications by 2010. Working

towards this, one million adults in the workforce to achieve level 2 between 2003 and 2006.

The Department is on course to achieve the one million interim level. The level 2 Entitlement and the core offer through Train to Gain will make a significant contribution to the 2010 target.

The Department and LSC continue to work with key stakeholders to develop a range of actions to boost the number of qualifications to enable the 2010 target to be met. The winter 2005 Labour Force Survey (LFS) results indicated that the proportion of economically active adults in England with at least NVQ level 2 or equivalent was 73.3 per cent, representing around 17.2 million adults and an increase of 873,000 towards the 2006 interim target.

Financial Support for Adult Learners

The Department has committed to giving all learners access to free tuition in basic skills and up to a first full level 2 qualification, but there is a range of extra financial support available to increase access to and participation in learning.

The Adult Learning Grant trial of up to £30 per week to encourage adults on low incomes to participate and stay in learning has continued throughout 2005/06 operating in 19 pilot LSC areas. Since the beginning of 2005/06, nearly 11,400 applications had been received, with more than 8,000 being turned into awards. Work is continuing with our partners, using evaluation results, to establish the best operational design for a national programme which, as announced in Budget 2006, will be brought forward to 2007/08.

Adult Information, Advice and Guidance

Information, Advice and Guidance are critical to helping individuals make informed choices about learning, career and employment options. The Department is leading a review of IAG

arrangements in England which will report by the end of 2006. As part of this review, a trial of an extended learndirect telephone service offering in depth guidance was launched in January 2006, aimed at those seeking their first full level 3 qualification or looking to return to work after a career break.

New Deal for Skills

Through joint working between the Department for Education and Skills, the Department for Work and Pensions (DWP), LSC and Jobcentre Plus, the New Deal for Skills (NDfS) is improving the skills of individuals for whom a lack of skills is the main barrier to securing employment or making progress from lower to higher skilled work.

NDfS comprises three main elements: Skills Coaching – providing individuals with tailored advice and support; Skills Passports – individual skills and qualifications record; and an Adult Learning Option – extra allowance for benefit recipients undertaking full-time training. Trials of the Skills Coaching and Skills Passports have been running in seven Jobcentre Plus districts for a year since April 2005 and the Adult Learning Option trial is planned to commence in September 2006. The Budget 2006 announced an increase of the existing Skills Coaching pilots to 16 Jobcentre Plus districts with a specific focus on improving the employability skills of low-skilled women.

Offender Learning

Improving offenders' skills and helping them obtain sustainable jobs on release from custody is crucial for them and society. New arrangements for delivering offender learning and skills were introduced in three development regions: the North East, North West and South West of England on 31 August 2005. The LSC has taken planning and funding responsibility for this group of learners, delivering a service that, for the first time, articulates closely with mainstream learning offers.

The new arrangements will be introduced across the rest of England on 31 July 2006.

The Green Paper *Reducing Re-offending through Skills and Employment* and consultation document, published jointly by the Department for Education and Skills, Home Office and Department for Work and Pensions (DWP) in December 2005, sets out new strategy ideas to help reduce re-offending by improving skills and employment opportunities for offenders. The consultation closes on 29 May 2006.

Equality and Diversity

Working with the LSC, the Department has been planning for the implementation of a Race Equality Impact Assessment across all elements of the Skills Strategy programme. An external Critical Friends Network has been established with representatives from various equality and diversity organisations to help set a strategic direction and evaluate progress, and agree an evidence base to support the initial assessment of impact and ongoing monitoring of equality and diversity policies.

Personal and Community Development Learning

One of the priorities for public funding is safeguarding a varied range of learning opportunities for personal fulfilment, community development and active citizenship. The Department has safeguarded £210 million over the next two academic years (2006-07 and 2007-08) for this provision. From 2007/08, planning at local level will be strengthened through reinforced local LSC-led partnerships which will bring in partners, including learner representatives, and non-LSC funding.

Partnerships for Delivery

The Department works closely with a range of partners to deliver its reforms. The Skills Alliance continues to champion and drive the Skills Strategy at a national level.

Regional Skills Partnerships

Regional Skills Partnerships (RSPs) have now been established in all nine English regions bringing together Regional Development Agencies (RDAs), LSC, Jobcentre Plus, Small Business Service and the Skills for Business Network to ensure that the supply of skills and businesses support is planned, managed and delivered in a coherent and collaborative way that reflects the priorities set out in their Regional Economic Strategy.

RSP Chairs' reports to Ministers in October 2005 and review meetings in early 2006 showed that good progress had been made in embedding their partnership structures; building capacity through the appointment of RSP Managers; and publishing their action plans which also addressed the activity needed to meet their new areas of responsibility set out in the White Paper, *Skills: getting on in business, getting on at work* published in March 2005. Evidence is now emerging of the added value of partnership working.

Table 4.1 shows that between 2000/01 and 2004/05 (provisional), the number of full-time equivalent further education students in England increased by 3 per cent to 1.1 million. Over the same period, the number of full-time equivalent further education staff increased by 10 per cent to 70,400, while the student: staff ratio dropped from 14.9 to 13.8.

Table 4.1: Further Education Student and Staff Numbers in England

	2000/01	2001/02	2002/03 ¹	2003/04	2004/05	2005/06	2006/07	2007/08
	actual	actual	actual	actual	provisional	plans	plans	plans
Total Students (FTE) (000s)								
Council-Funded Courses ²	940	963	987	993	1,005	991	998	985
Non-Council-Funded Courses ³	99	92	70	67	62			
Total	1,040	1,054	1,056	1,060	1,067			
of which:								
Further Education in								
Sector Colleges ⁴	955	974	959	962	975			
Academic Staff (FTE) (000s)								
Further Education in								
Sector Colleges ⁴	64.2	65.6	69.5	72.1	70.4			
Student: Staff Ratio								
Further Education in								
Sector Colleges ⁴	14.9	14.8	13.8	13.3	13.8			

Sources: Learning and Skills Councils (LSC) individualised student/learner records (ISR/ILR) and staff individualised record (SIR), Higher Education Statistics Agency (HESA) and DfES estimates and projections.

1. There is a discontinuity in this data. Figures from 2002/03 are based on a first census date of 1 October and include learners in specialist designated colleges. Figures until 2001/02 are based on a November census date and exclude specialist designated colleges.
2. Full-time equivalent students (FTEs) funded by the Further Education Funding Council (FEFC) until 2000/01, and the LSC from 2001/02 in further education sector colleges (excluding Ufi), external institutions, specialist designated institutions, dance and drama institutions and higher education institutions (including those studying for higher education qualifications).
3. Further education students not funded by the FEFC or LSC in further education sector colleges (excluding higher education qualifications).
4. Excludes external institutions, specialist designated institutions, dance and drama institutions and FEFC or LSC funded higher education.

CHAPTER 5:

Higher Education

Objective V:

Raise and widen participation in higher education.

The Government's role in widening participation

The Government's aim is to help all young people to achieve their potential including, where appropriate, studying higher education by:

- Helping young people get the qualifications they need for entry to higher education;
- Raising aspirations so that young people understand what university has to offer and have the desire to apply;
- Encouraging young people to apply to the institution that best meets their needs and abilities; and
- Making the system of applying to higher education more open and effective.

The Higher Education Act 2004

Implementation of the *Higher Education Act 2004* will:

- increase university income;
- balance the contributions from the taxpayer, graduate and the graduate's family;
- continue to promote participation and fair access for students from poor backgrounds;
- use funding and external review to improve teaching quality; and



- stimulate university involvement with employers and the wider community.

Raising participation in higher education will help to meet the UK's economic needs. Employer demand for graduates remains strong and is expected to continue to do so. Graduates earn on average, appreciably more than non-graduates. Over a working life, the Department believes that the average graduate salary premium remains comfortably over £100,000 at today's valuation, compared to what a similar individual would have earned if they just had A levels. The graduate unemployment rate is around half that of non-graduates. Looking ahead, recent research suggests that 18 million jobs will become vacant between 2004 and 2020, half of which will be in occupations most likely to employ graduates. Chapter 4 sets out how the Department proposes to raise the skills of other workers. In 2005-06, funding allowed for an increase of over 25,000 students and demand remains strong. A record number of over 522,000 applicants applied via the Universities and Colleges Admissions Service (UCAS) for courses starting in 2005/06.

Many of these applicants were for Foundation Degrees. Foundation Degrees, developed in collaboration with employers, enable skills gaps to be addressed innovatively and flexibly. Through part-time and full-time courses, distance learning, learning in the workplace and learning through the Internet, Foundation Degrees are accessible to people of all ages and circumstances, many of whom might not otherwise have considered

higher education. Nearly 47,000 students were studying for Foundation Degrees in 2005/06, up by 24 per cent from 38,000 in 2004/05.

Steady progress has been made over recent years in the number of students in higher education, but raising participation alone is not enough.

Graduates fair much better across a range of measures than people with level 3 qualifications such as A Levels. They suffer less unemployment, are healthier, and more strongly engaged in civic society. To improve social mobility the Department therefore needs to broaden access to higher education. In particular, to ensure that young people from less advantaged backgrounds are able to take advantage of the opportunities on offer.

The Department's Spending Review 2004 PSA target 14 is to continue this expansion:

- By 2010, increase participation in higher education towards 50 per cent of those aged 18 to 30 and also make significant progress year on year towards fair access and bear down on rates of non-completion.

Progress is being made across the three elements of the PSA target – increasing participation, widening participation and increasing rates of completion – and these are outlined in turn below.

The baseline for increasing participation is 41 per cent in 1999/00. The provisional Higher Education Participation Rate (HEIPR) was 42 per cent in 2004/05. This compares to six per cent of young people participating in the early 1960s.

The Department has increased participation in the face of significant demographic expansion. In order to increase participation towards the PSA target, higher education institutions will have to be more flexible and innovative; and open up vocational routes into higher education. For example through the new Train to Gain level 4 strand for employer-led education; credit accumulation; and two-year degrees.

Completion rates

Completion rates for UK students are among the highest in the OECD. In England, the national rate of projected non-completion has shown a downward trend since 1997/98.

Table 5.1: Percentage of UK domiciled full-time first degree students expected neither to obtain an award nor transfer (English Higher Education Institutions)

Students starting courses in:	Non-completion rate (%)
1996/97	15.7
1997/98	16.1
1998/99	15.8
1999/00	15.9
2000/01	15.0
2001/02	13.8
2002/03	13.9
2003/04	to be published in July 2006

Source: Performance Indicators in Higher Education published by Higher Education Statistics Agency (HESA). For 2002/03, the projected outcomes summarise the pattern of movements of students at institutions between 2002/03 and 2003/04 and give the outcomes that would have been expected from starters in 2002/03 if progression patterns were to remain unchanged over the next few years. The HESA data show the proportion of entrants who are projected to: obtain a qualification (either a first degree or another undergraduate award); transfer to another higher education institution; neither obtain a qualification or transfer (i.e. fail to complete the course).

The tables below set out further details of student and staff numbers.

Table 5.2: Higher Education¹ Student and Staff Numbers in England

	2001/02 actual	2002/03 actual	2003/04 actual	2004/05 provisional	2005/06 projected	2006/07 projected
Home Domiciled Students (000s)	1,591	1,643	1,682	1,687	1,704	1,721
Of which:						
Full-time and sandwich	882	912	936	954	980	997
Part-time	709	731	745	733	724	723
HEIPR² (%)	42%	43%	42%	42%		
EU Students (000s)	68	67	64	75	79	83
Other Overseas Students (000s)	124	150	169	173	173	173
Total FTE Students³ (000s)	1,320	1,380	1,425	1,449	1,476	1,497
Total FTE Students publicly funded by HEFCE⁴ (000s)	1,027	1,059	1,071	1,080	1,104	1,122
Total FTE Students publicly funded by TDA⁵ (000s)	59	59	62	62	62	63
Of which:						
ITT Students	48	48	52	52	51	52
Academic Staff in HEIs⁶ (000s FTEs)	64.0	65.2	67.0	68.6		
Student: Staff Ratio in HEIs⁷	17.6	18.1	18.2	18.0		

Source: Higher Education Statistics (HESA) and Learning and Skills Councils (LSC) Individualised Learner Records (ILR)

1. Whole-year count for both Higher Education Institutions (HEIs) and Further Education Colleges (FECs). Numbers differ from those published last year due to the inclusion of all study at FE colleges at NVQ level 4 and above. Includes the Open University. Actual figures shown in this table are consistent with projection methodology and totals differ from those in Table 5.3 which are derived directly from source data.
2. The Higher Education Initial Participation Rate (HEIPR) is used to measure progress on the Government's goal of increasing participation towards 50% of 18-30 year olds in HE by 2010. The HEIPR sums the percentages of each single year of age group who enter HE (English-domiciled attending a UK institution on a full-time or part-time basis) for the first time in each year of age between 18 and 30. The HEIPR is a National Statistic and its methodology has been independently reviewed in accordance with guidelines published by the Office for National Statistics (ONS).
3. Using a full-time equivalent (FTE) factor for part-time students of 0.38.
4. The total full-time equivalent students publicly funded by HEFCE are academic year figures. The figures reflect out-turn data for 2004/05 trended forward, and use an average FTE factor for part-time students calculated on HEFCE-fundable students. They do not supersede the planning totals given in the Secretary of State's letter to HEFCE on 31 January 2006.
5. Using an approximate FTE factor for part-time students of 0.50.
6. Figures exclude staff at the Open University and in FECs. Figures for academic staff numbers include the research activity of academic staff who are engaged in both teaching and research.
7. The ratios cover HE in HEIs only and have been revised to count students on a whole year count basis. Students on courses organised by HEIs, but taught by FECs under franchise arrangements have been excluded, for figures prior to 2002/03, these have been estimated. Student FTEs used in the calculation of Student: Staff Ratios are on a different basis to those appearing in the table.

Table 5.3: Home and Overseas, Full-Time (FT) and Part-Time (PT) Students¹ in Higher Education (HE) by Type of Institution and Level of Course in England (000s)

	2001/02		2002/03		2003/04		2004/05	
	actual		actual		actual		provisional	
	FT	PT	FT	PT	FT	PT	FT	PT
Postgraduate								
HE Institutions	144.0	197.0	160.3	201.6	170.6	206.5	174.2	208.8
of which: Mature ²	78.9	181.9	85.7	185.2	90.2	188.5	92.3	190.2
First Degree								
HE Institutions	750.9	87.0	784.5	88.1	810.3	171.4	829.2	174.9
of which: Mature ²	290.9	81.6	307.3	82.8	319.3	163.5	325.6	166.5
Other Undergraduate								
HE Institutions	96.5	367.6	100.3	387.2	101.6	313.2	102.8	303.4
of which: Mature ²	59.9	353.6	64.2	371.7	66.9	299.1	68.7	288.1
Total Students	991.4	651.6	1,045.1	676.9	1,082.5	691.1	1,106.2	687.2
HE in Further Education Colleges								
Postgraduate	0.4	3.3	0.7	4.2	0.8	4.9	0.8	4.7
First Degree	9.6	6.2	8.9	4.4	9.7	4.9	9.6	5.2
Other Undergraduate	34.2	86.0	29.5	87.2	26.8	96.0	25.2	95.7
Total	44.2	95.5	39.1	95.9	37.3	105.8	35.7	105.7
of which: Mature ²	24.3	83.2	22.7	86.9	21.7	96.7	20.8	96.7
Grand Total	1,035.6	747.1	1,084.2	772.8	1,119.8	796.9	1,141.9	792.9
of which: Mature ²	454.0	700.3	480.0	726.6	498.1	747.8	507.4	741.5
% of Mature	44	94	44	94	44	94	44	94
% of Total Students by Institution and Level of Course								
Postgraduate	14	26	15	26	15	26	15	26
First Degree	73	12	72	11	72	22	73	22
Other Undergraduate	9	49	9	50	9	42	9	41
HE in Further Education Colleges								
Postgraduate	0	0	0	1	0	1	0	1
First Degree	1	1	1	1	1	1	1	1
Other Undergraduate	3	12	3	11	2	12	2	14

Source: Higher Education Statistics Agency (HESA) and Learning and Skills Councils (LSC) Individualised Learner Records (ILR)

1. DfES whole-year count for both higher education institutions (HEIs) and further education colleges (FECs). Includes the Open University. Numbers differ from those published last year due to the inclusion of all study at further education colleges at NVQ level 4 and above.
2. Based on age in the current academic year (rather than in the year of entry: 21 and over for undergraduates; 25 and over for postgraduates).

Table 5.4: Home First Degree Graduates from English Institutions¹ (000s)

	2001/02 actual	2002/03 ² actual	2003/04 actual	2004/05 provisional
HE Institutions				
Medicine and Dentistry	4	4	5	5
Subjects allied to Medicine	17	18	18	19
Biological Sciences	14	18	20	21
Veterinary, Agriculture and Related Sciences	2	2	2	2
Physical Sciences	10	10	9	10
Mathematical and Computational Sciences	15	17	19	18
Architecture and Related Studies	4	4	4	4
Engineering and Technology	12	11	12	11
Total Sciences	78	84	89	91
Social Sciences	17	19	20	22
Law	8	8	9	10
Business and Financial Studies	22	26	26	25
Mass Communications and Documentation	4	6	6	7
Languages and Related Studies	12	16	15	16
Historical and Philosophical Studies	8	10	12	12
Creative Arts and Design	19	21	22	24
Education	10	7	7	8
Total Arts	100	113	118	124
Multi-Disciplinary Studies ³	19	9	5	6
All Subjects	198	206	213	220
Further Education Colleges	4	4	4	4
Projected Outcomes^{4,5}				
Obtain a Degree	78	78		
Obtain another Award	1	2		
Transfer	6	6		
Neither Award or Transfer ⁶	14	14		
Not Known	0	0		

Source: Higher Education Statistics Agency (HESA) and Learning and Skills Councils (LSC) student records and HESA Performance Indicators.

1. Includes all home graduates awarded university, Open University and university validated degrees.
2. As from 2002/03 a new method of allocating students to subjects groups was introduced, the main effect of which is to reduce the number of students who were allocated to the Multi-disciplinary category and increase those who are allocated to specific subject groups.
3. From 2003/04 a greater proportion of qualifiers from the Open University have been coded within the individual subject groups rather than as multi-disciplinary studies.
4. The projected outcomes for a cohort based on the assumption that their patterns of progression will follow those of students currently in the system.
5. Figures for 2003/04 will be published by HESA in summer 2006.
6. A student is assumed to have left with no award of they have been inactive for two years.

Widening participation

Rates of participation are increasing among people who have attended state schools, people who are from neighbourhoods with historically low levels of participation, and lower socio-economic groups. Table 5.5 shows the proportion of young UK-domiciled entrants to full-time first degree courses at UK universities from disadvantaged groups.

Table 5.5: Higher Education Entrants from Disadvantaged Groups

	Proportion of young UK-domiciled entrants to full-time first degree courses at UK universities from:			
	State schools	Lower social classes (IIIM, IV, V) ¹	Lower Socio-Economic groups (4-7) ¹	Lower participation areas
1997/98	81.8	24.9	N/A	12.1
1998/99	85.0	25.1	N/A	12.3
1999/00	84.9	25.3	N/A	12.4
2000/01	85.7	25.4	N/A	12.5
2001/02	86.0	25.8	N/A	13.1
2002/03	87.2	N/A	28.4	13.3
2003/04	86.8	N/A	28.6	13.9

*N/A = not available: The socio economic group classification was introduced in 2002/03 to replace the social class groupings. The two classifications are not directly comparable. Figures for NI are available separately.

Part-time study has also been increasing. Across Great Britain mature students make up 64 per cent of the 2.3 million people studying higher education.

Aimhigher

Early evidence suggests that the Aimhigher programme launched in August 2004 is starting to have an effect on the aspirations of young people towards higher education and their attainment levels. The programme was formed from the merger of two programmes: the Department's Excellence Challenge, and a university outreach programme funded by the Higher Education Funding Council for England (HEFCE) and The Learning and Skills Council (LSC) Partnerships for Progression. Aimhigher brings together a range of initiatives commissioned by local partnerships of schools, colleges, universities and others with an interest in higher education. Typically, local

programmes include summer schools, visits to universities, mentoring schemes and master-classes. The programme also includes a national roadshow which visits schools and colleges. During 2005/06, nearly £100 million was made available to local and area partnerships. The Government is making over £150 million available to partnerships over the next three financial years. In addition HEFCE provides a widening participation allocation for institutions, which contributes towards the additional costs of recruiting and retaining students from non-traditional backgrounds.

Fair Access

The Office for Fair Access (OFFA) was established as a result of the passage of the *2004 Higher Education Act*. Higher education institutions wishing to charge higher level fees from September 2006 must reach agreement with OFFA about their plans for outreach and the financial help they will give to students from poorer backgrounds. OFFA has approved nearly 200 such agreements. This will mean over £350 million in additional finance for students from poorer backgrounds, and £35 million extra being spent on outreach. A typical bursary for a student on full state support will be in the region of £1,000.

Student Finance

Alongside the reforms set out in the *2004 Higher Education Act*, the Government has reformed the package of financial help available to students. From 2006-07, students will not have to pay tuition fees at the start of their courses. Instead, subsidised fee loans, alongside similar loans for living costs, will only have to be repaid when the student leaves their course and starts earning £15,000 or more. This means that under the Government's income contingent loan scheme, someone earning £18,000 a year would only repay £5.19 a week.

Full-time students are also entitled to maintenance loans. For students from poorer backgrounds, additional help is available in the form of grants – both from the Government (up to £2,700 through the Student Loans Company (SLC)) and directly from higher education institutions, who will offer bursaries. In addition, the Government gives grants for those with disabilities or childcare responsibilities.

CHAPTER 6:

Capability to Deliver – The Department for Education and Skills Workforce



Recruitment

The Department's recruitment activity is changing to deliver our efficiency and reform programme. This includes the Department's target of reducing the total number of civil service (full-time equivalent) posts by 1,960 (comprising 1,460 Department posts and 500 in the Office for

Standards in Education) by 2008 from an October 2003 baseline.

Opportunities for external applicants have been mainly for more senior strategic roles, and to secure specialist skills. Table 6.1 shows the recruitment undertaken in 2005.

Table 6.1: External Recruitment undertaken in 2005

Grade (include grade equivalents)	No of posts	Successful female applicants	Successful disabled applicants	Successful ethnic minority applicants
Executive Officer ¹	1	1	0	1
Senior Executive Officer	2	1	0	0
Grade 6/7	30	30	1	1
Senior Civil Service	18	7	0	0
Total	51	39	1	2

Departmental recruitment complies with the principles and standards of fair and open competition set by the Office of the Civil Service Commissioners in the *Civil Service Commissioners' Recruitment Code* and the *Civil Service Commissioners Guidance on Senior Recruitment*. The Department adheres to the *Civil Service Code of Practice on the Employment of Disabled People*.

Of the total number of staff recruited in 2005, 46 per cent identified their ethnic origin at the application stage, and of these, 0.04 per cent were from ethnic minority backgrounds. Additionally one disabled person was recruited.

Exceptions to Fair and Open Competition

The Department recruited a very small number of people by exception to the principles and standards of fair and open competition in accordance with the exceptions permitted by the Office of Senior Civil Service Commissioners. This was where it was necessary to secure very specific skills and to deliver specific tasks.

Interchange

Interchanges are designed to support the delivery of the Department's business and bring a greater diversity of staff background, outlook and experience to the Department's work. In 2005, the number of inward secondees, including loans from other government departments increased from 248 to 251 with the numbers seconded to outside organisations and other government departments decreasing from 379 to 330.

Staffing

The Department aspires to be an exemplar equal opportunities employer and create a workplace which values diversity and is free from any form of unfair discrimination. An understanding of equality and diversity issues is key to departmental reform.

Table 6.2 shows an analysis of Departmental Headquarters' staffing by sex, ethnic minority, disability and age.

Table 6.2: Analysis of Departmental Headquarters' Staffing at 1 January 2006 (Percentage)

Grade (including grade equivalent)	Female staff	Male staff	Ethnic minority staff	Staff with disability	Staff aged under 24	Staff aged 50 and over
Administrative Assistant	46	54	11	7	4	51
Administrative Officer	68	32	15	5	5	24
Executive Officer	65	35	15	5	1	19
Higher Executive Officer	57	43	11	6	2	16
Senior Executive Officer	56	44	7	3	0	25
Grade 6/7	49	51	5	4	0	33
Senior Civil Service	40	60	3	2	0	45
Total	58	42	11	5	2	24

Of the 580 staff that left the Department between March 2005 and February 2006, 290 were white, 209 chose not to declare their ethnicity, and 81 were from ethnic minority groups.

Performance management appraisal monitoring showed that in 2004-05, of the 61 people receiving a category marking below that which is acceptable, 19 were from ethnic minority groups, none had a disability.

Internal promotion exercises showed that in 2005, ten per cent of those successful in a Grade 7 panel were from an ethnic minority background, and in a Grade 6 panel, five per cent of those successful were from an ethnic minority background.

Between April 2005 and March 2006, 12.4 per cent of staff from an ethnic minority accessed learning and development from the Learning Academy. This is based on the number of people with a return in their ethnicity field on the HR database.

As part of our equality and diversity delivery plan, the Department will be publishing a Departmental equality report in the early part of 2007. This report will cover progress towards the implementation of our delivery plan, detailed statistics on our staffing profiles, and meet the requirements to publish information as laid down in legislation.

Human Resource Strategy and Professional Skills for Government

A smaller more strategic department requires a different mix of grades and skills. The Department is engaged in a major programme of upskilling its existing staff within the context of Professional Skills for Government (PSG).

The Human Resource Strategy supports the challenges set in the Department's Five Year Strategy and aims to develop an environment which focuses on, as well as recognises and rewards, delivery. At the same time, it aims to ensure the Department has the right people and skills to deliver and that the way people are managed and led is improved.

The central government PSG initiative is, and will continue to be a key element of the Department's Human Resource (HR) Strategy. PSG is a programme of action agreed by the Civil Service Management Board (CSMB) to ensure that all civil servants have the skills and experience they need to design and deliver customer-driven policies and services for the 21st century. It also creates a more systematic and consistent approach to skills and career development.

PSG for Grades 7 and above was launched across the Civil Service in autumn 2005, with a common skills framework for all civil servants at Grade 7 and above. The Department's HR policies have been updated to reflect PSG and a skills framework for the remaining grades in the Department, which mirrors the central government framework, has been developed. This framework for AA to SEO grades came into effect on 3 April 2006, which means that that the Department's HR policies such as vacancy filling, performance and management, learning and career development across all grades are now based on PSG. For the first time there is a clear line of sight from AO right through to the Senior Civil Service in terms of skills requirements and career development based on

a common framework that applies to all grades. The HR Strategy will continue to focus on PSG in 2006-07 to exploit the opportunities that PSG has provided and to develop a more professional workforce.

Salaries

Ministers' and Board Members' Remuneration

Ministers' remuneration is set by the *Ministerial and other Salaries Act 1975* (as amended by the *Ministerial and other Salaries Order 1996*) and the *Ministerial and other Pensions and Salaries Act 1991*.

The Permanent Secretary's pay is set by the Prime Minister on the recommendation of the Permanent Secretaries Remuneration Committee.

Senior Civil Service (SCS)

The Department's SCS Pay Committee, comprising the Permanent Secretary and Executive Management Board members, determines remuneration for the Department's SCS members. It does so within the limits and delegated authorities set by the Government in responding to the report of the Senior Salaries Review Body.

Table 6.3 shows the salaries of SCS members, reflecting staff numbers at 1 April 2005. It includes staff on loan from other government departments and those on secondment to other organisations who are covered by the Department's pay arrangements. It does not include staff on loan to other government departments or those on temporary promotion into SCS posts.

Table 6.3 shows the salaries of SCS members reflecting staff numbers at 1 April 2005. It includes staff on loan from other government departments and those on secondment to other organisations who are covered by the Department's pay arrangements. It does not include staff on loan to other government departments or those on temporary promotion into the SCS.

Table 6.3: Salaries of Senior Civil Servants at 1 April 2005

Salary range	Number	Salary range	Number	Salary range	Number
50,000 – 54,999	0	85,000 – 89,999	5	120,000 – 124,999	2
55,000 – 59,999	25	90,000 – 94,999	3	125,000 – 129,999	0
60,000 – 64,999	13	95,000 – 99,999	7	130,000 – 134,999	1
65,000 – 69,999	20	100,000 – 104,999	6	135,000 – 139,999	1
70,000 – 74,999	16	105,000 – 109,999	0	140,000 – 144,999	1
75,000 – 79,999	23	110,000 – 114,999	5	145,000 – 149,999	1
80,000 – 84,999	3	115,000 – 119,999	0	Above this level	1

Investors in People

The Department was one of the first in Whitehall to be awarded Investors in People status in 1998. This was successfully reviewed in June 2002 and in May 2005.

Staff Survey

A full staff survey is conducted approximately every 18 months, with the last one taking place in November 2005. The survey provides reliable information on the views of staff on a range of topics. Regular tracking research is also conducted in which samples of staff are asked a small number of questions, some of which are taken from the main survey. This information provides a more frequent measure of our progress. The Department for Education and Skills Board is responding to the survey findings as part of the process of continual improvement.

Health and Safety

The Department retains a strong commitment to providing a safe and healthy environment for all employees. Developments during the year have included:

- The completion and publication of new Site Health and Safety Policies for all the Department’s HQ sites and the introduction of national Health and Safety procedures designed to underpin the Departmental Policy have been introduced. Further work

will be completed during 2006 to ensure continued compliance on all health and safety legislation;

- During 2005 the Department developed new Occupational Health Initiatives which will be expanded further during 2006 as part of the Improving Productivity through a Healthy Workforce Project (working title). This new initiative will give managers and staff direct access to occupational health services on demand; and
- The Department’s Stress Prevention Policy will be introduced during 2006 and this will be underpinned with a Departmental stress audit, action plans to address stress hotspots in the Department will also be developed. In line with government policy the Department will introduce a No Smoking Policy at the end of 2006 which will guarantee that all of the Department’s estate is smoke free.

Sustainable Development

Sustainable development spans all of the Department’s work – children’s services, education and skills – and that of its partners. Sustainable development means finding ways to improve people’s quality of life without damaging the environment, and without storing up problems for the future, or transferring them to other parts of society or other countries. It presents challenges and opportunities for the Department’s policy

development, operational practices and approach to staff development.

The Department published its Sustainable Development Action Plan *Learning for the Future* in March 2006. The action plan aims towards the following outcomes:

- Policies that support the UK sustainable development strategy;
- A smaller carbon footprint and better value for money through robust environmental management practices and a more sustainable school estate;
- Improved strategic working with other government departments, non-departmental public bodies and other partners; and
- Greater awareness of sustainable development within the Department and for those working in education, resulting in greater sustainable behaviour across the board; and positive impact on the communities served through sharing good practice and volunteering.

Education features prominently in *Securing the Future*, the UK Sustainable Development Strategy, and is recognised by governments the world over as a key part of sustainable development. The principles need to be embedded in the education system so that schools, colleges and universities become showcases of sustainable development among the communities that they serve and give young people the skills they need to put sustainable development into practice in life.

Sustainable development principles offer a framework for improving policy outcomes, connecting with other government agendas and bringing extra coherence to policy making. The Department's PSA targets, agreed as part of the Spending Review process, articulate the Government's highest priorities and ambitions for delivery.

The Department will demonstrate its commitment to *Securing the Future* by ensuring that all policies which drive forward the delivery of PSA targets are guided in a transparent way by sustainability principles from the earliest stages of policy development.

The *Framework for Sustainable Development on the Government Estate* was published in August 2002. It provides a structured approach to identifying, monitoring and reporting the main sustainable development impacts of each government department, and covers all government departments and their executive agencies. The Department is committed to achieving the targets set out in the *Framework for Sustainable Development on the Government Estate* and has dedicated resource for environmental management and is initiating a project which aims to mainstream sustainable development within all of our operational activity.

The Department aims to be an exemplar employer and recognises the importance of ensuring it embeds the principles of sustainability through its culture, its human resource strategy and the wider impact it has on the communities in which it is based.

Better Regulation

Improving Policy Development and Regulatory Impact Assessment

The Department has taken steps to continue to improve its engagement with stakeholders, primarily by using the expertise of its gatekeeping groups of frontline practitioners to look at the level of unnecessary bureaucracy that is being imposed on frontline staff in the public sector, and to challenge existing ways of working with the frontline, and between agencies. Three groups are currently active.

The Implementation Review Unit (IRU) was launched in 2003 and reviews existing and new policy initiatives, with the aim of assessing and reducing any negative impact on schools. The group has twelve members from across England. It works with the Department and its agencies to ensure that policies are practicable, and have maximum impact on the achievements and well being of children through simple, effective and efficient delivery. Recently, it has produced guidance for local authorities and others on how they might reduce their bureaucratic impact on schools. The group was set up initially for three years, but its remit has been extended for a further three years to 2009.

The Bureaucracy Reduction Group (BRG) was established in 2005 as an independent body to champion lighter touch regulation and reduce unnecessary bureaucracy in the further education and training sector. It is developing an action plan to update targets for reducing unnecessary bureaucracy and to address the issues raised in the report *Reducing Burdens in Colleges of Further Education*.

The Higher Education Regulation Review Group (HERRG) was set up in 2004. It is independent of the Department and has a mandate to review policies for their impact on higher education institutions in England, explore existing areas of bureaucratic demand, and recommend ways of doing things better. Its membership is made up of frontline practitioners, mainly registrars and directors of finance from universities.

The Local Impact Review Group (LIRG) was a voluntary advisory group that was piloted by the Department to review the implementation of policies affecting children's services in local authorities. The pilot ended in December 2005. Members of the group were drawn from a wide variety of organisations, including, local and

strategic health authorities, youth services, and childcare organisations.

The Department is continuing to improve the quality of its Regulatory Impact Assessments (RIAs). A RIA is required wherever a new policy has an effect on businesses, charities, or voluntary organisations – the Department has maintained a compliance rate of 100 per cent. The Department has committed to extending use of the RIA framework to any new policy having an effect solely on the public sector – this is particularly important because more widespread use of the RIA framework across the Department will result in greater familiarity with the process leading to a cycle of continuous improvement.

The Department undertook a single overarching RIA that encompassed a number of inter-related policy areas which together sought to ensure a greater degree of integrated working between local authorities and their key partners operating in the field of children's services. In effect it was an RIA that addressed the subject of children's trusts. The RIA was undertaken ahead of the production of statutory and non-statutory guidance on inter-agency co-operation and planning as well as guidance on the establishment of the positions of the Director of Children's Services and Lead Member for Children's Services. It also covered the roll out of programmes relating to the common assessment framework and information sharing.

The Department has refined its Initial Regulatory Impact Assessment by incorporating within the framework a stronger emphasis on whether policies represent good value for money in order to make sure that policy objectives are being delivered efficiently and effectively.

Consultation

A total of 40 formal public consultations were started during the period 1 January 2005 to 31 December 2005, of which 36 lasted 12 weeks

or more. The three consultations that lasted for less than 12 weeks were authorised by the appropriate Minister. They were:

- Putting Children First: Parenting Plans – due to time constraints in publishing the findings, the Department was able to run the consultation for 11 weeks only. The Minister involved was aware of the departure from the Code of Practice;
- Proposed Amendment to the Children (Northern Ireland, Guernsey and Isle of Man) Regulations 1991 – the Minister agreed to a consultation timescale of seven weeks, based on the fact that the amendments were largely technical and were being made at the request of the Northern Ireland Office; and
- Consistent Financial Reporting Framework 2006/2007 – the Minister agreed to a shorter consultation period. The consultation ran for ten weeks in order to comply with private sector software company development times.

The remaining consultation on School Inspection Regulations was run for less than 12 weeks on legal advice. The consultation was a subset of a larger one carried out previously that did not necessarily require consultation. Time constraints for the enforcement dates for regulations, *purdah*, and the school summer break reduced the length of time the consultation could be run to six weeks.

Good quality consultation documents and methodology have a positive influence on policy formation. For example, the Department consulted on its *Youth Green Paper* from July to November. This involved a consultation with young people: *Somewhere To Go, Something To Do*, in addition to an adult consultation: *Youth Matters*.

In a first for the Department, young people were able to respond to the consultation online by accessing either the Departmental website or the *Need2Know* website. Young people were targeted

in schools by providing lesson plans to encourage discussion and completion of response forms, as well as in youth clubs and various youth organisations. Face to face consultation events were arranged for hard to reach groups (579 hard to reach young people, 154 parents of hard to reach young people and specific groups, such as young Asian women) to ensure views were elicited from outside the mainstream. A variety of formats were made available, for example, an easy to read version for young people with special needs.

The Department also worked in partnership with the Government Office regional network to bring together professionals and voluntary and community sector workers across a range of youth services for a series of consultation events.

The various methods used resulted in over 20,000 responses to the consultation, 95 per cent of which were from the key target audience of young people aged between 13 and 19.

The wealth of views gathered from the consultation are being used to formulate future policy. Marked differences between the views of young people replying by questionnaire and those who attended consultation events will ensure that policies reflect equal access and opportunity to all young people, no matter what their background or circumstances. The support for the main thrust of the proposals – to empower young people – has given the Department the confidence to press ahead. Where concerns were raised, they will be addressed through pilots of new initiatives, or, in guidance to support implementation of youth policies.

Simplification and Administrative Burdens Reductions

The Department is increasingly using a risk-based approach to regulation. For example, creating the new Ofsted as the Office for Standards in Education, Children's Services and Skills is a key strand in the Government's strategy to refocus,

rationalise and reduce public sector inspection. In reducing the number of inspectorates from 11 to four, the Government intends to reduce duplication of inspection and overlap, benefit users by focusing more directly on their needs and experiences and secure efficiency savings.

These new arrangements will lead to a reduction in overall inspection activity, providing greater proportionality and driving improvement across public services. The Department is working with relevant inspectorates to assess more fully the scope for reducing inspectorate expenditure by around a third over the medium term.

Along with other new inspection bodies, the new Ofsted will adopt common legal powers and duties that will better facilitate the sharing of information and allow for further coordination and alignment of inspection schedules. The reforms will also give inspectorates the duty to challenge proposals made by other inspectorates that may represent an unreasonable burden on inspected bodies.

More generally, the Department will be publishing a simplification plan in November 2006. The plan will cover all the work being carried out by the Department to reduce burdens on frontline staff in children's services, schools, and further and higher education institutions. The Department's independent gatekeeping groups will be asked to review and quality assure the plan at each stage of the draft and in advance of publication.

A number of simplification measures have already been delivered:

- The Department will introduce multi-year budgets for schools, supported by a guaranteed funding stream from the Department to local authorities – the Dedicated Schools Grant (DSG). This will mean that schools have more certainty over funding, enabling them to make better long term plans;

- The Learning and Skills Council (LSC) has introduced a robust challenge process for new information demands from colleges and providers, and made some reductions in its management information requirements. Further reductions are planned for 2006/07 and 2007/08;
- The Department is deregulating University governance, and introducing regulations allowing data sharing for bursary administration purposes; and
- The Department is also using Information and Communications Technologies (ICT) more efficiently, for example, incurring cost savings as a result of the new e-strategy, the ICT and Schools programme and managing information across partners (see chapter 9 for further details).

Best Practice Examples

The Department is keen to ensure that where it is possible, policy objectives should be achieved through alternatives to classic regulation. This is how the Department is promoting improvements in the skills base of learners.

In order to implement the second phase of the Skills Strategy, outlined in the White Paper *Skills: Getting on in Business, Getting on at work*, the Government and partners preferred to use a voluntary approach. Legislation was felt to be the wrong approach because it would introduce compulsion on employers (to engage in training and tackle skills gaps) when a large part of the problem lay with the public supply side.

Experience in other countries had also shown that a compulsory approach led to a substantial problem of avoidance behaviour by employers. The voluntary approach, on the other hand, has led to less regulation and unnecessary bureaucracy and is much more flexible, allowing for differences

in sectors and regions and accounting for time factors in implementing change.

Strong collective voluntary action by employers has been promoted as the main way of addressing market failures in training. Sector Skills Agreements, whereby Sector Skills Councils set out the actions needed to achieve the right flow of skills to support higher productivity, are the primary way of achieving this. Under this voluntary approach the Skills Strategy has also remained cost neutral.

Procurement and Partnerships

The Department spends billions of pounds each year through Grant, Grant in Aid and Contracts to deliver government policies. The Department has continued to secure better delivery of policies by the wide range of public, voluntary and commercial sector delivery partners through working more effectively in partnership with these suppliers. The Department has continued to train and develop its purchasers and contract managers and improve the guidance advice and support available to them. The Department's commercial activity is intended to secure improving delivery over time by basing commercial decisions on a sound understanding of supply markets. The Department continues to participate in the Office of Government-led Kelly Programme for Market Development and other commercial initiatives to improve the delivery of policies.

Risk Management

The Department sees risk management as an integral part of good corporate governance and management, contributing to improved performance.

Risk management incorporates all the activities required to identify and control the exposure to risk which may have an impact on objectives. Understanding and making informed decisions

about risk is fundamental to deliver the Department's policies and services effectively.

The Department's approach to effective risk management includes: gaining senior management support; adopting a transparent risk management policy and framework; linking risk management directly to the achievement of objectives; and fully embedding risk management into internal control management processes and organisational culture.

The Department's Risk Management Framework is broken down into five steps: clarify objectives; identify risk; assess risk; address risk; and review and report risk.

This process is built into the Department's business planning, delivery and reporting processes.

Our approach to risk management is reviewed on an ongoing basis to ensure continuous improvement.

Departmental Correspondence

All Whitehall Departments and Agencies have published targets for answering letters. This department's target is to reply to 95 per cent of all correspondence within 15 working days. In 2004-05, replies were sent to 97.32 per cent of letters within deadline.

The Permanent Secretary is required to report to the Cabinet Office twice yearly on the Department's performance against our target. Ministers are also held to account by the Cabinet Secretary.

Members of the public are entitled to complain if they do not receive a reply within 15 working days or if they consider their letters have not been dealt with correctly. In these cases they have the right to ask their Member of Parliament (MP) to raise the matter with the Independent Parliamentary Commissioner for Administration (the Ombudsman). The Ombudsman will review the complaint and how it has been handled.

Publicity and Advertising

The Department uses publicity and advertising as part of an integrated process of communicating key messages to our audiences. This process also involves delivery of messages through stakeholders and via a wide range of other channels which connect effectively with our audiences. Advertising is sometimes the only way to reach an audience directly and even when communication can be made through other channels, advertising can significantly enhance the impact of these complementary elements.

Advertising is not always the solution but it has the biggest impact on a wide audience. Research shows that few audiences automatically accept the validity of a proposition, they require persuasion and our publicity effort has to work really hard to provide this (the Gremlins campaign illustrates this point).

The case for any substantive publicity campaign is based strictly on the specific marketing needs at the time, rather than by simply following the precedent of previous campaigns for the same service or issues. Examples of key campaigns for 2005-06 include:

Student finance – a campaign aimed at potential higher education students and their parents, to raise awareness and understanding of the new financial help arrangements that will apply from October 2006 onwards. The campaign combined national advertising, with an extensive stakeholder communications programme, and was supported by a coalition of partners comprising of the National Union of Students (NUS), Universities UK (UUK), Standing Conference of Principals (SCOP), Association of Colleges (AOC) and the Universities and Colleges Admission Service (UCAS). Evaluation of the campaign indicates significantly high scores for awareness and understanding of these new arrangements as a result.

Teenage pregnancy – an integrated multimedia marketing campaign, including radio, TV, cinema, magazine and online digital advertising as well as key elements of public relations and partnership marketing. The campaign is supported by a website www.ruthinking.co.uk, the Sexwise helpline and a range of supporting stakeholder activities. The campaign was jointly funded and supported by the Department of Health, and the focus this year has been to promote key messages around encouraging young people to delay early sex and to help them to deal with peer pressure to have sex.

Public Accounts Committee

The Public Accounts Committee is the parliamentary committee that examines how well Government has used its resources. In 2005 one Treasury Minute was published replying to reports concerning the Department and its associated bodies (see annex J).

Sponsorship

The Department welcomes the involvement of the private and voluntary sectors in the sponsorship of Government activities where this is appropriate. Many businesses and others already assist education institutions such as schools, universities and further education colleges with sponsorship in cash or kind. In these cases the help and assistance usually goes direct to the institution. Sponsorship is not channelled through the Department and therefore the Department is not aware of the organisations that have been assisted.

Cabinet Office guidelines require the Department to disclose details of sponsorship valued at more than £5,000 which directly contributes to the Department's work. The Department is pleased to acknowledge the sponsorship given in cash or kind during the year by the organisations set out in Annex L.

Further information can be obtained from:

Subject	Contact	Telephone Number	Email address
<i>Better Regulation</i>	<i>Jim Constantinou</i>	<i>020 7925 6498</i>	<i>Jim.Constantinou@dfes.gsi.gov.uk</i>
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<i>Health and Safety</i>	<i>Wendy Furminger</i>	<i>01928 794043</i>	<i>Wendy.Furminger@dfes.gsi.gov.uk</i>
<i>Human Resource Strategy and Professional Skills for Government</i>	<i>Carol Gray</i>	<i>0114 259 1224</i>	<i>Carol.Gray@dfes.gsi.gov.uk</i>
<i>Investors in People</i>	<i>Julie O'Donovan</i>	<i>01928 794356</i>	<i>Julie.O'Donovan@dfes.gsi.gov.uk</i>
<i>Procurement and Partnerships</i>	<i>Jason Skill</i>	<i>0114 259 3367</i>	<i>Jason.Skill@dfes.gsi.gov.uk</i>
<i>Public Accounts Committee</i>	<i>Malcolm Fielding</i>	<i>020 7925 6115</i>	<i>Malcolm.Fielding@dfes.gsi.gov.uk</i>
<i>Publicity and Advertising</i>	<i>Julie Hull</i>	<i>020 7925 5282</i>	<i>Julie.Hull@dfes.gsi.gov.uk</i>
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<i>Risk Management</i>	<i>Mike Pears</i>	<i>020 7925 5160</i>	<i>Michael.Pears@dfes.gsi.gov.uk</i>
<i>Senior Civil Service</i>	<i>Jeremy Blake</i>	<i>020 7273 5459</i>	<i>Jeremy.Blake@dfes.gsi.gov.uk</i>
<i>Sponsorship</i>	<i>Malcolm Fielding</i>	<i>020 7925 6115</i>	<i>Malcolm.Fielding@dfes.gsi.gov.uk</i>
<i>Staffing</i>	<i>Liz Pemberton</i>	<i>0114 259 3609</i>	<i>Liz.Pemberton@dfes.gsi.gov.uk</i>
<i>Staff Survey</i>	<i>Eileen Barker</i>	<i>01928 794220</i>	<i>Eileen.Barker@dfes.gsi.gov.uk</i>
<i>Sustainable Development</i>	<i>Miles Simpson</i>	<i>020 7925 6637</i>	<i>Miles.Simpson@dfes.gsi.gov.uk</i>

CHAPTER 7:

Capability to Deliver – Workforce Reform

Empowered frontline workers and professionals play a key role embedding reform and innovation in children's services, education and training. The workforce needs to be competent and confident in making a difference to the lives of those they support. In addition to further resources to increase frontline capacity, the Department is supporting the development of the workforce through a focus on:

- Training and professional development;
- Effective leadership; and
- Collaboration between professionals and the sharing of best practice.

A series of strategic reforms underpin and join together workforce development in each sector.

Children's Workforce

The Workforce Strategy for Children's Services, developed across Government and in partnership with stakeholders, drives the recruitment and retention of a high quality children's workforce. The Strategy embeds common core qualifications, training and professional development for those who work with children, young people and families through:

- The Common Core of Skills and Knowledge, the prospectus of which was launched in April 2005; and
- The Integrated Qualifications Framework which will create a common core of skills, knowledge and competence across professional boundaries.



Lead Professionals are at the heart of reform of the children's workforce, acting as a single point of trusted contact and driving forward successful multi-agency working. Lead Professionals ensure appropriate support is given to children, young people and their families, whilst reducing overlap and inconsistency between practitioners.

In addition, the Department for Education and Skills and Department of Health have implemented a joint review, Options for Excellence, to report in September 2006 on a vision to develop the social care workforce to 2020, including increasing the supply of qualified social workers, social care workers and foster carers.

For the early years' workforce, the Government's aim is to raise the status of working with pre-school children through:

- The development of a new Early Years Professional role for those leading children's centres and full day care settings; and
- A new £250 million Transformation Fund to improve the qualification levels of both those leading settings and the workforce as a whole.

Employer and employer-focussed organisations are taking a lead role in driving forward the reform, in partnership with the Children's Workforce Development Council, the Children's Workforce Network and the Department.

School Workforce

Teacher numbers have grown by 36,200 since 1997. There are now 435,400 full-time equivalent teachers in the maintained schools sector in England¹ the highest level since 1981. Support staff numbers have also risen with 287,100 full-time equivalent support staff in schools, an increase of 162,800 since 1997, and 152,800 teaching assistants now in schools.²

The National Agreement on Raising Standards and Tackling Workload, signed in January 2003 by Government, employers and the majority of the school workforce unions, drives forward reform to tackle teachers' workload, develop enhanced roles and training and development for support staff, and raise standards of teaching and learning in schools.

All maintained schools have been implementing the National Agreement, including contractual changes for teachers. These include the introduction of a limit of 38 hours a year of cover for absent colleagues that teachers can be expected to provide, and the provision of a guaranteed 10 per cent of timetabled time for Planning, Preparation and Assessment (PPA). Throughout this process of implementation, schools have had support and challenge from the National Remodelling Team, now part of the Training and Development Agency for Schools. The Training and Development Agency for Schools continues to support schools through its extensive network of local remodelling advisers and is working to ensure that all schools have sustainable PPA solutions.

The final phase of changes to teachers' contracts came into force in September 2005 and, along with the other signatories to the National Agreement, the Department is continuing to

provide guidance and training to support schools in implementing the changes.

The Schools White Paper set out the next steps to remodel the schools workforce and develop leadership. This will support higher standards and make a reality of personalised learning, extended services and reform of 14-19 provision. It includes:

- Training and assessing new types of specialist staff;
- Developing new professional standards for teachers, supported by training and mentoring;
- Expanding the Teach First programme;
- Ensuring clearer pathways and better recognition for support staff; and
- Recognising the best head teachers as National Leaders of Education.

The Training and Development Agency for Schools will drive forward workforce modernisation, underpinned by more staff trained in vocational areas; enhanced access to health and welfare staff and other trained specialists; and a growing role for school governors.

Further Education Workforce

Further education offers a diverse range of academic and vocational learning, across a range of ages. The White Paper *Further Education: Raising Skills, Improving Life Chances* published in March 2006 set out the Government's ambition for the workforce of the future.

Success for All

Improving the Quality of Teaching and Learning across the Further Education system

The national teaching and learning change programme is leading to improvements in the quality and effectiveness of teaching and training

1. This figure is based on provisional figures released on 27 April 2006 as part of Statistical First Release 18/2006.

2. This figure is based on provisional figures released on 27 April 2006 as part of Statistical First Release 18/2006.

in priority subject areas. These are business, construction, Entry to Employment and science (which went live in the sector from autumn 2004), followed by health and social care, land based, ICT, mathematics (which went live from October 2005) and work is underway in engineering, modern foreign languages and adult and community learning (ready for autumn 2006).

Each college and provider is asked to nominate a subject learning coach who is offered a place on a national professional training programme in subject coaching skills, as well as membership of a subject coaching network. There is strong engagement by the range of colleges and providers in the further education system, with over 90 per cent of colleges actively involved. Early independent evaluation shows a significant increase in the first four subject areas of an addition 2.8 per cent in success rates over and above matched groups not in the pilots. From April 2006, the Quality Improvement Agency took over the delivery of the programme, which is being extended to cover new subjects.

Initial Teacher Training

Success for All stated that by 2010, only new entrants to further education teaching would not be qualified and they would be expected to achieve appropriate qualifications within two years of entry for full-time staff and four years for part-time staff. *Equipping our Teachers for the Future: Reforming Initial Teacher Training for the Learning and Skills Sector*, published in November 2004, set out the Government's proposals for the future of initial teacher training. Significant funding is being invested in the reforms, the thrust of which is to achieve reformed teacher training courses from September 2007.

The recent Foster report recognised that work to improve initial teacher training is already in hand. To identify and build on excellence in the sector, a network of Centres of Excellence in Teacher

Training (CETTs), designed to improve the quality of initial training and continuing professional development for teachers working for further education colleges or providers of work-based and adult and community learning. The first CETTs will be announced in April 2007 and will become operational in September 2007.

Leadership

Leaders and managers need to have the guidance and support they need to drive forward the changes to the way education is provided. The National College for School Leadership (NCSL) and the Centre for Excellence in Leadership (CEL) will provide support for the successful and effective leadership of 14-19 reform and share their expertise in promoting leadership capabilities, management development and partnership working.

New Commitments in the Further Education White Paper

In response to the comments made by Sir Andrew Foster, the White Paper announced the introduction of a continuing professional development (CPD) requirement for teachers and trainers in further education colleges. Regulations will be introduced to require all teachers and trainers from September 2007 to take at least 30 hours of CPD a year. This will ensure that a professional workforce with up-to-date knowledge and skills, both of subject matter and teaching practice, able to respond to the changing needs of learners and employers will be maintained. A national framework and guidance will be launched to advise on what areas should be covered by CPD and opportunities and methods for development.

Workforce Data

Accurate workforce data is essential in developing thinking and monitoring the effectiveness of all our programmes. The Department is working with

Lifelong Learning UK and other key partners to improve the quality of workforce data across the whole further education sector. From September 2006, Lifelong Learning UK will take lead responsibility for workforce data but will look to external expertise to handle effective data collection. The LSC will cease to have a role in further education workforce data collection after the 2005/06 collection.

New Recruitment Routes

In addition to the initial teacher training and CPD reforms, a number of new initiatives will be introduced to attract more people into the sector:

- Give Something Back – to attract vocational and technical staff to consider teaching in the further education sector as a career to be piloted in spring 2006;
- Make a difference – a new graduate entry programme to be launched in 2007;
- Business Talent – responds to the challenge of Sir Andrew Foster to attract more business leaders in college management; and
- Business Interchange – will support interchange at a regional and national level to help managers understand and contribute to the development of the further education sector.

Higher Education Workforce

Following a sector review of the current arrangements for quality enhancement within higher education, the Higher Education Academy, a sector owned body, was formally launched in October 2004. The Academy will play a major role in enhancing teaching and learning in universities and colleges, facilitating professional development and increasing the professional standing of all staff in higher education. Through the Higher Education Funding Council for England (HEFCE), government is supporting a new Leadership Foundation for

higher education worth £10 million for the first three years.

Excellence in Teaching

Professional Standards

The first ever National Professional Standards Framework for standards in teaching and supporting learning in higher education was launched on 23 February by Universities UK (UUK), the Standing Conference of Principals (SCOP), the Higher Education Academy, and the higher education funding bodies for England, Scotland, Wales and Northern Ireland. This fulfilled a commitment in the 2003 White Paper: *The future of higher education* that standards be established by 2006, and form the basis of institutional development programmes for all new teaching staff.

The Higher Education Academy will accredit the institutional programmes to ensure that they meet the new standards, and from September 2006 all accreditation activities will be aligned with the new framework.

Centres for Excellence in Teaching and Learning

The 74 Centres for Excellence in Teaching and Learning (CETLs), set up from spring 2005 onwards, will promote excellence across all subjects and aspects of teaching and learning in higher education. The funds received by CETLs will be used to recognise and reward excellent teachers and enable institutions to invest in staff, buildings and equipment to support and enhance successful learning in new and challenging ways. The CETLs vary in size and scope. They are well distributed geographically, reach across all the main subject areas and involve many aspects of student learning. A key role of the CETLs will be to disseminate knowledge more widely across the higher education sector.

CHAPTER 8:

Spending to Deliver

The Department is investing unprecedented resources in education, skills and children's services. This chapter and the tables contained within it provide an analysis of Departmental expenditure in resource terms, showing resource consumption and capital investment.

Overall Departmental Spending

Table 8.1 shows spending on programmes which are within the Department's Departmental Expenditure Limit (DEL). In 2005-06 forecast outturn is £30.3 billion. By 2007-08, planned expenditure within the Department's DEL will have risen by £33.3 billion to £63.6 billion. £28.3 billion of this increase is because the money for Local



Government Formula Funding to schools, previously distributed by the Office of the Deputy Prime Minister (ODPM), has been transferred to the Department for Education and Skills in 2006-07. A new Dedicated Schools Grant (DSG) will be used to distribute the funding transferred from ODPM.

Spending on Education

Spending on education in England is set to rise to £64.9 billion in 2007-08. The proportion of gross domestic product (GDP) spent on education will rise to a forecast 5.6 per cent in 2007-08. In 1996-97, the inherited level of GDP spent on education was 4.7 per cent.

Table 8.1: Summary of Resource and Capital Tables, 2000-01 to 2007-08 (£ million)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans ¹	2007-08 plans ¹
Total Spending in Departmental Expenditure Limits (DEL)^{1,2}								
Consumption of resources:								
Support for Children, Young People and Families^{3,4}								
People and Families ^{3,4}	863	1,350	1,983	2,324	2,167	2,560	3,154	3,356
Schools ⁵	4,435	5,425	8,054	9,143	10,151	11,217	38,612	41,245
Further Education, Adult Learning, Skills and Lifelong Learning								
Skills and Lifelong Learning	5,116	6,088	6,772	7,606	7,927	8,574	8,873	9,546
Higher Education	5,898	6,049	6,368	6,809	7,191	7,690	8,499	9,060
Activities to Support all Functions	271	271	247	276	300	301	359	367
Total Department for Education and Skills⁶								
	16,582	19,183	23,424	26,158	27,736	30,342	59,497	63,574
Total Education Spending in England⁷								
	35,922	40,426	43,316	48,616	52,419	56,201	60,838	64,852
of which:								
Local Government Formula Education Spending^{8,9,10}								
	20,458	22,154	21,386	24,006	25,429	26,269	–	–

1. This table only includes figures in DEL and is therefore not directly comparable with annexes A, B and C as they include figures within Annually Managed Expenditure (AME).
2. Includes both resource and capital expenditure.
3. Includes expenditure on Sure Start programmes, early years and childcare.
4. Includes expenditure on the Childrens Fund.
5. From 2006-07 direct funding for schools transfers from Formula Spending Shares (FSS) to the Dedicated Schools Grant and becomes part of the Department for Education and Skills DEL.
6. Total may differ slightly from sum of the individual lines because of rounding errors.
7. Total education spending in England includes the Department for Education and Skills DEL and AME spending on schools, further and higher education (including the student loans resource budget charge), plus New Deal for Schools capital, the Childrens Fund and Sure Start. It also includes local government formula spending on education. The methodology used to derive projected spending in 2006/07 and 2007/08 is based on Formula Spending Share (FSS) assumptions for local government funding in these years. In future years, this methodology will be amended to reflect the ending of the FSS system for determining local government allocations.
8. These figures are not comparable with the local authority recurrent spending in table 8.3.
9. The figures from 2003-04 onwards reflect the transfer of responsibility from the Department for Education and Skills to local authorities of costs relating to pensions and nursery education.
10. In 2003-04, FSS replaced Standard Spending Assessment (SSAs). FSS figures reflect the level of actual spending by councils and which tended to be higher than the level of government provision. Figures for 2003-04 and subsequent years are therefore not comparable with previous years.

Spending by Function

Table 8.2 provides a more detailed breakdown of departmental expenditure. Spending on schools, children, young people and families, further education, skills and lifelong learning and on higher education all rise in 2006-07 and in 2007-08.

Table 8.2 shows that:

- There has been an increased emphasis on capital investment in education and skills.

Investment in school buildings will rise from £1.6 billion in 2000-01 to £4.3 billion in 2007-08 with another £1.3 billion coming through PFI. Much of this investment is to go towards renewing the school stock and creating extended school facilities. In addition, there are substantial capital investment programmes associated with ICT, Academies and Specialist Schools (see chapter 9 for further details);

- In 2005-06 approximately half of the money to support children, young people and families

went to Sure Start (see chapters 3 and 9 for further information). Spending on Sure Start has risen from £368 million in 2000-01 to £1.8 billion in 2007-08, a fivefold increase. Also in 2005-06, £450 million was spent on funding Connexions and £171 million on the Childrens Fund;

- £7.9 billion of programmes for further education for 16-19 and adult further education, work-based learning and apprenticeships and further education college capital investment were delivered through the Learning and Skills Council (LSC) in 2005-06 – the department’s largest non-departmental public body (NDPB). This will grow to £8.6 billion by 2007-08. The LSC is also responsible for administering £1.8 billion of funding for school sixth forms. (£1.9 billion in 2007-08);

- Most higher education expenditure goes through the Higher Education Funding Council for England (HEFCE). In 2005-06, HEFCE spent approximately £6.2 billion. Of this approximately £4.3 billion was recurrent funding for student places in higher education. Another £1.2 billion was for funding for research through the HEFCE research grant and the remainder for capital investment aimed at improving the higher education estate. HEFCE funding is set to increase to £6.9 billion by 2007-08; and
- The remainder of higher education funding is for student support and the Student Loan RAB charge. £930 million and £560 million respectively in 2005-06.

Table 8.2: Detailed Breakdown of Expenditure by Function within Departmental Expenditure Limit, 2000-01 to 2007-08 (£ million)¹

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans ¹	2007-08 plans ¹
Schools	4,435	5,425	8,054	9,143	10,151	11,217	38,612	41,245
of which:								
Investment in School Buildings ²	1,632	1,679	2,113	2,689	3,082	3,284	3,897	4,322
of which:								
<i>Voluntary Aided Schools</i>	116	182	306	493	564	645	611	645
<i>Capital Grants within Standards Fund</i>	274	622	995	1,188	1,263	1,294	1,326	1,704
<i>Credit Approvals</i>	540	559	812	1,000	1,198	1,323	1,033	1,032
<i>Building Schools for the Future</i>					57	22	927	941
<i>New Deal for Schools</i>	702	316						
Dedicated Schools Grant ³							26,546	28,276
Other Standards Funds	1,319	1,413	1,760	1,442	1,638	1,911	1,903	2,041
School Standard Grant		683	668	847	928	930	1,232	1,427
Schools Sixth Form Funding (through Learning and Skills Council)			1,399	1,525	1,655	1,783	1,829	1,906
ICT	109	156	308	395	408	443	558	618
Modernising the Teaching Profession	674	995	1,158	1,427	1,607	1,781	1,781	1,739
Academies and Specialist Schools	73	102	225	405	624	829	707	781
Support for School Meals						60	80	80
Other miscellaneous programmes	549	363	413	413	209	196	79	55

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans ¹	2007-08 plans ¹
Higher Education	5,898	6,049	6,368	6,809	7,191	7,690	8,499	9,060
of which:								
Higher Education Funding								
Council for England, etc	4,273	4,563	4,916	5,316	5,639	6,172	6,536	6,853
Student Loans RAB Charge ⁴	795	733	716	785	741	562	595	613
Student Fee Loans RAB Charge							150	371
Student Support Grants	671	581	572	575	661	797	881	979
Access Funds and Bursaries	87	88	97	98	78	72	64	56
Student Support Admin	31	32	50	53	51	58	52	52
Other miscellaneous programmes	41	52	17	-18	21	29	221	136
Support for Children, Young People and Families	863	1,350	1,983	2,324	2,167	2,560	3,154	3,356
of which:								
Sure Start ⁵	368	467	680	721	928	1,289	1,706	1,835
Childrens Fund		37	140	262	222	171	190	190
Parenting and Families	25	29	22	16	45	57	77	69
CAFCASS		77	85	93	107	101	101	101
Connexions Service ⁶	12	319	428	489	472	450	516	476
Other Youth Activities	17	43	66	51	72	83	89	87
Childrens Services ⁷	138	322	487	594	213	254	263	212
Local Area Agreements							60	
Special Educational Needs/Disabilities	25	38	37	30	50	44	123	318
Information Sharing Projects							5	15
Workforce Development					19	26	27	12
Other miscellaneous programmes	278	18	35	67	39	25	57	41
Further Education, Adult Learning, Skills and Lifelong Learning	5,116	6,088	6,772	7,606	7,927	8,574	8,873	9,546
of which:								
Further Education ⁸	3,632							
Work-Based Training for Young People ⁸	837							
TEC Strategy Budget ⁸	116							
Learning and Skills Council (excl Sixth Form Funding)		5,391	6,076	7,057	7,299	7,949	8,126	8,574
Adult Education and Skills Strategy	213	241	245	169	177	186	197	207
Employer Training Pilots and Train to Gain Programme ⁹			3	1			30	45
Adult Learning Inspectorate	10	19	25	28	27	22	18	18
Career Development Loans	16	14	14	14	16	2	2	2
14-19 Development				11	13	20	133	238
Union Learning Fund	4	6	7	2	2	2	3	14
Education Qualifications	85	101	94	100	135	154	116	107

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans ¹	2007-08 plans ¹
Ufi Learndirect ¹⁰	58	57	50	45	13			
Offenders' Learning and Skills		57	70	114	119	111	57	32
Post 16 Standards	9	13	13	21	55	72	95	162
Other miscellaneous programmes	136	189	178	42	70	56	96	147
Activities to Support all Functions	271	271	247	276	300	301	359	367
of which:								
Research and Publicity	25	22	29	34	35	34	36	36
Reserve						15	74	89
Administration Costs	246	249	216	241	263	250	248	241
Other miscellaneous programmes	0	0	1	2	2	2	1	1
Total Department for Education and Skills DEL	16,582	19,183	23,424	26,158	27,736	30,342	59,497	63,574

1. The 2006-07 and 2007-08 figures exclude planned additional expenditure that will be funded from previous years' underspends.
2. Figures do not include Public Finance Initiative Credit Approvals as only DEL is shown.
3. From 2006-07 schools budget expenditure is funded through the Dedicated Schools Grant.
4. The Student Loans RAB Charge estimates the future cost to government of subsidising and writing off the student loans issued in that year: it does not represent the amount of cash lent to students, which has risen each year since the introduction of student loans. During 2004-05, forecast models used in predicting the Student Loans RAB charge were updated, resulting in a £252m credit adjustment to the amounts previously set aside on the Department's balance sheet to meet the expected future costs of student loans. This adjustment reduced DEL Student Loans RAB Charge expenditure in the 2004-05 Resource Accounts but is not included in the table: the 2004-05 outturn figure shown is the amount set aside for loans issued to students during that year. From 2005-06, the Student Loans RAB Charge outturn is predicted to fall as a result of the change in the discount rate from 3.5% to 2.2%.
5. From 2003-04, the funding for Childcare and Nursery Education has been merged with that for Sure Start.
6. From 2001-02 the activities of the Careers Service were taken over by the Connexions Service.
7. In 2004-05, the Quality Protects and Care Leavers components of the Children's Services Grant ended and amounts rolled into formula spending.
8. Funding from April 2001 became the responsibility of the Learning and Skills Council.
9. The figures for 2004-05 and 2005-06 do not include expenditure by the LSC. 2006-07 and 2007-08 figures include the additional contribution towards the costs of the National Employer Training Programme to be accommodated within the overall resources available to the FE sector.
10. The figure for 2004-05 excludes expenditure incurred by the Learning and Skills Council.

Local Authority Expenditure

Table 8.3 provides a breakdown of local authority expenditure on education. In 2005-06, local authorities spent an estimated £37.3 billion on

education, an increase of £12.1 billion since 2000-01. The vast majority of local authority funding goes to schools or to provide local authority support services for schools.

Table 8.3: Local Authority Expenditure¹ on Education, 2000-01 to 2005-06 (£ million)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 provisional outturn	2005-06 estimated outturn
Current Expenditure²						
Schools	22,321	24,887	26,280	29,397	31,213	32,916
Under Fives ³	2,233	2,698	2,757	3,040	3,275	3,443
Primary ⁴	7,496	8,298	8,957	9,752	10,144	10,617
Secondary ^{4,5}	8,999	10,172	10,881	12,346	13,201	13,900
Special ⁴	1,251	1,373	1,450	1,649	1,741	1,861
Meals	336	331	342	354	379	375
Transport	587	613	716	793	820	1,004
Non-maintained School Fees ⁶	277	312	309	344	376	423
Teacher Development ^{2,7}	106	73	17	22	24	24
Pupil Support	39	37	23	28	45	45
Other Support Services ^{2,8}	997	981	828	1,069	1,209	1,224
Youth Community and Admin						
Adult and Community Learning ⁹	209	141	251	80	97	111
Youth Service	272	288	316	350	379	402
Other Community Services	61	62	41	30	29	26
Central Administration ^{2,10}	366	389	563	564	629	635
Total Current Expenditure	23,229	25,766	27,452	30,421	32,347	34,090
Specific Grants outside AEF ¹¹						
Adult Education funded by LSC ¹²	77	153	165	201	213	233
Receipts from HEFCE ¹³	12	12	#	#	#	#
HE Student Support ¹⁴	318	127	81	61	20	0
Total Current Expenditure incl Grants outside AEF	23,635	26,059	27,698	30,683	32,581	34,323
Capital Spending¹⁵						
Gross Capital Spending on Education (excl New Deal for Schools) ¹⁶	1,016	1,746	2,287	2,780	3,087	3,398
Local Authority Receipts	-119	-146	-233	-221	-210	-389
Total Net Capital Spending	897	1,600	2,054	2,559	2,877	3,009
New Deal for Schools	702	316	0	0	0	0
Total Net Authority Capital Spending	1,599	1,916	2,054	2,559	2,877	3,009
Total Local Authority Expenditure	25,234	27,975	29,752	33,242	35,457	37,332

Sources: Section 52 Outturn statements to the Department for Education and Skills and Capital Outturn Returns (COR) to the Office of the Deputy Prime Minister.

1. This covers expenditure funded from revenue raised locally through Council Tax and from central government support such as Revenue Support Grant and grants from the Department to local authorities.
2. The introduction of Consistent Financial Reporting (CFR) in schools in 2002-03 led to a review of the Section 52 categories. As a result the figures in some lines are not reported on a consistent basis with earlier years. This applies in particular to teacher development, other support services and central administration. The 2004-05 figures are provisional and are subject to change.
3. Includes expenditure on under-fives in nursery schools, in primary schools and in the private, voluntary and independent sectors.
4. Figures from 2003-04 onwards reflect the transfer of responsibility from the Department for Education and Skills to local authorities of costs relating to teachers' pensions.
5. Includes from 2002-03 onwards, for comparative purposes, expenditure funded by the Learning and Skills Council (LSC) grant outside Aggregate External Finance (AEF) to school sixth forms.
6. Mainly for pupils with special educational needs (SEN). Excludes expenditure on under-fives in the private, voluntary and independent sectors.
7. Following the introduction of CFR in 2002-03, expenditure on teacher development met by schools is no longer recorded separately.
8. Includes services such as the assessment of pupils with SEN, improvement in school standards management of the Local Authority's capital programme, the planning and supply of school places and the Educational Welfare Service.
9. Adult Education and Education Maintenance Allowances (EMA). The figures exclude EMAs from 2003-04 following the reclassification from DEL to AME. See note 12 regarding Adult Education funded by the LSC.
10. From 2002-03, this includes some expenditure previously reported under Other support services.
11. Grants outside AEF are funded almost wholly by central government.
12. Includes Adult Education funded by LSC.
13. Expenditure funded by receipts from the Higher Education Funding Council for England (HEFCE) in respect of prescribed courses of higher education in Local Authority institutions. Expenditure data from 2002-03 onwards are not available. However, expenditure is estimated to be some £20 million to £30 million each year from 2002-03 to 2005-06.
14. Includes expenditure by Welsh local authorities. Student support payments were made by the Student Loans Company (SLC) from 2004-05 onwards.
15. Includes expenditure from the education component of the Urban and Regeneration Programme.
16. Gross education capital spending includes schools, youth and other education services.

Schools Funding

New school funding arrangements have been introduced from April 2006. Schools now receive their funding through a ring fenced Dedicated Schools Grant (DSG). They have also received multi-year budgets for 2006-07 and 2007-08, and there has been a rationalisation of standards-related grants.

These developments will guarantee delivery of the Government's commitment to increase spending on schools in every local authority area; provide schools with the tools to take a strategic approach to their financial planning; reduce bureaucracy; and ensure stability of funding for schools.

All schools will receive a minimum increase in their funding per pupil for the next two years: for 2006-07, for secondary and special schools this will be 3.4 per cent per pupil and for nursery and primary schools, four per cent per pupil; in 2007-08 the minimum increase will be the same for all schools, at 3.7 per cent per pupil. As in previous years, the majority of schools are expected to receive increases above the level of the minimum guarantee.

The overall level of the DSG will increase by 6.4 per cent in cash terms in 2006-07, over the baseline of local authorities' budgeted expenditure on schools in 2005-06, and by a further six per cent in 2007-08. The final size of the DSG will depend on pupil numbers for the relevant year. The indicative amount for 2006-07 announced on 7th December 2005 was £26.6 billion.

Within this overall increase, every authority will receive an initial basic increase of five per cent per pupil in both 2006-07 and 2007-08.

Beyond this basic increase, the remaining available increase in DSG in 2006-07 and 2007-08 will be distributed to support the following priorities: personalised learning, including extended opportunities outside the school day, at Key Stage 3 and also in primary schools; provision of more practical learning opportunities for pupils aged 14-16 to maintain their engagement in learning; meeting the full year cost of implementing guaranteed planning, preparation and assessment time in primary schools from September 2005; increasing the entitlement to free early years provision from 33 to 38 weeks announced in

Choice for parents, the best start for children: a ten year strategy for childcare; and additional funding for authorities whose spending on schools was below the level of their Schools Formula Spending Share (SFSS) in 2005-06. In addition, to protect authorities with rapidly falling rolls, the Department will ensure that every authority receives a cash increase in DSG of at least four per cent in each year.

Each local authority's final allocation of DSG will depend on their guaranteed unit of funding, announced on 7 December 2005, and calculated using projected pupil numbers and formulae to distribute each of the amounts for ministerial priorities. Final allocations of the DSG for 2006-07 will depend on actual pupil numbers as at January

2006 and an authority's guaranteed level of funding, and will be determined by May 2006.

A number of currently separate grants will be brought together into the School Development Grant to reduce the number of different funding streams going to schools, and enable them to use these resources more flexibly. The funding for the School development Grant will be increased by 3.4 per cent per pupil in 2006-07 and by 3.7 per cent in 2007-08, in line with the minimum funding guarantee for secondary schools.

Table 8.4 shows revenue funding per pupil. Between 1999-2000 and 2005-06 real terms revenue funding has increased by £1,130 per pupil (36 per cent). By the end of the period to 2007-08, funding per pupil will be £1,470 higher in real terms than in 1999-2000.

denotes figures not available.

Table 8.4: Revenue Funding per School Pupil^{1,2,3,4,6} (excluding Teacher Pension transfers⁵), 1999-2000 to 2007-08

	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 actual	2005-06 plans	2006-07 plans	2007-08 plans
Funding per pupil									
Real Terms ⁷ (£)	3,120	3,390	3,550	3,680	3,870	4,020	4,250	4,390	4,590
Real Terms year-on-year change		270	160	130	190	150	230	140	200

1. Figures rounded to nearest £10.

2. Funding consistent with Education Standard Spending/Education Formula Spending and Dedicated Schools Grant from 2006-07 plus all schools-related revenue grants in the Department's DEL which are relevant to pupils aged 3-19. Funding excludes Childcare and Sure Start.

3. Calculations are based on full-time equivalent pupils aged 3-19 in England taken from the PLASC dataset as at January 2006, Form 8B and Early Years census. This includes estimated numbers of three-year-olds funded through state support in maintained and other educational establishments

4. Includes funding for Academies and Specialist schools but excludes City Technology Colleges.

5. Pension transfers to Education Formula Spending and the Learning and Skills Council have been deducted from 2003-04 onwards, with notional transfers for the final two years.

6. The funding series above excludes capital funding and is different from the per pupil funding series set out in the March 2006 Budget. The March 2006 Budget funding series was calculated on a total of revenue and capital funding, using full-time equivalent pupils aged 3-19 in maintained schools from the PLASC dataset. It also used 2005-06, rather than 2004-05, as its base year. On the basis of Budget 2006, total capital spend per pupil in real terms (all figures in 2005-06 prices) will be £750 in 2005-06 and £830 in 2007-08 and total spend per pupil in real terms will be £5,000 in 2005-06 and £5,500 in 2007-08.

7. Real terms figures have been calculated using the March 2006 GDP deflators with 2004-05 as the base year.

Further Education

Planned participation funding for further education allocated to the Learning and Skills Council (LSC) is £4,872 million in 2005-06, £4,949 million in 2006-07 and £5,102 million in 2007-08, representing a 4.7 per cent cash increase over the period. This is in line with Priorities for Success, the LSC's funding strategy for 2006-07 and 2007-08, which outlined how resources will be redeployed to focus government funding for participation on key national priorities. Planned levels of participation, also outlined in Priorities for Success, are set out in table 8.5.

Table 8.5: Headcount Volumes (000s)

	2005/06	2006/07	2007/08
Total Headcounts¹	3,995	3,834	3,579
of which:			
Youth	739	758	770
Adult	3,256	3,076	2,809

Source: DFES estimates and projections based on LSC individualised learner record (ILR).

1. Total headcounts excludes Ufi and further education in higher education institutions.

Alongside planned further education participation funding earmarked for colleges, the LSC also records total funding received by colleges for previous years. The total amounts allocated to colleges by the LSC between 2001-02 and 2004-05 are set out in table 8.6. This includes funding for further education participation, other types of participation (including for work-based provision), raising standards, capacity building and capital, and shows that total college income from public funding increased by almost £1 billion between 2001-02 and 2004-05. In future years, colleges will continue to have access to funding outside planned further education participation funding, for example participation funding through the Train to Gain programme, which will rise to £467 million in 2007-08.

Table 8.6: Total Amounts Allocated to Colleges¹ by the Learning and Skills Council (£ million)

	2001-02	2002-03	2003-04	2004-05
Total funding provided to colleges¹	£4,102	£4,400	£4,788	£5,081

1. Colleges refers to general further education colleges, specialist colleges (including agricultural and art and design colleges), external institutions and higher education institutions delivering further education, but excludes work-based learning providers and school sixth form colleges.

Table 8.7 sets out the unit of funding per full-time equivalent student in further education between 2001-02 and 2007-08, based on further education participation budgets. Real terms variations in the unit of funding are influenced by a range of factors which are difficult to predict, including fluctuations in full-time equivalent student volumes and the timing of when funding is brought to account. The increase in unit funding between 2001-02 and 2003-04 reflects the consolidation of previously ring-fenced funds for pay and staff training into core participation funding, alongside the *Success for All* strategy, and an increase in the number of adults taking short courses.

The unit funding series shows a break in 2003-04 to reflect improved data available through the LSC Individualised Learner Record. The unit of funding increases are broadly in line with inflation between 2005-06 and 2007-08. These figures do not include fee income from learners and employers which is expected to increase over the period.

The Department will review the presentation of funding per full-time equivalent students in further education in future Departmental Reports to reflect the changes to funding outlined in the Government's White Paper *Further Education: Raising Skills. Improving Life Chances* published in March 2006. These changes include rising fee contributions from individuals and employers outside national entitlement groups, and increasing the amount of government funding routed through demand-led mechanisms including learner accounts and the Train to Gain programme.

Table 8.7: Funding per Full-Time Equivalent Student¹ in Further Education, 2001-02 to 2007-08

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	actual	actual	actual ³	provisional ⁶	plans ⁷	plans ⁷	plans ⁷
Funding per full-time equivalent student¹							
Funding for participation (£) ^{2,5,8}	3,810	3,940	4,360				
			4,310	4,320	4,890	4,970	5,160
Real Terms Index ⁴	100	100	108				
			100	98	109	108	109

Source: Learning and Skills Council's individualised learner record (ILR) and DfES estimates and projections. Expenditure figures are consistent with LSC accounts and LSC plans.

1. Full-time equivalent (FTE) students funded by the LSC in further education sector colleges, external institutions, specialist designated institutions, dance and drama institutions or higher education institutions.
2. Rounded to the nearest £10.
3. A break in the series is shown in 2003-04. This follows a change in the method of measurement, meaning that learners leaving between October and November are now captured by the data source, resulting in a larger estimate of full-time equivalents.
4. The real terms funding index has been based with 2001-02 as 100, and rebased in 2003-04 as 100 due to the break in the series, and has been calculated using March 2006 GDP deflators.
5. Unit funding figures for 2001-02 to 2003-04 are based on actual expenditure by the LSC and actual full-time equivalent volumes.
6. The provisional unit funding figures in 2004-05 are based on outturn expenditure in 2004-05. This is divided by the estimates of full-time equivalent students for the 2004-05 financial year using actual full-time equivalents in 2003/04 academic year and planned full-time equivalents in the 2004/05 academic year.
7. The planned participation funding figures are consistent with the 2005/06 Grant Letter and Priorities for Success.
8. Total participation funding includes: Teachers' Pension Scheme (TPS), Teacher Pay Initiative (TPI) and some Standards Fund resources, which were consolidated in 2003-04; and LSC funding for learners with learning difficulties and disabilities which has historically been included in participation funding. Total participation funding does not include Ufl/learnirect or Personal Community Development Learning/Adult Community Learning.

Higher Education

The Government is delivering on its target to increase participation in higher education towards 50 per cent of people aged 18-30. To support that commitment, publicly planned funding for higher education in 2005-06 was £7.7 billion, an increase of around £500 million above 2004-05 funding levels. There will be a further planned increase

of £800 million in 2006-07 so that publicly planned funding in that year is £8.5 billion. This increase will mean that even with the continued expansion of student numbers, funding per student for teaching will be maintained in real terms in 2006-07, the first year that institutions will benefit from the additional income from variable tuition fees.

Table 8.8: Funding per Full-Time Equivalent Student in Higher Education^{1,2} 2001-02 to 2007-08

	2001-02	2002-03	2003-04	2004-05	2005-06 ¹⁰	2006-07	2007-08
Total funding per planned student^{3,4}							
Real Terms (£)	5,400	5,400	5,500	5,530	5,670		
Real-Terms Index ⁵	100	100	102	102	105		
Funding per planned student^{6,7}							
Real Terms (£) ⁸					4,820	4,880	4,910
Real-Terms Index ⁹					100	101	102

1. There are two series of unit funding figures to reflect the changes in higher education funding that will occur after 2005-06 when tuition fees for full-time undergraduates will no longer be regulated as now and to demonstrate that, in addition to fee income, Department for Education and Skills grant per student for institutions will be maintained in real terms.
2. All figures are at 2004-05 prices, rounded to the nearest £10, and consistent with the plans set out in the Annual Grant Letter to the Higher Education Funding Council for England (HEFCE).
3. Total funding means all Department for Education and Skills revenue grants to support higher education in higher education institutions (HEIs), further education colleges (FECs) and the Training Development Agency, and public and private contributions towards the cost of regulated tuition fees for full-time undergraduates.

4. The planned student numbers used in the total funding series are taken from a snapshot count and cover students of Home and EU domiciles studying at HEIs and FECs in England.
5. The Real-Terms Index for this series has been based with 2001-02 set as 100 and using the March 2006 GDP deflators.
6. Funding covers the same grants as total funding but excludes income from tuition fees. From 2006-07 institutions will have discretion to set fees ranging from £0 to £3,000 depending on student demand.
7. The planned student numbers used in the funding series are taken from a whole-year count which replaces the previous snapshot count method because it is more accurate.
8. Figures are higher than those published in last year's Departmental Report as they take into account revised planned student numbers as published in the January 2006 Grant Letter to the Higher Education Funding Council for England.
9. Real Terms index has been based with 2005-06 set as 100 and using the March 2006 GDP deflators.
10. In 2005-06, the difference between the two series is due to two factors- (a) excluding tuition fee income which accounts for about £700 (the difference is less than the standard fee as figures are on an full-time equivalent basis); and (b) the move to the whole-year count method which accounts for the residual.

Non-Departmental Public Bodies

Table 8.9 shows the administration costs of non-departmental public bodies (NDPBs).

Table 8.9: Administration Costs of Non-Departmental Public Bodies, 2003-04 to 2005-06 (£ million)

	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn
Adult Learning Inspectorate (ALI)	26.63	27.73	26.81
British Educational Communications and Technology Agency (Becta)	11.85	15.46	10.56
Children and Family Court Advisory and Support Service (CAFCASS)	96.51	105.30	100.23
Higher Education Funding Council for England (HEFCE)	17.50	18.30	18.01
Investors in People (IIP UK)	6.44	3.33	2.50
Learning and Skills Council (LSC)	234.29	214.58	227.63
National College for School Leadership (NCSL)	11.90	17.67	10.11
Office of the Children's Commissioner (OCC) ¹	–	–	1.65
Office for Fair Access (OFFA) ²	–	0.41	0.50
Partnership for Schools (PFS) ²	–	7.67	9.65
Qualifications and Curriculum Authority (QCA)	38.03	41.14	50.96
Sector Skills Development Agency (SSDA)	4.69	6.02	6.31
Student Loans Company (SLC) ³	52.60	51.02	54.01
Training and Development Agency (TDA) ⁴	13.35	14.48	20.66

1. The Office of the Children's Commissioner (OCC) was set up in 2005-06.

2. The Office for Fair Access (OFFA) and Partnership for Schools (PFS) were set up in 2004-05.

3. The Student Loans Company (SLC) administration figures are for the whole of the UK and include contributions from Scotland and Northern Ireland.

4. The Training and Development Agency (TDA) for Schools was previously known as the Teacher Training Agency (TTA).

Further information can be obtained from:

Subject	Contact	Telephone Number	Email address
Departmental and Directorate Expenditure	Andrew Charlesworth-May	020 7925 5221	Andrew.Charlesworth-May@dfes.gsi.gov.uk
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FE Funding	Adam Micklethwaite	0114 259 1035	Adam.Micklethwaite@dfes.gsi.gov.uk
HE Funding	Lewis Couch	020 7925 6559	Lewis.Couch@dfes.gsi.gov.uk
NDPB Funding	Nigel Higgins	01928 794721	Nigel.Higgins@dfes.gsi.gov.uk

CHAPTER 9:

Investing to Deliver



The Government is continuing to make substantial investment in the learning environments of children and adults, and in new ways of delivering their learning. This investment is key to driving forward the Department's strategic objectives and achieving its Public Service Agreement (PSA) targets.

The Department's *Five Year Strategy for Children and Learners* is clear that capital investment enables better learning and teaching, improved services for children and an environment in which information and communications technology (ICT) can be fully exploited.

The Department works with a range of partners, including local authorities (LAs) and non-departmental public bodies (NDPBs), who play an important role in delivering investment. School and college managers have considerable freedom to manage their own budgets and the Department works strategically with them to ensure value for money is achieved.

The *Departmental Investment Strategy* (DIS) covering the period 2005-06 to 2007-08 has a number of themes which underpin Departmental investment:

- Modernisation – to allow institutions to deliver learning in the 21st Century;
- Personalisation – to deliver choice and investment in learning environments that are tailored to meet the needs of individual pupils and learners; and

- Multiple use – where buildings and their facilities will be designed to support different types of provision and services to local communities.

Details of the Department's capital spending for the period 2000-01 to 2005-06 and plans for 2006-07 and 2007-08 are set out in annex C.

Annex D sets out how the capital expenditure has been employed by the Department and its NDPBs from 2000-01 to 2005-06, with forecast balance sheets for 2006-07 and 2007-08 based on investment plans.

Sure Start, Early Education and Childcare

Choice for parents, the best start for children: a ten year strategy for childcare, sets out a range of commitments to meet the Government's ambition to deliver universal affordable childcare for 3- to 14-year-olds, extended schools services in all schools and a Sure Start Children's Centre for every community (see chapter 3 for details of policy for extended schools and Children's Centres).

Over £1 billion of capital funding has been invested to develop the infrastructure of early years provision since 1997, particularly in areas of disadvantage. Over the next couple of years the Government plans to invest over £800 million of capital funding in childcare and services for the youngest children, in order to create new buildings and refurbish and extend existing premises.

Much of this investment is in Sure Start Children's Centres and more than 800 of these were open

by the end of March 2006. Children's Centres are at the heart of the *Every Child Matters: Change for Children* programme, offering a range of services including childcare integrated with early education, health and family and parenting support.

All 524 Sure Start Local Programmes deliver a range of childcare, health and family support services in areas of disadvantage, with over £500 million of capital spending committed to date. Much of this investment so far has created purpose-built premises to support the delivery of high-quality integrated services.

The additional capital and revenue funding resulting from the 2004 Spending Review and the 2004 *Pre-Budget Report* (PBR) means total spending on Sure Start will reach £1.8 billion by 2007-08, more than double the figure in 2004-05. This is to enable the Children's Centre network to grow to 2,500 by 2008, covering all of the 30 per cent most disadvantaged areas, many pockets of deprivation including rural areas, and a number of centres in the rest of England. By 2010, 3,500 centres will ensure that young children and families in every community will have access to a Children's Centre.

Over £140 million of capital funding is available from the 2004 Spending Review to support the delivery of the core offer of extended services including the entitlement by 2008, that at least half of all parents of 5- to 11-year-olds will be able to access childcare through their child's school on weekdays, from 8am to 6pm, all year round. By 2010, all parents will have access to childcare through extended schools.

For children aged 11 to 14, the Department will ensure that by 2008 a third of all secondary schools will be extended schools, open from 8am to 6pm offering activities for children both in the school and the surrounding area. By 2010, all secondary schools will be open on weekdays between 8am and 6pm, all year round, offering a range of

activities such as music and sport (see chapter 3 for further details of extended schools services).

Schools

Record investment is being made in school buildings and infrastructure with support for capital investment rising from £5.6 billion in 2005-06 to £6.4 billion by 2007-08.

This unprecedented investment will improve the condition, suitability and sufficiency of the nation's schools. The Department seeks to provide a balance of programmes that enable schools, local authorities (LAs), dioceses and others to invest to best effect for children and learners. These include:

- Devolved programmes, which go direct to every school, LA and diocese for priorities which are decided mainly locally;
- Strategic programmes, to deliver long-term national priorities for renewing the schools estate; and
- Targeted programmes, which focus on projects which are too large for the devolved programmes and too urgent to wait for the strategic programmes.

Through Devolved Formula Capital, by 2007-08, a typical primary school of 250 pupils will receive £34,000 to spend according to its needs on buildings or ICT. In the same period, a typical secondary school of 1,000 pupils will receive £113,000. In addition, by 2007-08 over £2 billion will be available across every LA, diocese and school for local priorities (for example, to support Modernisation Basic Need or School Access programmes).

Building Schools for the Future (BSF), a programme of rebuilding and renewal, will ensure that secondary education in every part of England has facilities of 21st Century standard. The aim of BSF is to deliver this goal successfully for every secondary pupil in 15 waves from 2005-06, subject to future public spending decisions.

By expanding the number of Academies, the Department continues to address the renewal of the secondary school estate. Academies are publicly funded independent schools, offering a broad and balanced curriculum with a specialist focus in one or more areas. Through the *Five Year Strategy for Children and Learners*, the Department committed that 200 Academies would be open or in the pipeline by 2010. In March 2006, the Department announced it had reached the half-way point towards this target, with 27 Academies currently open and another 73 in development.

The planned Academies budget for 2006-07 and 2007-08 is £55 million higher than previously reported as a result of reviews of priorities within the schools capital programme.

The resources put into BSF, Academies and part of the revised Targeted Capital Fund (together around £2.9 billion in 2007-08) will mean:

- New projects underway or beginning in over a quarter of all local authorities by 2007-08;
- An ambition that by 2011 projects will have begun in every LA in the country and that around 60 per cent of all authorities will have major rebuilding projects (at least three secondary schools) underway. All the others will have resources to tackle their secondary schools in greatest need (at least one school). The first 13 local authorities have now begun their BSF one school pathfinder projects;
- By 2016, major rebuilding and remodelling projects (at least three schools) will have started in every authority; and
- In fifteen waves from 2005-06, every school which needs it will be replaced or upgraded as part of the Department's schools capital programmes.

In addition to this massive investment in secondary schools, Budget 2005 announced a major new long term investment in primary schools. Consultation

on proposals for this programme was launched in spring 2006. The vision is that over the next 15 years, at least 50 per cent of primary schools will receive significant investment to enable them to improve standards of education, contribute to the *Every Child Matters* agenda, and to become hubs of local community services.

The Government recognises that significant extra capital investment comes from LAs, voluntary aided and specialist schools, local communities, academy sponsors, private developers and from other government and European bodies. This is vital in enabling more work to be done in the nation's schools, particularly with extended school facilities for the benefit of the whole community.

Taken together, the Department's support for capital investment in schools means:

- More resources for every school to spend on its own priorities at its discretion;
- Further money for every part of England to meet local priorities and needs; and
- Planned rebuilding or remodelling of every secondary school, starting with those that need it most.

Information and Communications Technology (ICT) Capital Investment in Schools

Harnessing Technology: Transforming Learning and Children's Services (Harnessing Technology), published on 15 March 2005, sets out the Government's strategy for the development of ICT in education, skills and children's services.

The Department is focussing on four transformational themes:

- Personalised content – designing learning around the learner and genuinely tailoring content to each learner's needs. The Government's ambition is that every school learner has a personalised online learning space with an e-portfolio;

- Knowledge architecture – developing the potential for successful collaboration. The British Educational Communications and Technology Agency (Becta) is leading on the development of a national digital infrastructure to integrate learning, data, connectivity and infrastructure services underpinned by national specifications and standards;
- Strategic technology provision – minimising disruption and administrative burdens in schools so they can focus on teaching and learning; and
- E-maturity – enabling each school to determine how to move to the next level of technological development and understand what help is available to get there.

Supporting Young People, Further Education and Wider Post-16 Learning

Further Education

Investing in the facilities required to deliver high-quality, responsive education and training is vital to achieving the ambition set out in the White Paper *Further Education: Raising Skills, Improving Life Chances* published in March 2006. The White paper sets out the reform required to ensure the further education system is the powerhouse for delivering the skills needed to sustain an advanced, competitive economy and make us a fairer society (see chapter 3 for further details of further education policy). *Realising the Potential*, Sir Andrew Foster's review of the future role of further education colleges published in November 2005, recognised that the current condition of premises and equipment affects the performance and reputation of the sector, with too many learners still studying in poor surroundings. The Department is addressing these issues through its investment.

The further education capital programme, administered by the Learning and Skills Council (LSC), is beginning to address the legacy of underinvestment in colleges to ensure the sector can offer world-class training in modern buildings with leading edge equipment. Since 2001, nearly £1 billion of grants have been approved by the LSC to support over 500 building projects in the learning and skills sector. Together with other private and public sector investment, this is worth a total of nearly £3.2 billion. Around half of the estate has now been renewed. Capital investment, including information and learning technology, will rise to almost £600 million per annum by 2007-08, with further additions of £100 million in 2008-09 and £250 million in 2009-10 already announced in Budget 2005. To guide investment in line with the priorities set out in the White Paper *Further Education: Raising Skills, Improving Life Chances*, regional capital strategies will be developed, ensuring there is sufficient capacity, an effective pattern of specialisation and increasing choice, access and responsiveness for learners and employers.

In line with the Department's *Five Year Strategy for Children and Learners* the Government has established a new 16-19 joint capital fund from 2006-07 to provide increased participation and improve choice and quality for the 16-19 age group. The White Paper *Further Education: Raising Skills, Improving Life Chances* builds on this by setting out plans to link Building Schools for the Future to all settings for 14- to 19-year-olds so as to create an integrated capital strategy.

The White Paper *Further Education: Raising Skills, Improving Life Chances* also sets out how capital investment in further education, by focusing on employability, can better meet the needs of learners and employers. A network of National Skills Academies will be created as centres of national excellence for each of the major sectors of

the economy. Twelve are planned for 2007/08. Capital investment will also incentivise specialisation through the strengthened Centres of Vocational Excellence (CoVEs) programme and the development of specialist networks.

Capital investment is also contributing to efficient delivery. The size of the further education estate continues to reduce as space is used more effectively and modern, more efficient buildings help reduce running costs allowing colleges to focus resource on frontline delivery.

Higher Education

Investment in higher education is contributing to the long-term financial sustainability of learning, teaching and research.

The Government's ambition is that research and development intensifies in the UK. Research and development as a proportion of gross domestic product will rise to 2.5 per cent from the current level of 1.9 per cent. Excellence in research enables the nation's universities to compete with the best international institutions and benefit from increased business interaction.

The Science Investment Framework 2004-14 confirms the 2004 Spending Review settlement for science and research:

- To invest up to £90 million by 2007-08;
- To match increased contributions by charities for charity-sponsored research;
- To provide jointly with the Department for Trade and Industry (DTI) increased funding for the Higher Education Investment Fund to £110 million a year by 2007-08; and
- Fund a third round of the Science Research Investment Fund (SRIF) jointly with the Office of Science and Technology (Department for Education and Skills – £200 million/OST – £300 million).

Public-Private Partnerships/Private Finance Initiatives

Public Private Partnerships (PPPs) and Private Finance Initiatives (PFI) have become well-established procurement methods for the construction of new schools and the refurbishment of existing ones. There are currently 98 signed contracts in the schools sector covering over 800 schools, with a total value of £3.5 billion. Services have started in over 60 projects with more than 120 new or substantially refurbished schools open. The total capital value for these building projects is over £490 million and involves more than 45 schools.

In autumn 2005, the Department published a Partnerships UK review of the operation of signed school PFI contracts. Overall, the review showed a positive picture with PFI contracts operating successfully across most of their provision and some strong examples of good delivery. In response to the review, the Department is looking to improve the process and substance of PFI contracts by providing further support for schools and authorities to securing good service delivery, for example on school catering, benchmarking prices, strong and effective helpdesk performance, and variations to contract. The Department will also be working with the private sector to improve performance and customer focus in these areas.

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CHAPTER 10:

Efficiency to Deliver



The Department plans to achieve over £4.3 billion in annual efficiency gains by 2007-08, contributing towards the Government's overall target of over £20 billion over the 2004 Spending Review period. Of the £4.3 billion, £3.2 billion is recyclable (enabling it to be reinvested in front-line activities) and £1.1 billion is non-recyclable. Recyclable efficiency gains mean that the resources are freed up from one activity and can be redeployed to other activities. It does not necessarily mean a transfer of resources from one organisation to another. No money will be clawed back from front line institutions like schools and colleges as part of these efficiency plans, instead they will be able to redeploy these resources to their own priority areas.

Efficiency Gains to be Achieved

As part of the programme of efficiency the Department plans to:

- Reduce the total number of civil service (full-time equivalent) posts by 1,960 (comprising 1,460 Department posts and 500 in the Office for Standards in Education) by 2008 from a baseline at October 2003;
- Be on course to relocate around 800 posts from the Department and its partner organisations out of London and the South East by 2010;
- Enable front-line professionals in schools, colleges and higher education institutions to use their time more productively. This will generate over 40 per cent of the total efficiency gains and will enable institutions to achieve more with their resources. Benefits will be generated through workforce reform, investment in information and communications technology (ICT) and a reduction in administrative burdens;
- Improve procurement of goods, services and new school buildings, using a new procurement centre of excellence, the Centre for Procurement Performance, to strengthen procurement practice across the education and children's services sectors. This will deliver around 35 per cent of the total efficiency gains;
- Streamline the delivery system for each sector through improvements in policy, funding and regulation, such as the lighter touch process for Ofsted inspection, streamlined data collection and reduced reporting and monitoring requirements introduced in the New Relationship with Schools (NRwS);
- Free up resources through reductions in the cost of the Department, its non-departmental public bodies (NDPBs), and Ofsted by reducing overlaps, simplifying systems, better procurement and rationalisation of corporate services functions through simplified standard processes and common systems. This is expected to reduce the total administration costs of these organisations by 15 per cent; and

- Pursue efficiency gains by other means, including improvements in school-level financial management through the increased use of financial benchmarking information and dissemination of good practice and through continuing to progress the Every Child Matters programme, which is designed to improve the outcomes and life chances for children and families by driving up the quality of services provided for them.

Realising the Savings

The Department published a refreshed version of its Efficiency Technical Note in April 2006, describing each major work stream in the efficiency programme and setting out in greater detail the metrics and measurement methodologies, data sources and quality assurance measures. A number of new initiatives have also been added to the Technical Note to reflect latest thinking. The note is available from the Department's website at www.dfes.gov.uk/publications/otherdocs.shtml

Quality measures for the main efficiency work streams are also set out in the Department's Efficiency Technical Note. The majority of the gains will be achieved through the Department's main programmes to deliver Public Service Agreement (PSA) targets and other objectives, demonstrating that efficiency is embedded alongside delivery of the Department's wider objective of improving outcomes for children, families and learners. The Department has recently established a sub-group of the Board chaired by the Permanent Secretary, David Bell, to drive forward the efficiency and reform agenda. The Department's Internal Audit Division also carries out a number of assessments of each directorate's efficiency programme.

Progress

As at 1 December 2005 the Department had: realised some £303.2 million savings; reduced

staffing in the Department and Ofsted by 1,243 and located 96 posts outside London and the South East. These figures fed into those reported by the Chancellor during the 2006 Budget. By 1 April 2006, the Department had reduced in size by 967 (full-time equivalent) staff since October 2003. Some 225 of these have been achieved in 2005-06 and the target of 850 by April 2006 has therefore been exceeded. Including a reduction in the size of Ofsted by 707 takes the total figure to 1,674, significantly ahead of our target of 1,350. 339 posts have been moved out of the Department and partner organisations in London and the South East; 281 of these have been achieved in 2005-06.

Some £875 million worth of efficiency gains have now been realised. Due to lags in measurement systems, the Department can only report on some £578 million from 2005-06 but the Department remains confident that it will have achieved £1.4 billion efficiencies when all this year's gains have been reported. Of the £875 million, some £182 million is in procurement and some £769 million is recyclable.

Since December 2005 the following key actions have taken place:

- All schools should have reviewed their staffing structures with a view to ensuring that through management and deployment of all staff and the allocation of responsibilities that the school is making effective use of its resources;
- Over 5,000 schools have received specific training on the benchmarking website and the Financial Management Standard. The Supporting Schools Financial Management Programme has been delivered successfully to 126 local authorities;
- Review of engagement with the frontline to deliver productive time gains has reported, action plan being agreed with OGC on 8th May;

- Reforecast the efficiency delivery potential across the capital programme;
- One Local Education Partnership has been established;
- 10-year childcare strategy launched and target to create 800 Sure Start Children's Centres in disadvantaged areas by 31 March 2006 achieved;
- Published joint planning and commissioning framework for children, young people and maternity services; and
- New minimum performance benchmarks for further education sector used as part of agreement over 2006-07 college plans and allocations.

Over the next six to twelve months the Department will carry out the following actions to ensure realisation of its efficiency target:

- The Centre for Procurement Performance (CPP), which began work in 2005, to work with consortia to reposition them to create a more effective supply chain in association with developments in local government. CPP will be undertaking an e-procurement pilot in a schools environment following on from the success of the feasibility study;
- Work in 2006 on schools workforce remodelling sustainability will continue, with added focus on strategies that help raise standards of attainment;
- In the Children's Sector the Department will continue to work closely with Regional Centres of Excellence, CPP and Government Offices to spread good practice across children's services and respond to findings from 2006-07 Forward Look Annual Efficiency Statements;

- Outline of the FE Quality Improvement Strategy published in June 2006 with the full strategy appearing in the autumn;
- Further embed a value for money culture within schools and challenge existing behaviour by improving and promoting the effective use of the financial benchmarking website and highlighting best practice where it is found;
- Further work on measurement to strengthen credibility of reported numbers;
- In the Schools Capital and Building Schools for the Future programme eight Local Education Partnerships will be established and construction to start in eight local authorities; and
- Continue to manage and mitigate against risks to delivery.

Quality Balancing Measures

The majority of efficiency gains stem from programmes within the Department that were developed to improve the quality of provision in schools, colleges, universities and children's services. Quality is therefore expected to improve as efficiencies are realised. A number of quality measures are being tracked to ensure that efficiencies do not lead to reductions in quality. No down turn in these measures has been seen that would suggest any adverse impact on delivery through realisation of efficiencies and there is anecdotal evidence that quality is indeed rising. Most of the Department's efficiency measures have quality measures linked to the Department's PSA targets. The PSA targets set out in this Report demonstrate how services for children and learners are being improved – progress towards them indicates that quality is not being sacrificed for economy.

Examples of efficiency making a difference at the frontline

E-procurement

The Centre for Procurement Performance (CPP) is trialling a number of e-procurement solutions in the education sector including purchase to pay systems that reduce processing costs, provide transaction savings and avoid invoicing errors. These systems will allow users to source, order and approve goods and services electronically. Using such a system significantly reduces the sourcing process, streamlines paper systems and reduces the potential for off-contract purchasing by providing access to the best collaborative contracts. Following a successful feasibility study, CPP plans to pilot e-procurement systems with a number of schools. Estimated savings from e-procurement of £100 million are expected by 2008.

Transport

School transport has been identified as a key issue for schools and local authorities (LAs). The annual cost of home to school transport is increasing at an average rate of 7-10 per cent which many local authorities view as not sustainable.

Findings from the Centre for Procurement Performance (CPP) initial transport project suggest that significant savings and efficiencies can be generated. It is therefore working with the North West Regional Centre of Excellence in developing a National Transport Framework for local government, and more specifically the The Journey to School element.

Projects being implemented include the development of a collaborative procurement framework for schools own transport. To compliment this CPP is also looking at regional or sub regional pilots to develop local collaborative transport hubs with the aim of securing £75 million efficiency gains by 2008.

Further information can be obtained from:

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Annexes



ANNEX A – Public Spending (£ million)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans	2007-08 plans
Consumption of resources:								
Sure Start	348	446	648	604	735	906	1,280	1,304
Schools, including Sixth Forms	2,516	3,466	5,421	5,846	6,335	7,121	34,053	36,212
Higher Education	5,714	5,707	6,031	6,388	6,745	6,855	7,788	8,320
Support for Children, Young People and Families	485	856	1,268	1,578	1,198	1,239	1,377	1,450
Further Education, Adult Learning and Skills and Lifelong Learning	5,061	5,911	6,525	7,526	7,928	8,729	9,114	9,685
Activities to Support all Functions	261	262	237	266	293	283	350	352
Teachers' Pension Scheme ¹	6,377	6,843	7,156	6,575	6,344	8,044	8,446	8,880
Total Department for Education and Skills Resource Budget^{2,3,4,5,6}								
	20,762	23,491	27,286	28,783	29,578	33,177	62,408	66,203
of which:								
Departmental Expenditure Limit ⁸	14,294	16,549	20,001	21,941	22,834	24,586	53,245	56,580
Annually Managed Expenditure	6,468	6,942	7,286	6,842	6,744	8,591	9,164	9,623
Capital Expenditure^{4,6,7,9}								
Sure Start	19	21	32	116	193	383	426	531
Schools, including Sixth Forms ¹⁰	1,919	1,959	2,633	3,294	3,816	4,102	4,559	5,034
Higher Education ¹¹	1,904	2,229	2,336	2,464	2,460	2,985	3,481	4,139
Support for Children, Young People and Families	10	24	31	25	38	36	59	69
Further Education, Adult Learning and Skills and Lifelong Learning	149	279	380	350	403	396	480	607
Activities to Support all Functions	10	12	13	14	10	8	22	18
Total Department for Education and Skills Capital Budget¹²								
	4,011	4,523	5,425	6,263	6,920	7,911	9,027	10,398
of which:								
Departmental Expenditure Limit	2,289	2,634	3,423	4,217	4,902	5,756	6,253	6,994
Annually Managed Expenditure	1,722	1,889	2,002	2,046	2,018	2,155	2,773	3,403
Total Central Government Spending on Education in England								
	24,773	28,014	32,712	35,046	36,497	41,088	71,435	76,601
Local Authority Spending in England on Education and related Youth Services								
Current	23,635	26,059	27,698	30,808	32,631	34,323	0	0
of which:								
Financed by Grants from DfES	2,549	3,435	5,535	5,772	5,805	6,601	0	0
Capital¹³	1,600	1,916	2,054	2,558	2,877	3,009	0	0
of which:								
Financed by Grants from DfES	1,904	1,917	2,463	3,231	3,727	4,147	0	0

- Figures include changes due to the recording of pension scheme accounts, estimates and budgets under FRS 17.
- Includes expenditure by non-departmental public bodies, which is financed by voted grants.
- Includes non-cash items i.e. capital charges, depreciation and provisions and expenditure by the levy funded Construction Industry Training Boards.
- Includes figures in both DEL and AME.
- Includes figures previously recorded in the Welfare to Work / Employment Opportunities Fund DEL.
- Including 'ring-fenced' Capital Modernisation Fund and Invest to Save budget allocations.
- Figures include reclassification changes of capital investment from resource DEL to capital DEL.
- Figures include reclassification changes of Education Maintenance Allowances from Resource DEL to Resource AME.

- Includes capital expenditure by non-departmental public bodies, which is financed by voted grants, and local authority credit approvals.
- Includes expenditure on the New Deal for Schools previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
- From FY 2006-07 includes cash provision for issuing student loans net of anticipated receipts from repayments of student loans (principal), following Treasury reclassification into Resource AME.
- The total DfES Public Spending figure is the sum of all resource and capital less depreciation charges.
- Figures exclude any Devolved Formula Capital grant which schools have chosen to carry over for up to three years to help fund larger capital projects.

ANNEX B – Resource Budget (£ million)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans	2007-08 plans
Consumption of resources by activity:								
Sure Start	348	446	648	604	735	906	1,280	1,304
Schools, including Sixth Forms	2,516	3,466	5,421	5,846	6,335	7,121	34,053	36,212
of which:								
Primary, Secondary and Sixth Forms ¹	2,516	3,466	5,421	5,846	6,335	7,121	34,053	36,212
Higher Education	5,714	5,707	6,031	6,388	6,745	6,855	7,788	8,320
of which:								
Student Loans ^{2,3}	824	764	759	797	791	631	833	1,029
Student Grants	671	581	573	575	661	797	842	984
HEFCE	4,091	4,227	4,583	4,896	5,195	5,339	5,824	6,114
Other	128	135	117	119	99	88	288	193
Support for Children, Young People and Families	485	856	1,268	1,578	1,198	1,239	1,377	1,450
of which:								
Connexions	251	319	428	492	503	550	555	515
Children, Young People and Families programme	215	498	801	1,055	671	665	795	909
Other	20	39	39	30	24	25	26	26
Further Education, Adult Learning and Skills and Lifelong Learning	5,061	5,911	6,525	7,526	7,928	8,729	9,114	9,685
of which:								
LSC/FE ^{4,5}	3,540	5,115	5,786	6,724	6,909	7,566	7,692	8,063
Education Maintenance Allowances ^{6,7}	2	109	120	142	260	394	570	591
Educational Qualifications	84	98	93	99	131	150	116	107
International	27	26	29	29	33	34	36	36
Other	1,407	562	497	532	594	585	701	889
Activities to Support all Functions	261	262	237	266	293	283	350	352
Teachers' Pension Scheme⁸	6,377	6,843	7,156	6,575	6,344	8,044	8,446	8,880
Total Department for Education and Skills Resource Budget^{9,10,11,12,13}	20,762	23,491	27,286	28,783	29,578	33,177	62,408	66,203
of which:								
Departmental Expenditure Limit	14,294	16,549	20,001	21,941	22,834	24,586	53,245	56,580
Annually Managed Expenditure	6,468	6,942	7,286	6,842	6,744	8,591	9,164	9,623

- Includes the Learning and Skills Council (LSC) support for local authorities and sixth forms.
- Represents the cost of administering student loans, including the Student Loans RAB Charge (and from FY 06-07 the Student Fee Loans RAB Charge), and administration costs of the Student Loans Company (SLC). The Student Loans RAB charge estimates the future cost to government of subsidising and writing off the student loans issued in that year: it does not represent the amount of cash lent to students, which has risen each year since the introduction of student loans.
- During 2004-05 forecast models used in predicting the Student Loans RAB charge were updated, resulting in a £252m credit adjustment to the amounts previously set aside on the Department's balance sheet to meet the expected future costs of student loans. This adjustment reduced DEL Student Loans RAB Charge expenditure in the 2004-05 Resource Accounts but is not included in the table: the 2004-05 outturn figure shown includes the amount set aside for loans issued to students during that year. From 2005-06 the Student Loans RAB Charge outturn is predicted to fall as a result of the change in the discount rate from 3.5% to 2.2%.
- This covers all Learning and Skills Council (LSC) resource budgets apart from funding for sixth forms. It includes all LSC further education provision and other Lsc funding for young people and adults. The LSC has assumed responsibility for further education, sixth forms and a wide range of other lifelong learning funding and for 2000-01 and 2001-02 includes transitional funding for bodies other than the LSC 2001-02 includes funding for the sixth form access fund.
- Responsibility for further education passed from the Further Education Funding Council (FEFC) to the LSC from 2001-02. This line includes actual expenditure by the FEFC from 1999-2000 to 2000-01 and includes FEFC administration and student support expenditure and excludes additional employer contributions to FE.
- Figures for 2001-02 include funding for sixth form access fund.
- From 2003-04 figures include reclassification changes of Education Maintenance Allowances from Resource Del to Resource AME.
- Figures include changes due to the recording of pension scheme accounts, estimates and budgets under FRS 17.
- Includes expenditure by non-departmental public bodies, which is financed by voted grants.
- Includes non-cash items i.e. capital charges, depreciation and provisions and expenditure by the levy funded Construction Industry Training Boards.
- Includes figures in both DEL and AME.
- Includes figures previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
- Including ring-fenced Invest to Save Budget allocations.

ANNEX C – Capital Budget (£ million)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans	2007-08 plans
Capital expenditure by activity:								
Sure Start¹	19	21	32	116	193	383	426	531
Schools, including Sixth Forms²	1,919	1,959	2,633	3,294	3,816	4,102	4,559	5,034
of which:								
Primary, Secondary and Sixth Forms	1,919	1,959	2,633	3,294	3,816	4,102	4,559	5,034
Higher Education	1,904	2,229	2,336	2,464	2,460	2,985	3,481	4,139
of which:								
Student Loans ³	1,722	1,887	2,003	2,044	2,016	2,151	2,771	3,401
HEFCE	182	342	334	420	445	834	704	738
Other	0	0	0	0	0	0	6	0
Support for Children, Young People and Families	10	24	31	25	38	36	59	69
of which:								
Connexions ¹	0	0	#	#	0	0	0	0
Children Young People and Families programme	10	24	31	25	38	36	59	69
Further Education, Adult Learning and Skills and Lifelong Learning	149	279	380	350	403	396	480	607
of which:								
LSC/FE ^{4,5}	134	179	276	325	390	383	475	602
Education Maintenance Allowances	0	0	0	0	0	0	0	0
Educational Qualifications ¹	1	2	1	#	5	4	1	1
Other	13	98	102	25	8	10	5	5
Activities to Support all Functions	10	12	13	14	10	8	22	18
Total Department for Education and Skills Capital Budget^{6,7,8,9}	4,011	4,523	5,425	6,263	6,920	7,911	9,027	10,398
of which:								
Departmental Expenditure Limit	2,289	2,634	3,423	4,217	4,902	5,756	6,253	6,994
Annually Managed Expenditure	1,722	1,889	2,002	2,046	2,018	2,155	2,773	3,403

1. Amounts below £500,000 are indicated by #.

2. Includes expenditure on the New Deal for Schools previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.

3. From FY 2006-07 includes cash provision for issuing student loans net of anticipated receipts from repayments of student loans (principal), following Treasury reclassification into Resource AME.

4. This line covers all Learning and Skills Council (LSC) capital budgets, including all LSC capital funding for further education.

5. Responsibility for further education passed from Further Education Funding Council (FEFC) to the LSC from 2001-02. This line includes actual expenditure by the FEFC on capital from 1999-2000 to 2000-2001.

6. Includes capital expenditure by non-departmental public bodies, which is financed by voted grants and local authority credit approvals.

7. Includes figures in both DEL and AME

8. Includes "ring-fenced" Capital Modernisation Fund and Invest to Save Budget allocations.

9. Figures include reclassification changes of Education Maintenance Allowances from Resource Del to Resource AME.

ANNEX D – Capital Employed (£ million)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans	2007-08 plans
Assets on Balance Sheet at end of year:									
Fixed Assets									
of which:									
Intangible assets (software licences)			388	1,704	1,417	1,955	3,000	3,000	3,000
Tangible assets	61,249	53,944	72,622	82,007	80,493	84,871	86,000	86,000	86,000
of which:									
Land and Buildings	43,036	35,110	53,304	58,901	53,305	56,917	59,000	59,000	59,000
Investments	3,295,108	5,037,294	6,864,360	8,727,212	10,905,122	13,001,406	15,478,400	18,510,800	22,642,100
Current Assets	978,700	520,214	752,620	897,953	851,492	951,227	975,000	999,400	1,024,400
Creditors – less than one year	(863,888)	(374,580)	(658,567)	(614,930)	(439,663)	(623,287)	(638,900)	(654,800)	(671,200)
Provisions	(2,015,937)	(2,547,609)	(3,118,020)	(3,797,623)	(3,510,429)	(3,712,624)	(3,834,700)	(4,246,700)	(4,875,500)
Capital employed within main department	1,455,232	2,689,263	3,913,403	5,296,323	7,888,432	9,703,548	12,068,800	14,697,700	18,208,800
NDPB net assets	158,742	118,340	(150,113)	(69,006)	(62,435)	97,717	(14,643)	150,000	54,000
Public Corporation net assets	0	972	1,526	4,940	8,541	8,933	9,000	9,000	9,000
Total Capital employed in Departmental Group	1,613,974	2,808,575	3,764,816	5,232,257	7,834,539	9,810,198	12,063,157	14,856,700	18,271,800

ANNEX E – Administration Costs (£ million)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 estimated outturn	2006-07 plans	2007-08 plans
Administration Expenditure¹								
Paybill	138	141	149	165	169	150	0	0
Other	105	100	84	82	85	94	0	0
Total Administration Expenditure¹	243	241	233	247	254	244	246	239
Administration Income	-6	-5	-6	-10	-3	-2	-2	-2
Total Administration Budget¹	236	237	227	237	250	242	244	237
of which:								
Departmental Expenditure Limit (DEL)	236	237	227	237	250	242	244	237
Analysis by Request for Resource²								
Early Years and Childcare	2	4	5	12	0	0	0	0
Support for Children, Young people and Families	1	2	5	5	0	0	0	0
Activities to Support all Functions	233	231	217	220	250	242	244	237
Total Administration Budget^{1,2}	236	237	227	237	250	242	244	237

1. Administration costs within the administration costs control regime.

2. From 2004-05 the administration costs for all Request for Resources were moved into main departmental administration.

ANNEX F – Staff Numbers

	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 actual ¹	April 2006 actual ^{2,3}	April 2007 plans ^{2,3,5}	April 2008 plans ^{2,3}
Department for Education & Skills								
Civil Service full-time equivalents	5,092	4,810	4,300	4,500	4,226	3,608		
Overtime	79	70	50	40	30			
Casuals	226	200	110	90	63	27		
Total	5,397	5,080	4,460	4,630	4,319	3,635	3,490	3,142
Employment Service⁴								
Civil Service full-time equivalents	30,731							
Overtime	96							
Casuals	2,558							
Total	33,385							
Total Education/Employment	38,782	5,080	4,460	4,630	4,319	3,635	3,490	3,142

1. Figures from 2003-04 onwards include staff transferring in from the Home Office, Department of Health and the Department of Constitutional Affairs following Machinery of Government changes.
2. Figures for 2000-01 to 2004-05 are financial year averages. Those for 2006 and forward years reflect the position at the start of each year in line with the planned staff reductions of 1,460 by April 2008 (from the October 2003 baseline) as the result of the Departmental Reform programme.
3. Figures from April 2006 reflect the Machinery of Government transfer of staff supporting the Special Educational Needs and Disability Tribunals to the Department of Constitutional Affairs (DCA).
4. Figures reflect the Machinery of Government transfer of the Employment Service to the Department for Work and Pensions in 2001-02.
5. Depending on the results of a planned Voluntary Early Release scheme, staff numbers for April 2007 could be up to 150 below this level.

ANNEX G – Identifiable Expenditure on Services by Country¹ and Region (£ million)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 plans	2005-06 plans	2006-07 plans	2007-08 plans
North East	802.4	895.6	966.2	1,040.9	1,119.8	1,244.2	1,370.8	1,425.2
North West	1,983.9	2,200.8	2,318.4	2,423.8	2,684.6	3,008.6	3,448.2	3,608.7
Yorkshire and Humberside	1,437.2	1,603.6	1,720.5	1,806.4	2,024.6	2,233.8	2,482.2	2,570.2
East Midlands	1,076.6	1,240.7	1,335.2	1,375.6	1,575.1	1,828.9	1,920.5	2,021.9
West Midlands	1,448.0	1,643.6	1,748.7	1,818.5	1,991.3	2,197.6	2,467.5	2,590.4
Eastern	1,145.2	1,253.2	1,397.0	1,479.3	1,634.8	1,693.7	1,884.4	1,970.0
London	2,398.7	2,718.1	3,028.2	3,422.5	3,722.5	4,080.6	4,570.5	4,719.8
South East	1,998.1	2,201.4	2,423.8	2,468.0	2,765.5	3,120.4	3,444.7	3,597.4
South West	1,274.4	1,417.3	1,524.8	1,552.0	1,759.3	1,941.7	2,138.6	2,244.9
Total England	13,564.5	15,174.4	16,462.8	17,387.2	19,277.3	21,349.6	23,727.4	24,748.6
Scotland	16.8	17.3	18.8	12.8	16.8	18.3	18.7	19.6
Wales	207.0	207.1	194.2	122.0	180.5	200.4	187.6	232.3
Northern Ireland	3.0	3.4	4.4	4.3	5.6	5.6	5.6	5.9
Total UK identifiable expenditure	13,791.4	15,402.1	16,680.2	17,526.2	19,480.2	21,573.9	23,939.3	25,006.3
Outside UK	52.8	49.1	44.7	25.8	31.7	36.6	37.7	40.5
Total identifiable expenditure	13,844.2	15,451.2	16,724.8	17,552.0	19,511.9	21,610.5	23,977.0	25,046.8
Non-identifiable expenditure	0	0	0	0	0	94.7	154.1	157.1
Total expenditure on service	13,844.2	15,451.2	16,724.8	17,552.0	19,511.9	21,705.2	24,131.1	25,203.9

1. The spending data shown in annexes G, H and I is consistent with the country and regional analyses (CRA) published by HM Treasury in chapter 7 of *Public Expenditure Statistical Analyses (PESA) 2006*. PESA contains more tables analysed by country and region, and also explains how the analysis was collected and the basis for allocating expenditure between countries and regions.

These annexes include the spending of the Department for Education and Skills and its non-departmental public bodies on payments to private sector and subsidies to public corporations. They do not include capital finance to public corporations but do include public corporations capital expenditure. They do not include payments to local authorities own expenditure.

The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.

The tables do not include depreciation, cost of capital charges or movements in provisions that are in Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). They do include salaries, procurement expenditure, capital expenditure and grants and subsidies paid to individuals and private sector enterprises.

The figures were taken from the HM Treasury Public spending database in December 2005 and the regional distributions were completed in January/February 2006. Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental Report.

Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the Departments area of responsibility, usually England, compare. So the analysis shows the regional outcome of spending decisions that have on the whole not been made primarily on a regional basis.

The functional categories used are the standard United Nations Classifications of the Functions of Government (COFOG) categories. This is not the same as the strategic priorities used elsewhere in this report.

ANNEX H – Identifiable Expenditure on Services by Country and Region¹ (£s per head)

	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 plans	2005-06 plans	2006-07 plans	2007-08 plans
North East	315.5	352.6	380.7	409.9	440.0	491.4	542.0	564.1
North West	292.9	324.9	341.8	356.2	393.2	441.1	504.9	527.5
Yorkshire and Humberside	289.8	322.2	344.6	360.6	401.8	443.6	491.5	507.5
East Midlands	258.3	296.1	316.2	323.5	368.0	425.6	444.5	465.6
West Midlands	274.8	311.2	329.7	341.8	373.3	411.4	460.9	482.7
Eastern	213.1	232.1	257.6	270.8	297.7	306.0	338.2	351.2
London	331.5	371.2	410.8	463.3	501.1	545.8	607.7	623.7
South East	250.1	274.4	301.3	305.4	341.0	382.1	419.6	435.8
South West	259.2	286.7	306.9	310.5	349.2	383.4	419.6	437.6
Total England	275.5	306.9	331.6	348.7	384.8	424.7	470.0	488.1
Scotland	3.3	3.4	3.7	2.5	3.3	3.6	3.7	3.9
Wales	71.2	71.1	66.4	41.5	61.1	67.5	63.0	77.8
Northern Ireland	1.8	2.0	2.6	2.5	3.3	3.2	3.2	3.4
Total UK identifiable expenditure	234.2	260.6	281.2	294.3	325.6	359.4	397.3	413.5

1. The spending data shown in annexes G, H and I is consistent with the country and regional analyses (CRA) published by HM Treasury in chapter 7 of *Public Expenditure Statistical Analyses (PESA) 2006*. PESA contains more tables analysed by country and region, and also explains how the analysis was collected and the basis for allocating expenditure between countries and regions.

These annexes include the spending of the Department for Education and Skills and its non-departmental public bodies on payments to private sector and subsidies to public corporations. They do not include capital finance to public corporations but do include public corporations capital expenditure. They do not include payments to local authorities own expenditure.

The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.

The tables do not include depreciation, cost of capital charges or movements in provisions that are in Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). They do include salaries, procurement expenditure, capital expenditure and grants and subsidies paid to individuals and private sector enterprises.

The figures were taken from the HM Treasury Public spending database in December 2005 and the regional distributions were completed in January/February 2006. Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental Report.

Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the Departments area of responsibility, usually England, compare. So the analysis shows the regional outcome of spending decisions that have on the whole not been made primarily on a regional basis.

The functional categories used are the standard United Nations Classifications of the Functions of Government (COFOG) categories. This is not the same as the strategic priorities used elsewhere in this report.

ANNEX I – Identifiable Expenditure on Services by Function, Country and Region for 2004-05¹ (£ million)

Department for Education and Skills	North East	North West	Yorkshire & Humberside	East Midlands	West Midlands	Eastern	London	South East	South West	England	Scotland	Wales	N Ireland	UK Identifiable Expenditure	Outside UK	Total Identifiable Expenditure	Not Identifiable	Total	
Public Order and Safety																			
Administration of Justice	5.7	15.1	11.1	9.2	11.8	12.0	17.8	16.1	11.0	109.7	0	0	0	109.7	0	109.7	0	109.7	
Total Public Order and Safety	5.7	15.1	11.1	9.2	11.8	12.0	17.8	16.1	11.0	109.7	0	0	0	109.7	0	109.7	0	109.7	
Employment Policies																			
Employment Policies	1.6	4.3	3.1	2.6	3.4	3.4	4.8	4.6	3.1	31.1	0	0	0	31.1	9.5	40.6	0	40.6	
Total Employment Policies	1.6	4.3	3.1	2.6	3.4	3.4	4.8	4.6	3.1	31.1	0	0	0	31.1	9.5	40.6	0	40.6	
Health																			
Central and Other Health Services	0.2	0.2	0.2	0.1	0.1	8.7	0.4	0.3	0.2	10.4	0	0	0	10.4	0	10.4	0	10.4	
Total Health	0.2	0.2	0.2	0.1	0.1	8.7	0.4	0.3	0.2	10.4	0	0	0	10.4	0	10.4	0	10.4	
Education and Training																			
Further Education	354.1	862.9	623.7	497.6	714.1	551.2	1,007.3	834.2	551.7	5,996.6	0.1	0.3	0.1	5,997.1	0	5,997.1	0	5,997.1	
Higher Education	358.0	832.8	679.5	498.5	552.7	462.9	1,437.6	1,020.8	540.7	6,383.5	0	0	0	6,383.5	2.6	6,386.1	0	6,386.1	
Other Education and Training	76.5	190.7	139.9	111.6	142.0	126.1	189.7	194.9	131.0	1,302.3	0.5	6.4	0.1	1,309.4	1.3	1,310.7	0	1,310.7	
Primary Schools	2.6	10.0	6.4	4.4	4.6	2.9	20.0	2.1	2.4	55.4	0	0	0	55.4	0	55.4	0	55.4	
Secondary Schools	41.3	81.4	49.3	79.8	46.0	36.5	254.5	49.7	61.9	700.4	0	0	0	700.4	0	700.4	0	700.4	
Student Support	81.8	242.4	157.2	134.1	182.7	152.0	314.9	244.5	162.0	1,671.5	0	86.4	0	1,757.9	0.1	1,758.0	0	1,758.0	
Training	96.8	238.4	173.2	138.3	195.5	158.7	280.4	234.7	160.6	1,676.7	10.1	20.3	4.8	1,711.9	0	1,711.9	0	1,711.9	
Under Fives	54.9	82.9	68.5	24.7	47.1	35.3	110.6	34.9	35.5	494.4	0	0	0	494.4	0	494.4	0	494.4	
Total Education and Training	1,066.0	2,541.5	1,897.8	1,489.0	1,884.6	1,525.4	3,615.1	2,615.8	1,645.7	18,280.9	10.7	113.4	5.0	18,410.1	4.0	18,414.1	0	18,414.1	
Social Protection																			
Family Benefits, Income Support and Tax Credit	0.4	5.3	0.5	1.3	3.2	1.1	3.3	2.9	0.9	18.9	0	0	0	18.9	0	18.9	0	18.9	
Personal Social Services	0.2	0.7	25.1	0.5	2.4	0.7	16.0	0.9	0.7	47.2	0	0	0	47.2	0	47.2	0	47.2	
Public Sector Occupational Pensions	45.7	117.3	86.8	72.5	85.9	83.5	65.0	124.8	97.7	779.2	6.1	67.0	0.6	852.9	18.2	871.1	0	871.1	
Total Social Protection	46.3	123.4	112.3	74.3	91.5	85.3	84.3	128.6	99.2	845.2	6.1	67.0	0.6	919.0	18.2	937.2	0	937.2	
Total Department for Education and Skills	1,119.8	2,684.6	2,024.6	1,575.1	1,991.3	1,634.8	3,722.5	2,765.5	1,759.3	19,277.3	16.8	180.5	5.6	19,480.2	31.7	19,511.9	0	19,511.9	

1. The spending data shown in annexes G, H and I is consistent with the country and regional analyses (CRA) published by HM Treasury in chapter 7 of Public Expenditure Statistical Analyses (PESA) 2006. PESA contains more tables analysed by country and region, and also explains how the analysis was collected and the basis for allocating expenditure between countries and regions.

These annexes include the spending of the Department for Education and Skills and its non-departmental public bodies on payments to private sector and subsidies to public corporations. They do not include capital finance to public corporations but do include public corporations capital expenditure. They do not include payments to local authorities own expenditure.

The data are based on a subset of spending – identifiable expenditure on services – which is capable of being analysed as being for the benefit of individual countries and regions. Expenditure that is incurred for the benefit of the UK as a whole is excluded.

The tables do not include depreciation, cost of capital charges or movements in provisions that are in Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). They do include salaries, procurement expenditure, capital expenditure and grants and subsidies paid to individuals and private sector enterprises.

The figures were taken from the HM Treasury Public spending database in December 2005 and the regional distributions were completed in January/February 2006. Therefore the tables may not show the latest position and are not consistent with other tables in the Departmental Report.

Across government, most expenditure is not planned or allocated on a regional basis. Social security payments, for example, are paid to eligible individuals irrespective of where they live. Expenditure on other programmes is allocated by looking at how all the projects across the Departments area of responsibility, usually England, compare. So the analysis shows the regional outcome of spending decisions that have on the whole not been made primarily on a regional basis.

The functional categories used are the standard United Nations Classifications of the Functions of Government (COFOG) categories. This is not the same as the strategic priorities used elsewhere in this report.

ANNEX J – Follow-up Action on Recent Reports from the Public Accounts Committee Recommendations

In 2005 one Treasury Minute was published replying to a PAC report concerning the Department and its associated bodies. Details of the main recommendations in the PAC Report, the Government's Treasury Minute reply and subsequent action are given below.

The associated National Audit Office reports can be accessed through www.nao.org.uk Full PAC reports (incorporating the transcript of the hearing) and Treasury Minute replies are available on the Public Accounts Committee site, accessible through www.parliament.uk

The Connexions Service

NAO report published: 31 March 2004 – HC 484 Session 2003-04

PAC hearing: 19 May 2004

PAC 48th report published: 30 November 2004 – HC 618 Session 2003-04

Treasury Minute published: 26 January 2005 – Cm 6441

The Connexions Service aims to help all young people make informed choices and ease their transition into adult life. This aim goes beyond the scope of the careers services that Connexions replaced.

Connexions is committed to providing a basic level of advice, information and guidance to all young people who want it covering issues such as family relationships and substance misuse. Connexions is delivered in England through 47 Partnerships.

The PAC report put forward recommendations on:

- Getting advice and support to the young people who need it;
- Improving the quality and effectiveness of Connexions' local services; and
- Joining up to remove barriers.

The consultation paper *Youth Matters*, published on 18 July 2005, proposed new arrangements for delivering information advice and guidance (IAG), with funding and responsibility devolved to 150 local authorities working through Children's Trusts, schools and colleges.

Youth Matters: Next Steps, published on 8 March 2006, confirmed the intention to move to these new arrangements and for them to be in place by April 2008. These arrangements will enhance and widen the services provided to young people by, for example, placing a statutory duty on local authorities to ensure young people have access to a range of leisure activities and are given more opportunities and encouragement to volunteer.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>■ Connexions Partnerships should work with schools to develop the careers curriculum.</p>	<p>The Department issued a careers education and guidance framework in March 2003 which explained how Connexion Partnerships and schools could work together to develop their careers education and guidance programmes.</p> <p>The End to End Review of Career Education and Guidance had concluded that the greatest potential for improvement lay in driving up the quality and relevance of careers guidance in schools.</p>	<p>As the responsibility for commissioning IAG services moves from Connexions to the local authority there will be an increasing link with schools. The programme of curriculum and qualifications reform for 14-19 year olds will require young people to make choices and there needs to be very effective IAG services to help them make good choices.</p> <p>Quality standards for IAG are being developed and will include support in co-ordinating the personal development curriculum (including careers education) content with other elements of IAG activity.</p>
<p>■ Connexions staff should explain the role of Connexions to school staff. They could help in training teachers and other school staff on how to identify and refer young people who need advice..</p>	<p>The Department agrees that Connexions staff should contribute to the training of staff in schools.</p>	<p>We will devolve responsibility for commissioning IAG and the funding that goes with it from Connexions to local authorities working through children's trusts, schools and colleges. We want local authorities to lead a collaborative approach to new arrangements for delivering IAG, which supports the delivery of the 14-19 entitlement.</p> <p>Where a school or college provides adequate evidence that local provision is poor and wants to exercise its right to commission services directly, it will be able to do so, but if it cannot itself meet the set quality standards, funding could be withdrawn.</p>
<p>■ The variation in approaches between the local Connexions Partnerships should be explored to be sure that these variations are a valid response to local conditions.</p>	<p>Large variations should be challenged as Government Offices scrutinise Partnerships' plans to ensure that there is a fit between identified needs and the deployment of resources.</p>	<p>We will be asking Government Offices to review the arrangements being made in each local authority area and we will be asking Ofsted to conduct a survey of IAG under the new arrangements as a way of looking at the health of the system as a whole.</p>

Main Points in PAC Report

**Progress reported
in Treasury Minute**

**Action since publication
of Treasury Minute**

■ **Training of Personal Advisers has been slow but all staff should complete their Connexions specific training by March 2005.**

After a review of training in April 2004 the Department issued new guidelines on speeding up training which is being successful in increasing the numbers trained.

But Partnerships are having to balance the Connexions specific training for Personal Advisors against other demands such as courses in the future positioning of Connexions within the Children's Trusts and the broader children's workforce.

We are now at a stage where the workforce is in place. It is for local authorities and Connexions Partnerships to take decisions on the workforce needed to deliver IAG and targeted support in the wider context of Children's Trusts.

2008 is a key year for our programme of curriculum and qualification reform, as the first of the new Diplomas are introduced. This means that it will be important that in 2007 guidance professionals are well placed to advise young people on choices which will help them to be successful in life. During the period of change we will ensure that guidance professionals receive the support and development they need to advise young people on the new choices becoming available to them.

The skills of the Connexions workforce will be essential in providing expertise in a range of areas including delivering IAG and targeted support.

■ **Partnerships should seek customer feedback and share the key messages so that common concerns across the service can be addressed.**

An independent survey in 2003 gathered the views of 52,000 young people across all Partnerships and found a 90 per cent satisfaction rate.

Partnerships are required to undertake a comprehensive annual self-assessment and evidence from customer feedback forms informs this process. Evidence gathered is used to improve the business plan for future years.

Government Offices are required to monitor performance quarterly and report on the extent that Partnerships have used past findings to make changes in their services.

As Connexions is mainstreamed into Children's Trusts, they will be responsible for ensuring that young people are given the opportunity to feedback on a range of services.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>■ Partnerships should set local targets to reduce the number of young people who are not in education, employment or training (NEET). These targets should be aligned with those of the Learning and Skills Council.</p>	<p>Work is underway to develop a delivery plan to reduce the proportion of young people who are NEET. The plan will include proposals for local targets which will assist in enabling the Department to deliver the Public Service Agreement target of reducing those who are NEET by two percentage points between 2004 and 2010.</p>	<p>Each local authority will be set a target for reducing NEET that, in aggregate, will deliver the 2010 PSA target. Performance against these targets will be a key feature of annual priorities conversations with Local Authorities and their partners.</p>
<p>■ Partnerships should adopt effective data sharing practices.</p>	<p>Section 10 of the <i>Children's Act 2004</i> requires arrangements for co-operation to be made between a range of partners. The Government has announced that it will publish in September 2005 clear guidance for all children's services practitioners on information sharing covering health, education, social care and youth offending.</p>	<p>The new arrangements are expected to facilitate greater data sharing.</p>
<p>■ It is important that decisions about delivery partners are not distorted by tax considerations.</p>	<p>The Department agrees that public and private providers should, as far as possible, operate on a level playing field.</p>	<p>As the new arrangements are being introduced we will plan carefully so that no favourable tax treatment is unintentionally created.</p>

ANNEX K – Select Committee Reports

House of Commons Education and Skills Select Committee, Reports

During the year, the Department's Ministers and officials appeared before the House of Commons Education and Skills Select Committee on a number of occasions. The minutes of evidence of each meeting and any following reports are published on the Committee's website at <http://www.publications.parliament.uk/pa/cm/cmmeduski.htm>.

Listed below are the reports and the subsequent Government responses published by TSO so far in the 2005-06 Session.

Title	Published	Price	ISBN
■ The Government's Response to the Education and Skills Committee's Seventh Report of Session 2004-05 – Prison Education Cm 6562	9 June 2005	£8.00	0-10-165622-X
■ The Government's Response to the Education and Skills Committee's Ninth Report of Session 2004-05 – Every Child Matters Cm 6610	30 June 2005	£6.50	0-10-166102-9
■ First Special Report – <i>Government response to the Committee's Second Report (Education outside the Classroom), Sixth Report (National Skills Strategy: 14-19 Education) and Eighth Report (Teaching Children to Read) of Session 2004-05 – HC 406 Session 2005-06</i>	21 July 2005	£9.50	0-215-02550-4
■ Second Special Report – <i>UK e-University: Government response to the Committee's Third Report of Session 2004-05 HC 489 Session 2005-06</i>	18 October 2005	£4.50	0-215-02584-9
■ Third Special Report – <i>Secondary Education: The Government response to the Committee's Fifth Report of Session 2004-05 HC 725 Session 2005-06</i>	8 December 2005	£9.00	0-215-02652-7
■ First Report – <i>The Schools White Paper: Higher Standards, Better Schools for All Volume I – Report HC 633-I Session 2005-06</i>	27 January 2006	£14.00	0-215-02720-5
■ First Report – <i>The Schools White Paper: Higher Standards, Better Schools for All Volume II – Oral and Written Evidence HC 633-II Session 2005-06</i>	27 January 2006	£23.50	0-215-02722-1
■ The Government's Response to the Education and Skills Committee's First Report – <i>The Schools White Paper: Higher Standards, Better Schools for All Cm 6747</i>	28 February 2006	£8.00	0-10-167472-4
■ Second Report – <i>Public Expenditure on Education and Skills HC 479 Session 2005-06</i>	9 March 2006	£15.50	0-215-02772-8

ANNEX L – Sponsorship

Sponsor	Nature of Sponsorship	Value (£)
Allen & Nesta Ferguson Charitable Foundation	To enable student members from socially disadvantaged and ethnic minority backgrounds to participate more fully in National Academy for Gifted and Talented Youth (NAGTY) activities.	100,000
Caterpillar Foundation	NAGTY summer school scholarships.	13,400
Gatsby Charitable Foundation	Funding of programme to enable participants to gain expertise in teaching Gifted and Talented pupils in Mathematics and Science.	250,100
Goldman Sachs Foundation	To enable student members from socially disadvantaged and ethnic minority backgrounds to participate more fully in NAGTY activities.	70,000
Intel	Sponsorship of Moving Young Minds seminar.	57,300
National Grid Transco	NAGTY summer school scholarships.	19,200
North West Development Agency	Sponsorship of EU Presidency - Higher Education conference dinner.	12,000
Oracle	Sponsorship of EU Presidency - Education conferences on Skills and Higher Education.	50,000
Oxford University Press	Write Here, Write Now competition 2005.	8,200
Philip Green, GUS plc, Marks & Spencer, Next	Fashion Retail Academy.	12,400,000
Wragge & Co Charitable Trust	NAGTY summer school scholarships.	6,000

ANNEX M – Non-Departmental Public Bodies

Name		Contact Details
<p>■ Adult Learning Inspectorate (ALI)</p>	<p>The Adult Learning Inspectorate (ALI) inspects provision for those aged 19 and over in further education colleges, those in work-based learning from age 16, New Deal, adult and community learning and Ufl learndirect provision. It also inspects education and training in prisons at the invitation of Her Majesty's Chief Inspector of Prisons.</p> <p>Ofsted inspects provision for 16- to 19-year-olds in schools and colleges. Where provision falls within the remit of both Inspectorates, there is a joint inspection led by Ofsted, involving a single team of inspectors, under the <i>Common Inspection Framework</i>.</p>	<p>Spring Place, Coventry Business Park Herald Avenue Coventry CV5 6UB Tel: 02476 71 6600 www.ali.gov.uk</p>
<p>■ British Educational Communications and Technology Agency (Becta)</p>	<p>The British Educational Communications and Technology Agency (Becta) is the Government's lead agency for ICT in education. Working to support the development of ICT in education throughout the UK, Becta's unique contribution is to combine knowledge of the needs of education with an understanding of the power of technology.</p>	<p>Millburn Hill Road Science Park Coventry CV4 7JJ Tel: 024 7641 6994 www.becta.org.uk</p>
<p>■ Children and Family Court Advisory and Support Service (CAFCASS)</p>	<p>The Children and Family Court Advisory and Support Service (CAFCASS) was launched as a dedicated service to represent, safeguard and promote the welfare of children involved in family court proceedings. It draws together services previously carried out by three separate agencies – the Official Solicitor, the Court Welfare Service and the Home Office (Probation Service).</p>	<p>8th Floor South Quay Plaza 3 189 Marsh Wall London E14 9SH Tel: 020 7510 7000 www.cafcass.gov.uk</p>
<p>■ Construction Industry Training Board (CITB)</p>	<p>The Construction Industry Training Board (CITB) prime role is to set national occupational standards and ensure that quality and quantity of training are adequate to meet the future skill needs of the building and civil engineering industry in Great Britain.</p>	<p>Bircham Newton Training Centre Bircham Newton Kings Lynn Norfolk PE31 6RH Tel: 01485 577577 www.citb- constructionskills.co.uk</p>
<p>■ Engineering Construction Industry Training Board (ECITB)</p>	<p>The Engineering Construction Industry Training Board (ECITB) is a body corporate and a registered charity and it operates under <i>the Industrial Training Act 1982 (amended)</i>.</p> <p>In broad terms, it covers the engineering construction (e.g. building of process plant) industry in Great Britain. Its primary role is to set standards for training and to ensure the adequate provision of training to meet future needs of the industry. It operates a levy/grant system and a wide range of centrally funded training initiatives on behalf of the industry.</p>	<p>Blue Court Church Lane Kings Langley Hertfordshire WD4 8JP Tel: 01923 260000 www.ecitb.org.uk</p>

Name		Contact Details
<p>■ Higher Education Funding Council for England (HEFCE)</p>	<p>The Higher Education Funding Council for England (HEFCE) distributes public money for teaching and research to universities and colleges. In doing so, it aims to promote high quality education and research, within a financially healthy sector. The Council also plays a key role in ensuring accountability and promoting good practice.</p>	<p>Northavon House Coldharbour Lane Bristol BS16 1QD Tel: 0117 931 7317 www.hefce.ac.uk</p>
<p>■ Investors in People (UK)</p>	<p>Investors in People (UK), provides business leadership for the Investors in People standard; to lead and to undertake national promotion of the Standard; to maintain the reputation of the Standard; and to undertake assessments of national organisations against the Standard.</p>	<p>7-10 Chandos Street London W1G 9DQ Tel: 020 7467 1900 www.investorsinpeople.co.uk</p>
<p>■ Learning and Skills Council (LSC)</p>	<p>The Learning and Skills Council (LSC) for England is the leading body in post-16 learning and skills development and operates through 47 local arms, known as local LSCs.</p>	<p>Cheylesmore House Quinton Road Coventry CV1 2WT Helpline: 0870 900 6800 www.lsc.gov.uk</p>
<p>■ National College of School Leadership (NCSL)</p>	<p>The National College of School Leadership (NCSL) provides a single national focus for leadership development and research. It offers head teachers, deputy heads and other school leaders the professional support and recognition they deserve and which other professions take for granted. It has responsibility for the national headship training programme as well as developing a coherent menu of other developmental opportunities.</p>	<p>Triumph Rd Nottingham NG8 1DH Tel: 0870 001 1155 www.ncsl.org.uk</p>
<p>■ Office for Fair Access (OFFA)</p>	<p>The Office for Fair Access (OFFA) is an independent, non departmental public body which aims to promote and safeguard fair access to higher education for under-represented groups in light of the introduction of variable tuition fees in 2006-07. OFFA is led by the Director of Fair Access.</p>	<p>Northavon House, Coldharbour Lane, Bristol, BS16 1QD Tel: 0117 931 7171 www.offa.org.uk</p>
<p>■ Partnerships for Schools (PFS)</p>	<p>The key role of Partnerships for Schools (PFS) is to ensure that secondary schools are well designed, are built on time at a reasonable cost to the taxpayer, and are properly maintained over their lives. PFS will help build strong Public Private Partnerships, enabling the public sector to benefit from the best skills and expertise available in the private sector and reaping greater efficiencies and economies of scale.</p>	<p>Partnerships for Schools Fifth Floor 8-10 Great George Street London SW1P 3AE Tel: 020 7273 0001 www.p4s.org.uk</p>
<p>■ Qualifications and Curriculum Authority (QCA)</p>	<p>The Qualifications and Curriculum Authority (QCA) works with and assists the Secretary of State for Education and Skills in ensuring that the curriculum and qualifications available to young people and adults are high quality, coherent and flexible and that they contribute effectively to improving the nation's level of attainment in education and training and to building the economy.</p>	<p>83 Piccadilly London W1J 8QA Tel: 020 7509 5555 www.qca.org.uk</p>

Name		Contact Details
<p>■ School Food Trust (SFT)</p>	<p>The School Food Trust (SFT) plays a key role in taking forward the Government's programme for improving school food. It gives independent support and advice to schools and parents to improve the standard of school meals and ensures that the issue of school food remains high on the agenda.</p> <p>The Schools Food Trust is constituted as a charitable company and the Board members are directors of the company.</p>	<p>Caxton House 6-12 Tothill Street London SW1H 9NA Tel: 020 7273 5205 www.schoolfoodtrust.org.uk</p>
<p>■ Sector Skills Development Agency (SSDA)</p>	<p>The UK-wide Sector Skills Development Agency (SSDA) actively assists employers in sectors in bidding to become Sector Skills Councils (SSCs). It funds, supports and monitors the performance of SSCs, ensuring quality and consistent standards across the network. It also provides the minimum cover for essential functions in sectors without an SSC.</p>	<p>3 Callflex Business Park Golden Smithies Lane Wath-upon-Deane South Yorkshire S63 7ER Tel: 01709 765444 www.ssda.org.uk</p>
<p>■ Student Loans Company (SLC)</p>	<p>The Student Loans Company (SLC) is a non-departmental public body jointly owned by the Secretary of State for Education and Skills and the Secretary of State for Scotland. It administers the student loans scheme.</p>	<p>100 Bothwell Street Glasgow G2 7JD Tel: 0141 306 2000 www.slc.co.uk</p>
<p>■ Training and Development Agency for schools</p>	<p>The Training and Development Agency for schools works to improve the training and development of the whole school workforce.</p>	<p>Portland House Bresseden Place London SW1E 5TT Tel: 0870 4960 123 www.tda.gov.uk</p>

ANNEX N – Public Appointments to Non-Departmental Public Bodies from 1 January 2005 to 31 December 2005

Name	Post	Remuneration	Term	Male/Female
*Reappointments				
Adult Learning Inspectorate				
Dr Philip Candy	Board Member	Nil	4 years	M
Elaine Nicholls	Board Member	Nil	4 years	F
Dr Richard Wilson	Board Member	Nil	3 years	M
Children and Family Court Advisory and Support Service				
Baroness Jill Pitkeathley	Chair	£523 per day	3 years	F
Judith Timms*	Board Member	£270.30 per day	3 years	F
Construction Industry Training Board				
Herbert Baggaley*	Member	Nil	2 years	M
Graham Wren	Member	Nil	5 years	M
George Fraser	Member	Nil	5 years	M
Chris Jones	Member	Nil	5 years	M
Engineering Construction Industry Training Board				
Terry Lazenby	Chair	£11,053	3 years	M
Paul Gotts	Board Member	Nil	3 years	M
John Collings	Board Member	Nil	1.5 years	M
Tom Hardacre	Board Member	Nil	5 years	M
Louise Ferguson*	Board Member	Nil	5 years	F
Terry McDougall	Board Member	Nil	5 years	F
Higher Education Funding Council for England				
Prof David Eastwood	Board Member	£5,000	3 years	M
Prof Tim Wilson	Board Member	£5,000	3 years	M
Dame Patricia Hodgson	Board Member	£5,000	3 years	F
Sir Richard Sykes*	Board Member	£5,000	3 years	M
Peter Saraga*	Board Member	£5,000	3 years	M
Prof Nigel Savage*	Board Member	£5,000	3 years	M
Jackie Fisher*	Board Member	£5,000	3 years	F
Independent Advisory Group on Teenage Pregnancy				
Anne Weyman*	Board Member	£114 per day	3 years	F
Investors in People UK				
Hans Rissman*	Board Member	Nil	3 years	M
Cyrus Todiwala	Board Member	Nil	3 years	M
Stephen Kingan	Board Member	Nil	3 years	M
Roger Hoyle	Board Member	Nil	3 years	M
Learning and Skills Council for England				
Claire Ighodaro	Board Member	£4,000	4 years	F
Mary Marsh	Board Member	£4,000	4 years	F
John Taylor	Board Member	£4,000	4 years	M
Sandra Burslem*	Board Member	£4,000	1 year	F
Learning and Skills Council – Local Council Chairs				
Keith Stanyard	Local Chair	£5,000	2 years	M
Maureen Milgram-Forrest	Local Chair	£5,000	4 years	F
Roger Hoyle*	Local Chair	£5,000	2 years	M
John Savage	Local Chair	£5,000	3 years	M
Michael Collier	Local Chair	£5,000	4 years	M
Richard Brough	Local Chair	£5,000	4 years	M

Name	Post	Remuneration	Term	Male/Female
*Reappointments				
National College for School Leadership				
Helen Paterson*	Board Member	Nil	10 months	F
Martin Taylor*	Board Member	Nil	10 months	M
Terence Piggott*	Board Member	Nil	3 years	M
David Patterson*	Board Member	Nil	3 years	M
Partnerships for Schools				
Michael Grabiner	Chair	£25,000	3 years	M
Christine Davies	Non-Exec Director	£5,000	3 years	F
Lynne Morris	Non-Exec Director	£5,000	3 years	F
Brian Rigby	Non-Exec Director	£5,000	3 years	M
David Bullock	Non-Exec Director	£5,000	3 years	M
Stella Earnshaw	Non-Exec Director	£5,000	3 years	F
Richard Baldwin	Non-Exec Director	£5,000	3 years	M
Qualifications and Curriculum Authority				
Sir Anthony Greener*	Chair	Nil	3 Years	M
School Food Trust				
Suzi Leather	Chair	£15,000	3 years	F
Maggie Jones	Board Member	Nil	2 years	F
Beverley Anne Baker	Board Member	Nil	2 years	F
Frances Crook	Board Member	Nil	2 years	F
Paul Kelly	Board Member	Nil	2 years	M
Charles Wasson	Board Member	Nil	2 years	M
Sheila Walker	Board Member	Nil	2 years	F
Andrew Gillard	Board Member	Nil	1 year	M
Jeanette Orrey	Board Member	Nil	2 years	F
Kristina Murrin	Board Member	Nil	1 year	F
Carmel McConnell	Board Member	Nil	1 year	F
Julian Hunt	Board Member	Nil	2 years	M
Robert Rees	Board Member	Nil	2 years	M
Sir John Oldham	Board Member	Nil	2 years	M
Sir Tom Shebbeare	Board Member	Nil	2 years	M
John Dyson	Board Member	Nil	2 years	M
School Teachers Review Body				
Dr Bill Cockburn*	Chair	£350 per day	3 years	M
Mark Goodridge*	Board Member	£300 per day	3 years	M
Sector Skills Development Agency				
Margaret Salmon*	Chair	£41,718	2 years	F
Gareth Cadwallader*	Member	£300 per day	3 years	M
Brian Connolly*	Member	£300 per day	2 years	M
Jeannie Drake*	Member	£300 per day	3 years	F
John King*	Member	£300 per day	3 years	M
Richard Martin*	Member	£300 per day	3 years	M
Bill McGinnis*	Member	£300 per day	2 years	M
Peter Mount*	Member	£300 per day	2 years	M
Peter Welsh*	Member	£300 per day	1 year	M
Stephanie Young*	Member	Nil	1 year	F
Student Loans Company				
Tanvi Davda*	Non-Exec Director	£5,000	3 years	F
Angela McCusker*	Non-Exec Director	£5,000	3 years	F
Ian Dickson	Non-Exec Director	£5,000	3 years	M
Training and Development Agency for schools				
Chris Baker*	Board Member	Nil	3 years	M

Name	Post	Remuneration	Term	Male/Female
*Reappointments				
TTV – Teacher’s TV				
Paul Judge	Chair	£55,000	2 years	M
Alison Banks	Member	£10,000	2 years	F
Donald Cruickshank	Member	£10,000	2 years	M
Janie Grace	Member	£10,000	2 years	F
Prof Stephen Heppell	Member	£10,000	2 years	M
Angela McFarlane	Member	£10,000	2 years	F
Stephen Morrison	Member	£10,000	2 years	M
Katherine Perera	Member	£10,000	2 years	F

ANNEX O – Glossary

Administration Costs	The day-to-day costs incurred in administering the Department’s business
Aggregate External Finance	The total level of support the Government provides to local authorities. This support is normally made up of Revenue Support Grant, some specific and special grants and the amount distributed from business rates.
Annually Managed Expenditure (AME)	The element of public expenditure for which multi-year spending limits are not appropriate, and which is instead subject to annual review.
Bill	A draft Act of Parliament, presented to either the House of Commons or the House of Lords, to vote on. If successful, the bill becomes an Act following Royal Assent.
Capital Modernisation Fund (CMF)	A fund administered by the Treasury from which departments can bid for money to support capital projects aimed at improving the quality of public service delivery.
Children’s Centre	A multi-agency centre offering integrated early education, childcare and health and parental support to children under five and their families.
Departmental Expenditure Limits (DEL)	Expenditure which departments can control overall, though some elements may be demand-led.
Education Formula Spending (EFS)	The level of funding the Government spends on education through the local government finance system. It reflects the broad range of pressures facing the education service and the scope for making efficiency savings.
Exclusion	Pupils may not attend lessons or enter school premises for a set period of time, or permanently in the case of expulsion.
Extended School	A school open to pupils, families and the wider community throughout the school day and beyond it at weekends and during school holidays. The services offered include childcare, study support, IT, recreational facilities and adult learning.
Foundation Stage	The statutory period of learning for children from the age of three to the end of their school reception year.
Green Paper	A preliminary report of Government proposals that is published in order to stimulate discussion.

Gross Domestic Product (GDP)	A measure of the economic activity taking place in the UK economic territory. Measured by National Statistics, GDP is equivalent to the value added to the economy by this activity.
Invest to Save	A special fund set up by the Treasury to support projects that promote joined up government.
Key Stage	A description and measurement of pupil's progress through school: key stage 1: pupils aged 5 to 7 – year groups 1 to 2 key stage 2: pupils aged 7 to 11 – year groups 3 to 6 key stage 3: pupils aged 11 to 14 – year groups 7 to 9 key stage 4: pupils aged 14 to 16 – year groups 10 to 11
National Curriculum	The basic framework setting out what children aged three to 16 in government funded early education settings and state schools should learn.
Non-Departmental Public Bodies (NDPBs)	A body which has a role in the processes of Government but is not a Government department or part of one. NDPBs accordingly operate at arm's length from Government ministers.
Outturn	Annual cash expenditure.
Private Finance Initiative (PFI)	An initiative to attract private sector funding for major public sector projects.
Public-Private Partnership (PPP)	The introduction of private sector funding and expertise into the provision of public services in order to achieve best value for money for taxpayers.
Public Service Agreement (PSA)	A plan setting out what a department will deliver in the form of measurable targets over the public expenditure review period in return for its agreed spending.
Real Terms	Expenditure measured against a standard of constant value, making allowances for changes in purchasing power as a result of inflation.
Resource Accounting and Budgeting (RAB)	Introduces generally accepted accounting practice into government accounting. The main changes being the adoption of accruals accounting for all departmental expenditure and the inclusion of depreciation and cost-of capital charges in departmental budgets.

Revenue Support Grant

A government grant to make up the shortfall between local authorities' Standard Spending Assessment (SSA) and the amount it would receive from Council Tax for Standard Spending and redistributed business rates.

Special Educational Needs (SEN)

A child is defined as having SEN if he or she has a learning difficulty that needs special teaching. A learning difficulty means that the child has a significantly greater difficulty in learning than most children of the same age.

Spending Review (SR)

This sets Departmental Expenditure Limits (DEL) and plans Annually Managed Expenditure (AME) for the following three years. It replaces the annual public expenditure survey and is held at less frequent intervals. The first was the Comprehensive Spending Review in 1998; the second in summer 2000, the third in summer 2002 and the fourth in summer 2004.

Standard Spending Assessment (SSA)

The government calculates a Standard Spending Assessment in order to work out each local authority's share of Total Standard Spending (TSS). The SSA takes account of the population, social structure and other characteristics of each authority.

Sure Start

The government's programme to deliver the best start in life for every child by promoting and bringing together early education, childcare and health and family support services for children, (from birth through to their teenage years) and their families.

Technical Notes

Technical notes set out exactly how a target will be measured. The existence of these notes helps stakeholders to be clear about exactly what the target is, and provides assurance that performance will be objectively assessed.

Total Standard Spending (TSS)

The amount of spending by local government as a whole that the government is prepared to support through grants.

Vote

The amount of money approved by Parliament to cover departmental expenditure.

White Paper

A government report.

ANNEX P – Bibliography

This bibliography gives the titles of publications cited in this report. These are available in full text versions on the Department for Education and Skills website www.dfes.gov.uk/publications/. Links for documents found on other websites are cited.

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