



Department for Education and Skills

Departmental Report 2007

Presented to Parliament
by the Secretary of State for Education and Skills
by Command of Her Majesty
May 2007

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Foreword by the Secretary of State



I am delighted to be presenting my second Departmental Report as Secretary of State.

This report sets out what the Department has achieved during 2006-07, how we have progressed towards Public Service Agreement targets, and our expenditure plans based on the Spending Review 2004 settlement.

Better outcomes for children and learners are one of the Government's top priorities. We are continuing to invest unprecedented amounts in education and children's services. Spending on education alone is set to rise to £63.7 billion in 2007-08. The proportion of 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. Over the 2007 Comprehensive Spending Review period – which runs from 2008 to 2011 – the Department's investment in schools, colleges, universities and children's services will grow by an average of 2.7 per cent above inflation per year.

We will use this settlement to drive forward our priorities to close the gap in educational achievement; continue to raise standards; increase the proportion of young people staying on in education and training beyond the age of 16; increase the number of children and young people on the path to success; close the skills gap; and ensure young people are safe and healthy as set out in the *Five Year Strategy for Children and Learners: Maintaining the Excellent Progress*.

We have made impressive progress during 2006-07. My Ministerial colleagues and I see this as demonstrating just how committed and dedicated our partners in delivery are. As this report shows:

- Every Child Matters continues to drive real improvements in the well-being and life chances of children and young people from birth to age 19. There are now over 1,250 Sure Start Children's Centres offering services to one million under fives and their families, and Children's Trusts are bringing together all those who provide services for children and families in each local area. The Green Paper *Care matters: transforming the lives of young children and young people in care* set out a radical package of proposals to improve outcomes for children in care, making care a bridge to a better childhood and a better future. There are also over 4,500 schools now offering access to the core extended services.
- In schools, record results are being achieved at ages 11, 14 and at GCSE level. There has been a significant reduction in the number of schools at which low proportions of pupils achieve the standards we expect at primary and at secondary level. Academies are achieving the highest improvement rates, meaning that standards are rising for children in deprived areas and the attainment gap between them and their peers is narrowing. Building on this, the *Education and Inspections Act 2006* introduced new measures to raise standards, promote choice and diversity and

give teachers new powers to discipline pupils. A new Office for Standards in Education, Children's Services and Skills has also been created.

- Investment in further education has increased by 48 per cent in real terms between 1997-98 and 2005-06. On the back of this, success rates have increased by 20 per cent over the last six years. In 2005/06, colleges met the target of 77 per cent two years early. The success rate in work-based learning is also edging close to the 2007/08 target of 59 per cent. Our milestone of one million more adults in the workforce qualified to at least level 2 between 2003 and 2006 has been met, and our 2007 milestone of 1.5 million adults helped to improve their basic skills has been exceeded. The creation of specialised diplomas will raise participation rates to 90 per cent in 2013 and offer a diverse set of personalised learning options, with clear vocational value. The Further Education White Paper set out reforms to deliver capacity and quality improvements across the sector. Lord Leitch's report published in December 2006 has set out, in stark terms, the challenge to deliver skills for work to meet the needs of employers, individuals and society through a truly demand-led system. To give individuals a strong platform for life and learning and to meet the needs of employers and society, Government published a Green Paper, *Raising Expectations: staying in education and training post 16* in March 2007.

- In higher education, there are record numbers of students, and they are studying in increasingly diverse ways – part-time, distance learning, and taking new qualifications such as foundation degrees. The National Student Survey shows 80 per cent are satisfied with their course. The positive results are a testament to the strength of teaching and learning in the sector and demonstrate the high quality of UK higher education. Our universities and higher education colleges have new tuition fee income to help sustain the quality of teaching and research in the future. And for entry in the autumn of 2007, applications through UCAS from England are up by more than seven per cent.

The next year promises to be another exciting one for the Department and its partners. We are committed to building on the Government's proud record of improvement and investment for children, young people and learners.



Rt Hon Alan Johnson MP

The Ministerial responsibilities

Table 1.1: Ministerial responsibilities within the Department are:



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

Has an overarching responsibility for children, young people & families policy and the Every Child Matters programme, including leading work across government and working closely with the new Social Exclusion Minister.



Jim Knight MP

Minister of State for Schools
and 14-19 Learners

Takes an overview of all schools strategy. His specific responsibilities include: transforming secondary education; remodelling the school workforce; and education and learning for all 14-19s.



Bill Rammell MP

Minister of State for Lifelong Learning,
Further and Higher Education

Takes an overview of higher education, further education, adult skills, the Learning and Skills Council and lifelong learning.



**Parmjit Dhanda MP
(supporting Beverley Hughes)**

Parliamentary Under Secretary of State for
Children, Young People and Families

Has specific responsibilities which include a new strategic responsibility for the Department's interests in children's health; a new lead responsibility for the Department's parenting strategy and the lead on the Department's interest in the HMT Third Sector Review and in the voluntary & community sector.



Lord Andrew Adonis

Parliamentary Under Secretary of State
for Schools

Has a particular focus on primary schools, the school curriculum and SEN disability and the delivery of the Academies and Trusts programme and the London Challenge. His specific responsibilities include: raising standards in Primary Schools; and the school curriculum.



Phil Hope MP

Parliamentary Under Secretary of State
for Skills

Has a specific focus on skills. He also supports Jim Knight on 14-19 reform and Bill Rammell on Further Education. His specific areas of responsibility include: education and learning for all 14-19s (with Jim Knight); and adult skills.

Foreword by the Permanent Secretary



My first 18 months as Permanent Secretary have seen much change across the Department, and some tough policy challenges. This report is testament to our response, and to the progress we have made. I am confident that our achievements will go a long way to improve the lives of children, young people and adult learners.

Our Department's mission is quite simple: to change people's lives through educational opportunity. Achieving that is less straight forward. Children, young people, parents, learners and employers rely on the Department for Education and Skills to push forward improvement and to support those who are working hard face-to-face with children and learners to deliver services.

I am confident that we are making real progress, and that we are ultimately making a difference to people's lives. We are working with our partners to build their capacity and help them do their jobs, to encourage creative solutions to problems they encounter, and to broaden the types of provision on offer. Our aim is that all children and learners can find exactly what suits them, and can benefit from quality teaching and a safe learning environment.

All the work that we have done – not least the four Bills our Ministers have recently taken through Parliament - will make significant improvements right across the spectrum of education, from early years to adult learning.

We are also driving forward an ambitious programme of reform within the Department itself, following the report of the *Capability Review* in July 2006. We need to ensure that our own staff have the right skills to lead reform and deliver the improvements in services that we want to see. I am very clear that we won't achieve any of the outcomes we would wish for learners if we do not make the most of the skills, energy and creativity that the staff in this Department have to offer.

The commitment and dedication that I have seen from staff right across the Department in my 18 months here gives me great confidence that we will continue to work in a culture of openness and honesty. Together with our partners, and with learners, I am confident that we will continue to improve the lives of children, young people and adults in the coming year and beyond.

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

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 shares responsibility for certain programmes with other government departments, for example, the Sure Start programme which is shared with the Department for Work and Pensions.

The Department's aim is to 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.

Underpinning this aim the Department has five objectives and fourteen Spending Review 2004 Public Service Agreement (PSA) targets. These are unchanged from those reported in the *2006 Departmental Report* (Cm 6812) and *2006 Autumn Performance Report* (Cm 6992).

The following chapters in this report provide Parliament and the public with an account of how the Department for Education and Skills has spent the resources allocated to it, as well as its future spending plans. It also describes some of our key policies and programmes. The report is structured around the Department's objectives:

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

This report also includes details of the Department's organisation and activities (Chapters 1 and 6); a summary of progress towards the Department's Public Service Agreement targets (Chapter 2); and details of its expenditure, investment and efficiency. (Chapters 8, 9 and 10)

The Department's Board

The Head of the Department is the Permanent Secretary, David Bell, who was 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.

The other executive Board members are appointed by the Permanent Secretary (with the approval of the Senior Appointments Selection Committee where appropriate) and each lead one of the six directorates in the Department. In addition to the

executive Board members there are two non-executive Board members, Philip Augar and Katherine Kerswell, who provide an external challenge and non-departmental perspective to the Board.

The Board provides collective leadership to the Department and has overall responsibility for its performance. The six directorates together take forward a policy programme which is underpinned by a set of Public Service Agreement (PSA) targets against which progress and achievement is measured. The Board's responsibilities include:

- driving work on the Department's strategic aims and objectives;
- advising on the allocation of its financial and human resources;
- managing Departmental resources;
- monitoring the achievement of performance objectives;
- maintaining a transparent system of prudent and effective controls;
- assessing and managing risk to Departmental work; and
- leading and overseeing the Department's reform programme.

The Board is committed to continuous improvement. In 2006, it reviewed both its own structure and the corporate governance framework within the Department. As a result, the Board structure has been refined. It now comprises a main Board (focusing on strategy and performance) which meets monthly, and monthly sub-boards for executive management, efficiency and reform, and communications. The Audit and Risk Assurance Committee provides an independent view back to the Board. To realise the Department's policy objectives and to reshape the systems for delivering education, training and children's

services, the Board is dedicated to collecting and making use of the best available evidence.

Following the Capability Review of the Department, the Board is implementing a development plan to increase its corporate impact and make itself more visible in working with Ministers and delivery partners and in leading the Department. Board members are encouraged to discuss Board papers in advance of the meeting with their Directorate leadership teams.

The Board is committed to making its workings and decisions as open and accessible to staff as possible. Key decisions made at Board meetings are made available to all staff, with detailed minutes circulated to standing attendees. The Board tries, where possible, to accommodate staff who ask to attend Board meetings as part of their personal development. A quarterly 'Shadow Board' enables staff from across sites and across grades to take part in a simulated Board discussion and to observe the main Board and feed back their thoughts at the Departmental Board meeting.

Departmental Reform

The role of the Department is to:

- set and communicate clear priorities for improving outcomes and meeting the needs of children, young people, learners, parents and employers who depend upon the Department's services;
- shape the best system to deliver these priorities;
- work with partners to establish effective delivery systems; and
- manage the performance of the system.

Through a programme of internal reform the Department is working to ensure it has the capabilities and attributes needed to lead reform of the system and deliver better outcomes for children, young people and learners. The core of

this programme is the implementation, over two years, of the findings of the *Capability Review of the Department for Education and Skills* published in July 2006.

The Review highlighted the many recent improvements in outcomes for children and learners. It praised the drive, passion and commitment of people in the Department, but also identified four areas where the Department needs to focus in order to meet future challenges:

- developing a coherent unifying strategy for achieving better outcomes through more effective delivery;
- managing the delivery chain and performance-managing delivery;
- giving higher priority to managing the Department's people and ensuring that the Department has the right skills to deliver; and
- increasing the impact of the Department's Board.

Progress has already been made. Some of the key improvements are set out in more detail later in this report, but in brief the Department has made real steps in:

- setting clear Departmental priorities for better outcomes for children and learners;
- improving the way the Department works with delivery partners;
- better management and deployment of the Department's staff; and
- developing the role of the Department's Board in leading the Department and working with Ministers.

These changes apply to the whole Department and all the work it does, and puts a particular responsibility on the Department's central corporate services to support the Department in improving its own performance and effectiveness.

The Corporate Services Transformation Programme is contributing to the reform of the Department by delivering high-quality human resources, finance and IT services. Its objectives are to be more responsive to the professional needs and responsibilities of the Department's staff, whilst improving value for money.

The Department's ambition is to deliver excellent public services to users and is committed to evidence-informed policy making. Appropriate use of the evidence base is critical to identifying whether the Department's policies and systems are having the impact on outcomes intended.

The Behaviours

The Board creates a culture of learning within which all staff can develop to their full potential. It actively promotes and demonstrates the Department's corporate behaviours which continue to underpin the way the Department works. As the Department's priorities, organisation and operating model develop and change, the behaviours will need to be revisited and reviewed to ensure they continue to underpin the way the Department works.

Five Year Strategy

In July 2004, the Government published the *Five Year Strategy for Children and Learners*. It set out an ambitious programme of reform for the whole of education and children's services. This includes the key role the Department plays in championing the interests of children and young people right across government.

On 19 September 2006, the Department published *The Five Year Strategy for Children and Learners: Maintaining the Excellent Progress*, which reported on the Department's progress after two years. It looked at the rapid progress that had already been made and ahead at how the strategy would be taken forward to 2009 and beyond. It sought

Table 1.2: Board responsibilities within the Department are:

Permanent Secretary

David Bell

Directorate	Director/Director General	Main programmes	Spending Review 2004 PSA Targets
Children, Young People and Families	Tom Jeffery	Every Child Matters: Change for Children (the overarching cross-government programme) Sure Start, Extended Schools and Childcare (both joint with DWP) Youth (joint with DH) Safeguarding Vulnerable Children Parents Strategy Supporting Delivery	1 and 2 3 and 12 5
Schools	Ralph Tabberer	School Standards Curriculum Pupil Well-being Behaviour and Attendance School Sport and PE Academies, Trusts and Specialist Schools Schools Workforce Schools Capital School Commissioner Families	6, 7 and 10 4 8 9
Lifelong Learning and Skills	Stephen Marston	14-19 FE Reform Skills	11 and 12 13
Higher Education	Ruth Thompson	Higher Education Programme, including the Customer First Programme and the Widening Participation Programme	14
Communications	Caroline Wright	Supporting programme delivery through effective communications – Media relations – Staff communications – Marketing and external communications – Customer insight	
Corporate Services	Jon Thompson	Strategy and Reform Human Resources Finance and Efficiency Procurement IT and e-strategy Strategic Analysis and Data Services Estates and Facilities Centre for Procurement Performance and Shared Services	
Non-Executive Board Members	Philip Augar Katherine Kerswell		
Government Office	Directors for Children and Learners		
East of England	Christopher Hilliard		
East Midlands	Steve Geary		
London	Jennifer Izekor		
North East	Jackie Doughty		
North West	Nigel Burke		
South East	Peter Weston		
South West	Peter Cloke		
West Midlands	Roger Crouch		
Yorkshire and the Humber	Helen McMullen		

responses from partners and services users to the proposals for a forward strategy, and was accompanied by a series of Ministerial roadshows around the country to actively engage key stakeholders in helping set the Department's strategic direction.

In the light of responses to the document and the roadshows, seven priorities have been set for the Department and its partners which are to:

- increase the health and well-being of children and young people;
- safeguard the young and vulnerable;
- close the gap in educational achievement between those from disadvantaged backgrounds and their peers;
- continue to raise standards;
- increase post-16 participation and attainment;
- increase the number of children and young people on the path to success; and
- close the skills gap.

The priorities will act as the basis for the continuing development of the Department's performance management framework, including Departmental Strategic Objectives (DSOs) and Public Service Agreements (PSAs). DSOs and PSAs are being agreed as part of the Government's 2007 Comprehensive Spending Review. A rolling business plan, based around DSOs and PSAs, will capture the Department's activity on a financial year-by-year basis for each year of the 2007 Comprehensive Spending Review.

Our partners

The Department for Education and Skills works with other government departments to make sure the Department's agenda is linked to the Government's overall priorities, including those to improve public health, reduce crime, promote culture and sport and develop strong

communities. A number of the Departments PSA targets are shared with other government departments.

Non-Departmental Public Bodies

During 2006-07, the Department for Education and Skills continued to fund and work with a wide range of partner organisations to achieve its objectives. Following the Capability Review, the Department has established a Department for Education and Skills Group with its key delivery partners to improve the way the Department operates, engaging partners more effectively in both the direction and detail of policy making and strategic direction, capturing the expertise and insight into the detail of delivery they offer.

Details of the Department's 18 executive non-departmental public bodies are in Annex M. Details of public appointments made to non-departmental public bodies are in Annex N. The administration costs of non-departmental public bodies are in Chapter 8, Table 8.12.

Details of current public appointment vacancies can be found at www.dfes.gov.uk/recruitment/

The Cabinet Office is no longer publishing a central Public Bodies directory. Details of the Department for Education and Skills Public Bodies 2007 directory can be found at www.dfes.gov.uk/ndpb/ along with further information about public appointments and the Department for Education and Skills' Appointment Plan.

Joint International Unit

The Joint International Unit (JIU) serves both the Department for Education and Skills and the Department for Work and Pensions and through 2006-07 has continued to promote internationally the Government's policies.

The Unit has played a pivotal role in taking forward the international agenda of the Department for Education and Skills. During 2006-07, the Unit has

provided support, advice and guidance to Ministers and has ensured effective representation for the Department in the European Union (EU) and international fora so that departmental policies were explained, UK interests promoted, bilateral links developed and international cooperation advanced.

During the year the Unit has contributed significantly to the provision of effective and relevant policy and knowledge exchange in support of domestic policy development across the education and skills agenda and delivered effective outcomes and value for money from the Department's EU and International programmes.

The Unit has also ensured that UK interests are properly represented at the EU Youth Working Party and the Education Committee with Ministers attending the Education and Youth Councils and has continued to successfully promote the Prime Minister's initiatives for international education with universities across the country. Additionally the Unit had contributed significantly to the wider Government agenda of cooperation with India and China through collaboration in education.

The Unit continued to manage the 2000-2006 European Social Fund (ESF) programme in England and the Equal programme in Great Britain to support policies to extend employment opportunities to all, committing £670 million to projects in 2006-07 helping over 782,000 people in England improve their employability and skills.

The Unit also conducted a public consultation on the draft ESF programme for England in 2007-2013, which will support the Government's employment and skills strategies. Looking ahead, the Unit will aim to reach agreement with the European Commission on the new ESF programme in 2007, and put in place delivery arrangements.

The Office for Standards in Education (Ofsted)

Ofsted is a non-ministerial government department accountable to Parliament. Prior to 1 April 2007 it was headed by Her Majesty's Chief Inspector of Schools. Its function was to contribute to the provision of better education and care through inspection and regulation of childcare, schools, colleges, children's services, teacher training and youth work.

From April 2007, the inspectorate's full title has changed to The Office for Standards in Education, Children Services and Skills, but it continues to be known as Ofsted. It is headed by Her Majesty's Chief Inspector of Education, Children's Services and Skills. Ofsted's remit now includes, in addition to the responsibilities of its predecessor, the children's social services work of the Commission for Social Care Inspection (CSCI), the Children and Families Court Advisory and Support Service (CAFCASS) inspection remit of Her Majesty's Inspectorate of Court Administration (HMICA) and the inspection work of the Adult Learning Inspectorate (ALI). Ofsted published their Departmental Report CM 7117 on 15 May 2007. (also see Chapter 3)

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Government Offices

The Government Office Network consists of nine regional offices and their corporate centre, the Regional Co-ordination Unit. Government offices (GOs) are located in major cities across England.

GOs offer experience and expertise to Whitehall Departments in the development of policy and in the way that policies are best implemented. They are also the primary means by which a wide range

of government policies and programmes are delivered in the English regions.

GOs represent ten Departments including the Department for Education and Skills, and are involved in regenerating communities; fighting crime; tackling housing needs; improving public health; improving children's services; raising standards in education and enhancing adult skills; tackling country side issues; and reducing unemployment.

Bringing together the activities and interests of so many Departments within a single organisation makes GOs well placed to join-up delivery of government policies and able to support projects that cut across agendas of sponsor departments.

Strong and Prosperous Communities, the Local Government White Paper, published in October 2006, affirmed the critical role GOs have in co-ordinating central Government's relationship with local areas. GOs will be responsible for leading on the negotiation of improvement targets in Local Area Agreements (LAAs), reviewing progress and, where necessary, co-ordinating action to respond to underperformance. Directors for Children and Learners (DCLs) and Children's Services Advisors (CSAs) have a key quality improvement role.

Regional Development Agencies

There are eight Regional Development Agencies (RDAs) in the English regions, and the London Development Agency. The objectives of the RDAs are:

- to further economic development and regeneration;
- to promote business efficiency and competitiveness;
- to promote employment;
- to enhance the development and application of skills relevant to employment, and
- to contribute to sustainable development.

More information can be found at www.englandsrdas.com/home.aspx

Local Authorities

Local authorities have a duty to promote the economic, environmental and social well being in their area. That includes working on cross-cutting schemes with other partners.

The Government is not only committed to improving roles, structures and relationships between Central Government and local authorities, but also between and amongst local authorities and their partners.

Local authorities have a crucial role in driving through the education and children's services reform agenda, as strategic leaders, commissioners and champions of parents and children.

The local government White Paper, *Strong and prosperous communities*, was published on 26 October 2006. It aims to give local people and local communities more influence and power to improve their lives. It is about creating strong, prosperous communities and delivering better public services through a rebalancing of the relationship between central government, local government and local people.

The Third Sector

The third sector describes a range of organisations which includes local community and voluntary groups, large and small registered charities, foundations, trusts and the growing number of social enterprises and co-operatives. They are motivated to work towards the benefit of society rather than to make a profit. More information can be found at www.cabinetoffice.gov.uk/third_sector/

The Department values the role of the third sector in designing and delivering innovative services, often for the most vulnerable and most hard-to-reach individuals and groups, as well as the sector's

role in providing a voice for the user helping to articulate their needs. The sector can also contribute significantly to policy development. The Department wants to make the best use of the third sector's strengths and is working through its Third Sector Forum – made up of key third sector players and Third Sector Board – which brings together senior officials within the Department to achieve this aim.

Chapter 2

Public Service Agreement (PSA) targets: Review of performance in 2006-07



This chapter summarises progress towards the Department for Education and Skills' Spending Review 2004 PSA targets; together with progress against the Department's Efficiency target; and outstanding Spending Review 2002 PSA targets. This includes targets shared with the Department for Work and Pensions; the Department for Culture, Media and Sport; Department of Health; and the Home Office. PSA targets agreed as part of the Spending Review process, articulate and drive forward the Government's highest priorities and ambitions for delivery.

The Department has fourteen Spending Review 2004 headline targets which encompass 25 elements, all of which are reported on in detail throughout the report.

The Department demonstrates its commitment to the UK sustainable development strategy by ensuring that all of its policies, many of which drive forward the delivery of PSA targets, are guided in a transparent way by sustainability principles from the earliest stages of policy development. These principles continue to be considered in the Department's future thinking on performance frameworks, particularly in the context of the 2007 Comprehensive Spending Review. The Department's progress towards sustainable development is included in this Chapter and in Chapter 6.

In order to address concerns raised by the National Audit Office and the Education and Skills Select Committee a standard format was adopted for reporting against PSA targets in the *2006 Autumn Performance Report*. This format, which included baseline, latest assessment, data systems, and data collection information, has also been used for this report. As in previous Departmental Reports, more detailed reporting on progress can be found in the appropriate Chapter of the report as highlighted in this Chapter.

In order that judgements on outturn against all PSA targets are made on a consistent and comparable basis, the following standard terminology has been used. For interim assessments of those targets yet to reach their completion date, the terms used are:

Term	Definition
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 in line with plans and expectations.
Slippage	Where progress is slower than expected, for example, 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.

For final assessments, the terms used are:

Term	Definition
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.
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 was not possible to assess progress against the target during its lifetime or subsequently.

Spending Review 2004 PSA targets

Safeguard children and young people, improve their life outcomes and general well-being, and break cycles of deprivation (see Chapter 3)

		Latest assessment
1. Improve children's communication and social and emotional development so that by 2008, 53% of children reach a good level of development at the end of the Foundation Stage. (element 1)		Slippage
Reduce inequalities between the level of development achieved by children in the 30% most disadvantaged Super Output Areas and the rest of England by four percentage points from 16% to 12%. (element 2)		Slippage
<i>(Sure Start target, joint with the Department for Work and Pensions)</i>		
Element 1:	Baseline: 48% in 2005 Latest outturn against trend: 44% (43.6 – 44.5) in 2006	
Element 2:	Baseline: Inequality gap – 16% Latest outturn against trend: Inequality gap – (15.8% – 17.6%)	

Measurement

Data System:

Elements 1 & 2 – Measured by data from the Foundation Stage Profile (FSP). There is a statutory requirement on local authorities to collate FSP data and send it to the Department for Education and Skills. The data period is the school year and data refers to all children completing the Foundation Stage in that particular year.

Method of data collection:

Elements 1 & 2 – Foundation Stage Profile (FSP). Data are collected annually.

Issues with data systems:

Elements 1 & 2 – Final 2005 and 2006 results were published in January 2007. The 2006 FSP data are considered to be the most reliable available yet, but there remain issues about the embedding of consistent practice which are being addressed, for example, through moderation arrangements. The National Assessment Agency is overseeing further work to ensure that observation and assessment-based formative assessment and the FSP are fully integrated into Foundation Stage practice and provision. The published results are based on a 10% sample dataset and are subject to sampling error. Confidence intervals are provided above (in brackets), along with a best estimate. For 2007, a 100% return will be collected and this will enable progress to be monitored more accurately.

Related Links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Statistical First Release: 03/2007: www.dfes.gov.uk/rsgateway/DB/SFR/index.shtml

Sure Start: www.surestart.gov.uk

DWP: www.dwp.gov.uk

QCA: www.qca.org.uk

Contact: Duncan Aitchison

Tel: 020 7273 4707

Email: duncan.aitchison@dfes.gsi.gov.uk

Latest assessment

- | | Latest assessment |
|--|-------------------|
| 2. As a contribution 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%; (element 1) | Met early |
| ■ increase the number of children in lower-income working families using formal childcare by 120,000; (element 2) | Not yet assessed |
| ■ introduce by April 2005, a successful light-touch childcare approval scheme. (element 3) | Met early |

(Sure Start target, joint with the Department for Work and Pensions)

Element 1:	Baseline: 1,103,000 places at 31 March 2004 Latest outturn against trend: Over 1,280,000 places at March 2007 ¹
Element 2:	Baseline: 2004-05 baseline level of 614,000 Latest outturn against trend: The first figures will be available in September 2007, when the next Parents Childcare Survey is published.
Element 3:	Baseline: No childcare approval scheme in place Latest outturn against trend: Childcare approval scheme in place with over 4,200 new carers approved. The target has been met and closed, and the scheme is being phased out. Its replacement – the voluntary Ofsted Childcare Register (OCR) – was introduced in April.

Measurement

All three elements of this target need to be met individually for the whole target to be met. If one or more elements of this target are not met, the target will be deemed to be partly met.

Data System:

Element 1 – Measured by reference to data provided by Ofsted about registered childcare places in England. Performance assessed annually at 31 March.

Element 2 – The original target was to be measured by the Department for Work and Pensions *Family Resources Survey*. However, agreement was reached to use child level data from the Department for Education and Skills *Parents Childcare Survey: Childcare and Early Years Provision: A Study of Parents' Use, Views and Experiences* to give a much fuller picture of take-up by age of child, type of childcare and family income.

Element 3 – Measured by reference to data provided through the management information system of the contractor (Nestor Primecare Services Limited) delivering the scheme, and on the numbers of approvals achieved by the end of the year.

Method of data collection:

Element 1 – Data provided by Ofsted.

Element 2 – Data comes from a survey where parents answer whether they use formal childcare.

Element 3 – Performance information supplied by the scheme operator.

Issues with data systems:

Element 1 – The data system for the stock of Ofsted-registered childcare is fit for the purpose of measuring and reporting performance. The data refers to the level of childcare available, not the number of places used.

Element 2 – The Department for Education and Skills *Parents Childcare Survey* will be used to monitor performance against the target. The first set of data will be available in September 2007.

Element 3 – Given the likely developments in the data system, it is too early to form a view on its fitness for purpose.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Ofsted: www.ofsted.gov.uk

Sure Start: www.surestart.gov.uk

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1. The childcare stock figures reflect the numbers of registered places in full daycare, out of school care, and provided by childminders. They do not include registered places in sessional childcare or crèches, as these are less likely to be significant in helping parents work.

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

Slippage

(Joint with the Department of Health)

Baseline: 46.6 per 1,000 girls aged 15-17 in 1998

Latest outturn against trend: 41.1 per 1,000 girls aged 15-17 in 2005 (provisional) – a reduction of 11.8% from the baseline

Measurement

Data System:

Measured by National Statistics under-18 conception data.

Method of data collection:

Conception statistics are derived from birth registrations, abortion notifications, and mid-year population estimates. Provisional 2005 data published in February 2007 will be followed by final 2005 data in late summer 2007.

Issues with data systems:

The data systems are generally fit for the purpose of measuring and reporting performance. There is a 14 month time-lag in the release of conception statistics as they are partly compiled from birth registration data (which may not be available until up to 11 months after the date of conception).

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Teenage Pregnancy Unit: www.dfes.gov.uk/teenagepregnancy

National Statistics: www.statistics.gov.uk

Department of Health: www.dh.gov.uk

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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. Not yet assessed

(Joint with the Department of Health and the Department for Culture, Media and Sport)

Baseline: 14.9% – the three-year aggregate data from the Health Survey for England from 2002/03/04. Halting the increase in obesity will mean no statistically significant change in prevalence between the two three-year periods 2005/06/07 and 2008/09/10
 Latest outturn against trend: The first indication of progress against the baseline will be available winter 2007

Measurement

Data System:

The Health Survey for England (HSE).

Method of data collection:

The Health Survey for England comprises a series of annual surveys beginning in 1991. The series is part of an overall programme of surveys commissioned by the Department of Health designed to provide regular information on various aspects of the nation's health.

Aggregate data for the three year period 2003/04/05 was the same as for 2002/03/04, at 14.9%. Whilst this suggests no change in obesity prevalence, this data needs to be treated with caution due to the overlapping nature of the samples. Supplementary analysis, by the National Centre for Social Research, to counteract this issue suggests the estimated average percentage increase in the prevalence of obesity per year from 2002 to 2005 was 1.2%. More meaningful comparisons will be possible once the 2005/06/07 data is available.

Final assessment against the PSA target will be made by comparing three year aggregate data from 2005/06/07 with the three year aggregate data for 2008/09/10.

Issues with data systems:

It is too early to form a view on the system's fitness for purpose.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

HSE: www.dh.gov.uk/PublicationsAndStatistics/PublishedSurvey/HealthSurveyForEngland

Department of Health: www.dh.gov.uk

Department for Culture, Media and Sport: www.dcms.gov.uk

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- | | Latest assessment |
|---|--------------------------------|
| 5. Narrow the gap in educational achievement between looked after children and that of their peers, (element 1) | There are no education targets |
| 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. (element 2) | Slippage |

Element 1:	<p>Baseline: 51% of looked after children obtaining level 4 in Key Stage 2 English and mathematics compared to their peers in 2004</p> <p>59.1% of looked after children sat a GCSE equivalent exam in 2004</p> <p>9.4% of looked after children achieved 5 or more A*-C GCSEs or equivalent in 2004</p> <p>Latest outturn against trend: 54% of looked after children obtaining level 4 in Key Stage 2 English and mathematics compared to their peers in 2006</p> <p>34% of looked after children did not sit a GCSE equivalent exam in 2006</p> <p>12% of looked after children achieved 5 or more A*-C GCSEs or equivalent in 2006</p>
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Element 2:	<p>Baseline: 65% at 31 March 2004</p> <p>Latest outturn against trend: 65% at 31 March 2006</p>
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Measurement

Data System:

Element 1 – Measured with reference to the OC2 data collection.

Element 2 – Measured with reference to the SSDA903 data collection.

Method of data collection:

Element 1 – The OC2 data collection collects aggregate information on looked after children who have been in care for at least 12 months on 30 September.

Element 2 – The SSDA903 data collection collects individual child level information on children in care for the year ending 31 March.

Issues with data systems:

Element 2 – The data system addresses most of the risks to data quality.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

SSDA903: www.dfes.gov.uk/datastats1/guidelines/children/

Department of Health: www.dh.gov.uk

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Raise standards and tackle the attainment gap in schools (see Chapter 3)

		Latest assessment
6. Raise standards in English and mathematics so that:		
■	by 2006, 85% of 11-year-olds achieve level 4 or above, with this level of performance sustained to 2008; (element 1) and	Not met
■	by 2008, the proportion of schools in which fewer than 65% of pupils achieve level 4 or above is reduced by 40%. (element 2)	On course
Element 1:	Baseline: Level 4 or above – 78% in English, 74% in mathematics in 2003/04 Latest outturn against trend: Level 4 or above – 79% in English, 76% in mathematics in 2005/06	
Element 2:	Baseline: 2,849 schools in English and 3,570 schools in mathematics in 2002/03 Latest outturn against trend: 1,785 schools in English and 2,555 schools in mathematics in 2005/06	

Measurement

Data System:

Elements 1 and 2 – Results of the National Curriculum Assessments at Key Stage 2 in England.

Method of data collection:

Elements 1 and 2 – Annual National Curriculum Assessments at Key Stage 2 in England. Pupils sit the assessment tests in May each year and provisional results are reported in August.

Issues with data systems:

The data systems contain controls which address most of the risks to data quality.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Statistical First Release 48/2006: www.dfes.gov.uk/rsgateway/DB/SFR/index.shtml

Primary National Strategy: www.standards.dfes.gov.uk/primary/

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7. Raise standards in English, mathematics. ICT and science in secondary education so that:
- by 2007, 85% of 14-year-olds achieve level 5 or above in English, mathematics and ICT (80% in science) nationally, with this level of performance sustained to 2008; (element 1) and Slippage
 - by 2008, in all schools at least 50% of pupils achieve level 5 or above in English, mathematics and science. (element 2) Slippage

Element 1: Baseline: 71% in English, 73% in mathematics, 67% in ICT, 66% in science in 2003/04
 Latest outturn against trend: 73% in English, 77% in mathematics, 72% in science in 2005/06

Element 2: Baseline: 589 schools below target in 2002/03
 Latest outturn against trend: 320 schools below target in 2005/06

Measurement

Data System:

Elements 1 and 2 – Results of the National Curriculum Assessments at Key Stage 3 in England.

Method of data collection:

Elements 1 and 2 – Annual National Curriculum Assessments at Key Stage 3 in England. Pupils sit the assessment tests in May each year and provisional results are reported in September.

Issues with data systems:

The data systems contain controls which address most of the risks to data quality.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Statistical First Release: 07/2007 www.dfes.gov.uk/rsgateway/DB/SFR/s000711/index.shtml

Key Stage 3 and Secondary National Strategy: www.standards.dfes.gov.uk/keystage3/

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Latest assessment

8. Improve levels of school attendance so that by 2008, school absence is reduced by 8% compared to 2003. Slippage

Baseline: 6.83% in 2002/03
Latest outturn against trend: 6.69% in 2005/06

Measurement

Data System:

Pupil absence in England.

Method of data collection:

Collected from the annual absence in schools returns.

Issues with data systems:

The data system addresses the majority of risks to data quality. The data system does not and was not intended to pick up internal truancy or missing children.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Statistical First Release: 35/2006 www.dfes.gov.uk/rsgateway/DB/SFR/s000679/index.shtml

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Latest assessment

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 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 with the Department for Culture, Media and Sport)

Baseline: 62% of pupils in school sport partnerships participated in at least two hours of PE and school sport in 2003/04
Latest outturn against trend: 80% of pupils in school sport partnerships participated in at least two hours of PE and school sport in 2005/06

Measurement

Data System:

PE, School Sport and Club Link (PESSCL) Survey and Ofsted reports.

Method of data collection:

PE, School Sport and Club Link (PESSCL) Survey.

Issues with data systems:

The data system is sound for the quantity of provision for the majority of pupils in the majority of schools. Ofsted subject reports, which indicate the quality of provision, look at a sample of about 30 schools in each sector (primary, secondary and special).

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

DCMS: www.dcms.gov.uk

Ofsted: www.ofsted.gov.uk

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All young people to reach 19 ready for skilled employment or higher education (see Chapters 3 and 4)

	Latest assessment
10. By 2008, 60% of those aged 16 to achieve the equivalent of 5 GCSEs at grades A*-C (element 1)	On course
and in all schools at least 20% of pupils to achieve this standard by 2004, rising to 25% by 2006 and 30% by 2008. (element 2)	Slippage
Element 1:	Baseline: 53.7% in 2003/04 Latest outturn against trend: 58.5% in 2005/06
Element 2:	Baseline: 186 schools below 25% target in 2003/04 Latest outturn against trend: 47 schools below 25% target in 2005/06

Measurement**Data System:**

Element 1 – GCSE and Equivalent Examination Results for Young People in England.

Element 2 – Measured by adjusted data published in School and College Achievement and Attainment Tables.

Method of data collection:

Elements 1 and 2 – Examination results provided by the Awarding Bodies. Pupils sit examinations in June each year and provisional results are reported in October.

Issues with data systems:

The data systems supporting both elements of the target are generally appropriate and address the majority of risks to data quality and most of the key risks are well controlled.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Statistical First Release: 01/2007 www.dfes.gov.uk/rsgateway/DB/SFR/index.shtml

Primary National Strategy: www.standards.dfes.gov.uk/primary/

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		Latest assessment
11. Increase the proportion of 19-year-olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, (element 1) and a further 2 percentage points between 2006 and 2008, and increase the proportion of young people who achieve level 3. (element 2)		On course
		On course
Element 1:	Baseline: 66.3% in 2004 Latest outturn against trend: 71.4% in 2006	
Element 2:	Baseline: 42.1% in 2004 Latest outturn against trend: 46.8% in 2006	

Measurement

Data System:

Element 1 – Administrative measure.

Element 2 – Administrative measure for 19-year-olds and successive ages to 22 as matched data becomes available.

Method of data collection:

Elements 1 and 2 – Measured using an Administrative measure.

Issues with data systems:

Elements 1 and 2 – The data systems supporting both elements of the target are generally appropriate and most of the key risks are well controlled.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Learning and Skills Council: www.lsc.gov.uk

Qualifications and Curriculum Authority: www.qca.org.uk

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

Baseline: 10% in 2004 (provisional)

Latest outturn against trend: 11% in 2005 (provisional)

Measurement

Data System:

National Statistics.

Method of data collection:

Measured using Annual Schools' census, Higher Education Statistics Agency, Learning and Skills Council information on further education colleges and work-based learning. Labour Force Survey and population estimate data. Figures published annually in June with provisional rates for current academic year and revised figures for previous academic year.

Issues with data systems:

The Department continues to look at ways of improving the accuracy of the NEET estimates. From 2007, overseas students in higher education will be excluded from the estimates.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Statistical First Release: 21/2006 www.dfes.gov.uk/rsgateway/DB/SFR/s000658/index.shtml

Higher Education Statistics Agency: www.hesa.ac.uk/

Learning and Skills Council: www.lsc.gov.uk

Labour Force Survey: www.statistics.gov.uk/STATBASE/Source.asp?vlnk=358

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Tackle the adult skills gap (see Chapter 4)

		Latest assessment
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 (element 1) ■ 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. (element 2) 	<p>2007 milestone – Met 2010 target – On course</p> <p>2006 milestone – Met early 2010 target – On course</p>
Element 1	Baseline: Nil in 2001 Latest outturn against trend: Over 1,619 million	
Element 2	Baseline: For 2010 target – 15.93 million adults in 2001. For 2006 interim target – 16.34 million adults in 2002 Latest outturn against trend: 73.9% of the economically active workforce are now qualified to at least level 2 – which represents approximately 17.5 million adults	

Measurement**Data System:**

Element 1 – Administrative statistics.

Element 2 – Labour Force Survey.

Method of data collection:

Element 1 – Measured through collation of administrative statistics on recruitment, retention and achievement from the Learning and Skills Council and other relevant sources.

Element 2 – The Labour Force Survey is a quarterly sample survey of households.

Issues with data systems:

Element 1 – The Department is working with the Learning and Skills Council to monitor progress on Skills for Life using Individual Learner Records data. Adjustments are made to this data to reflect the fact that only first achievements count towards this target, and are working closely with the LSC to ensure this is done in the best way. Other relevant sources include data of learning within the Prison Service and JobCentre Plus which since 2006 have both come under the control of the LSC.

Element 2 – The Department continues to assess the quality of the Labour Force Survey (LFS) qualifications data and take action to address issues that are identified. Question changes to be implemented from 2007 will allow qualification levels to be assigned more accurately. The latest Highest Qualification Statistical First Release (SFR) included more details of how qualifications have been apportioned to National Qualification Framework (NQF) levels, improving disclosure, and documentation of how highest qualification estimates are calculated has also been improved.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Learning and Skills Council: www.lsc.gov.uk

Labour Force Survey: www.statistics.gov.uk/STATBASE/Source.asp?vlnk=358 qca.org.uk

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Raise and widen participation in higher education (see Chapter 5)

		Latest assessment
14. By 2010, increase participation in higher education towards 50% of those aged 18 to 30 (element 1)		On course
and also make significant progress year-on-year towards fair access (element 2)		On course
and bear down on rates of non-completion. (element 3)		On course
Element 1:	Baseline: 39% in 1999/00 Latest outturn against trend: 43% in 2005/06	
Element 2:	Baselines: 1) State Sector: 84.1% in 1999/00 2) NS-SEC: 27.9% in 2002/03 3) LPN: 11.7% in 1999/00 Latest outturn against trends: 1) State Sector: 85.9% in 2004/05 2) NS-SEC: 27.9% in 2004/05 3) LPN: 13.1% in 2004/05	
Element 3:	Baseline: 15.9% in 1999/00 Latest outturn against trend: 14.4% in 2003/04	

Measurement**Data System:**

Element 1 – Higher Education Initial Participation Rate (HEIPR)

Element 2 – Annual performance indicators from table T1 published by HESA

Element 3 – Annual performance indicators from table T5 published by HESA

Method of data collection:

Element 1 – The HEIPR has been compiled from students domiciled in England in full-time or part-time higher education in the UK.

Element 2 – Measured by increases in the representation from:

- the State sector;
- lower socio-economic classes (NS-SECs); and
- low participation neighbourhoods (LPNs)

in the UK-domiciled young (under 21) full-time first degree entrant population at English higher education institutions.

Element 3 – Measured by the proportion of full-time first degree entrants who are projected to neither obtain an award nor transfer to another course.

Issues with data systems:

Element 1 – The time series was revised down in March 2006. The baseline was reduced from 41% to 39%. The data system is robust and reliable and the majority of risks to data quality are addressed.

Element 2 – For the NS-SEC indicator, the wider population categorised in the lower socio-economic groups is falling over time. Maintaining the proportion of entrants coming from these groups is therefore increasing the proportion of the groups that participate in Higher Education.

Related links:

Technical Note: www.dfes.gov.uk/SR2004/PSA/

Statistical First Release 10/2007: <http://www.dfes.gov.uk/rsgateway/DB/SFR/s000716/SFR10-2007.pdf>

Higher Education Statistics Agency: www.hesa.ac.uk

Office for Fair Access: www.offa.org.uk

Universities and Colleges Admissions Service: www.ucas.com

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Spending Review 2004 Efficiency target

Also see Chapter 10 for more details of progress towards the Department's Efficiency target.

	Latest assessment
The Department plans to:	
1) achieve over £4.3 billion in annual efficiency gains by 2007 -08, contributing towards the overall target of over £20 billion over the 2004 Spending Review period; (element 1)	On course
2) 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 (element 2)	On course
3) be on course to relocate around 800 posts from the department and its partner organisations out of London and the South East by 2010. (element 3)	Ahead
Element 1:	Baseline: See Efficiency Technical Note Latest outturn against trend: 1.6 billion achieved by end December 2006 and efficiency gains of £2.4 billion have been reported to March 2007
Element 2:	Baseline: DfES – 4,660 at October 2003, Ofsted – 2,570 in 2003-04 Latest outturn against trend: 1,612 ¹ (full-time equivalent) posts at 1 Jan 2007 and workforce reductions of 1,731 (full-time equivalent) posts have been reported to March 2007
Element 3:	Baseline: Post and staff numbers at 1 April 2004 Latest outturn against trend: 464 posts relocated as at January 2007 and 559 posts reported as relocated at March 2007

Measurement

Data System:

Elements 1, 2 and 3 – Detailed in Efficiency Technical Note

Method of data collection:

Elements 1, 2 and 3 – Detailed in Efficiency Technical Note

Related Links:

Efficiency Technical Note: www.dfes.gov.uk/publications/pdf/DfES%20Efficiency%20Technical%20Note.pdf

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1. This figure should have been reported as 1,631 (1,232 DfES and 399 Ofsted). This takes account of an upward adjustment in the baseline for 25 staff on maternity leave to reconcile figures held by DfES with those held by HM Treasury and a revised figure from Ofsted of six less than previously reported.

Outstanding Spending Review 2002 PSA targets

The following PSA targets remain outstanding from Spending Review 2002. All other Spending Review 2002 targets have received final assessments in previous Departmental Reports and Autumn Performance Reports.

	Latest assessment
2. Raise standards in English, mathematics, ICT and science in secondary education so that by 2007, 90% of pupils reach level 4 in English and mathematics by age 12.	Slippage
Baseline: 75% in English, 73% in mathematics in 2002/03 Latest outturn against trend: 79% in English, 76% in mathematics in 2005/06	
8. Challenging targets will be set for minimum performance and value for money in FE colleges and other providers by the Government and the Learning and Skills Council (this is also the Department's value for money target)	On course
Baseline: Not applicable Latest outturn against trend: Not applicable	

This improving life chances of children target was transferred to the Department for Education and Skills in June 2003 following Machinery of Government changes when the Department for Education and Skills took lead responsibility in government for children’s and family policies.

Latest assessment

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. Target achieved if:	Not met
a) outcomes for 11-year-olds in English and mathematics are at least 60% as good as those of their peers; (element 1)	Not met
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 (element 2)	Not met
c) the proportion of those aged 16 who get a qualification equivalent to five GCSEs grade A*-C has risen on average by 4 percentage points each year since 2002;(element 3) and in all authorities at least 15% of young people in care achieve this level of qualification. (element 4)	Not met

Element 1:	Baseline: The percentage obtaining level 4 in Key Stage 2 English and mathematics compared to their peers in 2001/02 was 46% Latest outturn against trend: 54% obtained level 4 in Key Stage 2 English and mathematics compared to their peers in 2005/06
Element 2:	Baseline: The percentage of looked after children who did not sit a GCSE (or equivalent) exam in 2001/02 was 42.1% Latest outturn against trend: 34% did not sit a GCSE (or equivalent) exam in 2005/06
Element 3:	Baseline: 7.5% achieved 5 or more A*-C GCSEs (or equivalent) in 2001/02 Latest outturn against trend: 12% achieved 5 or more A*-C GCSEs (or equivalent) in 2005/06
Element 4:	Baseline: 13% of authorities had at least 15% of their looked after children achieving the required level in 2001/02 Latest outturn against trend: 26% of authorities had at least 15% of their looked after children achieving the required level in 2005/06

Sustainable Development (also see Chapter 6)

The education sector is fundamental to the success of the Government's objective – set out in *Securing the Future (2005)* – of driving the behavioural changes necessary to embed sustainable awareness and delivery throughout the UK. To achieve this, the Department is working to ensure children, young people and learners, and all people and organisations involved in the education sector understand why sustainability matters; the inter-dependencies it entails; and the impact of sustainable development on life and career choices now and in the future.

The Department's sustainable agenda is set out in the action plan *Learning for the Future*, published in March 2006. The plan set out a range of targets for activities relating to policy development, operational improvement, and educating for behavioural change within the Department itself.

The key delivery areas are:

- Sustainable schools – the strategy for embedding sustainable understanding and delivery in every aspect of school life. It aims to guide schools in integrating sustainable theory and practical evidence in the whole curriculum through the administration and operation of a school, to its links to the local and global community. The Year of Action (2006/07) includes a range of information and advice initiatives to help all schools engage with sustainable development.
- Schools estate – the Building Schools for the Future programme set out sustainable compliance standards for all new secondary schools, demonstrating the Government's commitment to put the principles of sustainable action in the public sector into practice. Proposals now in hand, together with enhanced funding of £110 million over the next three years, will ensure that all new schools are able to meet challenging carbon reduction targets of, on average, 60 per cent of the carbon output of existing schools buildings. The Department will also continue to research options for further improving carbon reduction in the operation of new and existing school buildings, in some cases up to carbon neutrality.
- Policy development – proposals in the action plan are to devise a toolkit to help colleagues embed sustainable principles in policy development. Since publication, however, the concentration has been on identifying the key areas of education policy, and working with teams and non-departmental public bodies (NDPBs) in these areas, as well as articulating the most significant sustainable delivery aspects of cross-departmental Public Service Agreements.
- Engagement with NDPBs – the action plan requires all NDPBs to be mandated (through the grant remit protocol) to produce their own sustainable development action plans. The Department is also working more closely with key NDPBs such as the Learning and Skills Council and the Qualifications and Curriculum Authority to advise them on building sustainable capacity and understanding.

- Working with the third sector – there have been a range of working partnerships with third sector organisations in 2006-07, including the Sustainable Development Commission, Forum for the Future, Enviros, Building Schools for the Future and the Environmental Association for Universities and Colleges. The Department will establish a central programme budget for sustainable development in 2007-08 and will be looking to the third sector to continue to supplement and improve the expertise and understanding of sustainability within the Department.
- Operational development – The Department is working to meet the new targets and commitments set out in two key cross-government documents; the *Sustainable Delivery in Government Annual Report* now overseen by the Sustainable Development Commission, and the *Sustainable Procurement Action Plan* published in March 2007. A key driver to help meet and exceed the performance targets is the new Sustainable Operations Management System, scheduled for roll-out in 2007. This is an action plan and audit tool allowing the Department to monitor and target operational performance in all sites across the Department's estate and its procurement and financial management practices.

To be credible in the supporting and advisory role to the wider education sector, it is essential that the Department's policy and operational performance becomes more sustainable. Work continues on reforms and improvements in the Department's corporate strategic understanding of sustainability in education, with the overarching aim changing Departmental behaviour and leading by example, as far as practicable.

Chapter 3

Children, Young People and Schools

Objective 1: Safeguard children and young people, improve their life outcomes and general well-being, and break cycles of deprivation.

Every Child Matters (ECM) is a radical approach to improving the well-being and life chances of children and young people from birth to age 19. It is underpinned by the *Children Act 2004*. It aims to improve outcomes for all children and young people, particularly in education, and to narrow the gap between the disadvantaged and their peers.

Children and young people have identified the outcomes they see as being most important:

- To be healthy.
- To stay safe.
- To enjoy and achieve.
- To make a positive contribution.
- To achieve economic well-being.

ECM supports delivery of the five outcomes by bringing together services and professionals to focus on the needs of the child and family. As well as this kind of multi-agency working, the Department also encourages early intervention and prevention. Instead of dealing with the consequences of difficulties in children's lives the Department's aim is to prevent things going wrong in the first place.



The Department for Education and Skills/HM Treasury document *Aiming High for Children: Supporting Families* published in March 2007 sets out the Government's intention to build resilience through promoting protective factors such as better attainment in education and positive parenting. The document also focuses on action to ensure services are more responsive to the needs of families, particularly those who need them most, but who might be less willing or able to articulate their needs. The document also addresses the need to help a small number of families with complex needs to break out of a cycle of low achievement.

Safeguarding Children and Young People

Through ECM, the Government has started the most wide-ranging reform of children's services in decades, with safeguarding children and young people at its heart. A cross-government Safeguarding Programme Board has been established since September 2006 to coordinate and prioritise work on safeguarding to improve coherence and maximise impact. This has already encouraged greater joined-up working and strategic thinking within government in this important area.

The *Children Act 2004* provided for the establishment of Local Safeguarding Children Boards (LSCBs) as the key statutory mechanism for agreeing how the relevant organisations in each local area in all local authorities co-operate to safeguard and promote the welfare of children and ensure the effectiveness of what they do. Since April 2006, LSCBs have been in place in all local authorities. Key agencies are

represented on the Boards which have a responsibility to engage with the local community and provide a strong independent voice and leadership to drive forward the safeguarding agenda. Revised guidance on safeguarding, *Working Together to Safeguard Children* has been published to support local practice.

Preventing unsuitable people from gaining access to children through their work is a key aspect of safeguarding. The system for vetting and barring has been progressively tightened through, most notably, revised consolidated guidance for schools and colleges, *Safeguarding Children and Safer Recruitment in Education* in November 2006 and amended List 99 regulations which came into force in February 2007.

The *Safeguarding Vulnerable Groups Act 2006* provides the legislative framework for a new vetting and barring scheme. The primary aim of the new scheme is to help avoid harm, or risk of harm, to children and vulnerable adults by preventing those who are deemed unsuitable to work with them from doing so. It will incorporate a robust, independent and expert barring process and will provide a modern and improved vetting service for employers, including parents. The new scheme is a major part of the Government's response to the Bichard Inquiry. The Department is working closely with the Home Office, Department of Health, the Criminal Records Bureau and other key stakeholders to bring about its implementation. The scheme is scheduled to be phased in from autumn 2008.

Community cohesion

The UK is an increasingly diverse society, made up of people of many different ethnicities, faiths and cultures. In this context it has never been more important to build strong and cohesive local communities so that people from all backgrounds are able to embrace and benefit from one another's diversity.

The Department for Education and Skills has an important part to play in this, supporting children, young people and parents to develop shared values and a sense of citizenship which will lay the foundations for community cohesion, underpinned by the Department's work to promote social and cultural inclusion. This is being done through a range of measures including:

- providing opportunities for parents to take up free childcare for three- and four-year-olds, allowing children and their parents to mix with people from other backgrounds and to share high quality early learning experiences;
- strengthening the citizenship curriculum in schools to help pupils explore issues of identity and diversity;
- introducing a new duty on schools to promote community cohesion through the *Education and Inspections Act 2006*, which will come into effect in September 2007, supported by guidance and good practice;
- supporting schools to benefit from partnership arrangements both to share good practice and to offer pupils the opportunity to meet and learn from other young people from different backgrounds. In many cases these links may be with a very different type of school – either locally or further afield;
- funding and supporting the National Resource Centre for Supplementary Schools, which will disseminate good practice and develop a code of practice and a set of national standards for supplementary schools;
- developing a continuing professional development qualification for faith leaders to support them in instilling positive values in young people;
- bringing young people from diverse backgrounds together to engage in positive activities through the Youth Opportunity and Youth Capital Funds;

- supporting the development of the Muslim Youth Work Foundation to promote and raise the profile of personal and social education for Muslim young people to help them become active citizens and to enable them to play a full part in their community; and
- engaging with universities and further education colleges, who have an important role to play in supporting community cohesion through bringing together young people from many different backgrounds.

Children in Care

Despite the commitment of professionals and the determination of the children themselves, improvements in the outcomes for children in care have been slower than those for other children. With this in mind, in October 2006, the Department launched the Green Paper, *Care matters: transforming the lives of young children and young people in care*, which set out ambitious proposals to transform both the way in which the care system works for children, and the quality of their experience. It also covers those in the process of entering or leaving care.

Four independently chaired working groups have been established to develop:

- the radical transformation of foster and residential care;
- a vision of care in the future based on the characteristics of those in care;
- the best possible education in schools for those in care; and
- proposals around social care practices, such as local authorities contracting independent social workers to run services for children in care.

The Department has a Spending Review 2004 PSA target for looked after children.

PSA target 5: Narrow the gap in educational achievement between looked after children and that of their peers (element 1), 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. (element 2)

Progress

Element 1 – The educational attainment of looked after children continues to improve, but at a slower rate than the Department would like. For 2006 the outturns for the indicators within this element are as follows: 54 per cent of looked after children obtained level 4 in Key Stage 2 English and mathematics compared to their peers (51 per cent in 2004). At Key Stage 4, 34 per cent of looked after children did not sit a GCSE equivalent exam (41 per cent in 2004) and 12 per cent achieved five or more A*-C GCSEs or equivalent (nine per cent in 2004).

Element 2 – The position remains static with 65 per cent of children living in the same placement for at least two years in 2005-06, which represents no change from 2003-04.

Sure Start, Early Years and Childcare

Sure Start is a key part of ECM and makes a significant contribution to the five outcomes. The Government's Ten Year Strategy for Childcare, *Choice for parents, the best start for children* published in December 2004 outlined a programme building on the Government's achievements in expanding opportunities for young children and families. It had four key themes:

- Choice and Flexibility – greater choice for parents in how they balance their 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; and a series of progressive extensions to the free early education entitlement for all three- and four-year-olds to 15 hours a week, 38 weeks of the year by 2010.
- Quality – high-quality provision delivered by a skilled early years and childcare workforce (also see chapter 7), with full daycare settings led by professionals, and a stronger qualification and career structure.
- Affordability – affordable childcare, appropriate to their needs, with substantial increases in tax credit support.

The Action Plan for the Ten Year Childcare Strategy was published on 4 April 2006. It set out how the Department will deliver its commitments to transform the range of childcare, early years and extended schools services available to parents.

The Childcare Act 2006 is the first legislation to be devoted to early years and childcare. It takes forward and gives statutory force to key commitments in the Ten Year Childcare Strategy. It received Royal Assent on 11 July 2006. Local authorities now have duties to:

- improve the outcomes of all children under five, and close the gaps between groups with the poorest outcomes and the rest, by ensuring early years services are integrated and accessible; and
- secure sufficient childcare to ensure it meets the needs of their local communities, in particular those on low incomes and with disabled children.

It also extends an existing duty on local authorities to ensure people have access to the full range of information they may need as a parent; and establishes a better and less bureaucratic regulatory framework for early years and childcare. It includes a new, single framework for learning and development for children under five – the Early

Years Foundation Stage – to ensure consistently high standards and promote achievement.

The Department's flagship Sure Start Children's Centres and extended schools initiatives are at the heart of the Ten Year Strategy.

Sure Start Children's Centres include providers from statutory, voluntary, private and community organisations, and parents themselves, in planning and delivering a wide range of integrated early years, health and parental support services. Children's centres in the most disadvantaged communities offer integrated early education and childcare, outreach, health and support services for families with children under five. They have links with JobCentre Plus to support parents into work and training. Local authorities, working with their partners in children's trusts, are responsible for the planning and delivery of the programme securing value for money and ensuring overall quality in children's centre services.

Over 1,250 Sure Start Children's Centres had been established at April 2007 offering services to a million children under five and their families. The Government's first target of children's centres serving 650,000 children was met by March 2006, and good progress is being made towards delivering a network of up to 2,500 Sure Start Children's Centres by 2008, when all the young children and their families in the most disadvantaged areas will have access to one. There will be 3,500 centres by 2010 – one for every community.

In November 2006, the Department published *Sure Start Children's Centres Planning and Performance Management Guidance* to help local authorities deliver the commitment to 3,500 children's centres by 2010, and revised *Sure Start Children's Centres Practice Guidance* including new sections on effective working with vulnerable and disaffected families.

The Department has a number of early years and childcare Spending Review 2004 PSA targets.

PSA target 1: Improve children's communication and social and emotional development so that by 2008, 53% of children reach a good level of development at the end of the Foundation Stage (element 1) and reduce inequalities between the level of development achieved by children in the 30% most disadvantaged Super Output Areas and the rest of England by four percentage points from 16% to 12%. (element 2)

(Sure Start target, joint with the Department for Work and Pensions)

Progress

Elements 1 and 2 – The final 2006 *Foundation Stage Profile (FSP)* results published in January 2007 show a decline, from 48 per cent in 2005 down to 44 per cent in 2006, and the gap between children in areas of disadvantage (30 per cent most disadvantaged Super Output Areas) and the rest remains around 16 per cent. The Foundation Stage Profile is still relatively new, having only been introduced in 2002/03, and it is taking time to develop and bed in. Analysis of the data suggests that improvements to assessment and moderation continue to be the most significant factor in the apparent decline in results. Due to the uncertainty of results in previous years, it is difficult to draw any firm conclusions about progress overall.

PSA target 2: As a contribution 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%; (element 1)
- increase the number of children in lower-income working families using formal childcare by 120,000; (element 2) and
- introduce by April 2005, a successful light-touch childcare approval scheme. (element 3)

(Sure Start target, joint with the Department for Work and Pensions)

Progress

Element 1 – Increasing the stock of Ofsted-registered childcare by ten per cent was exceeded in September 2005 and at March 2007 the stock stood at over 1,280,000 places¹.

Element 2 – It is too early to make an assessment regarding the increase in the number of children in lower income working families using formal childcare by 120,000. The first figures will be available in September 2007, when the next *Department for Education and Skills Parents use of Childcare Survey* is published.

Element 3 – The target of the introduction of a light touch childcare approval scheme, with 3,500 new carers approved by 2008, has been met early.

Teenage Pregnancy

The Government's Teenage Pregnancy Strategy represents the first co-ordinated attempt to tackle both the causes and consequences of teenage pregnancy. It has two targets:

- To halve the under-18 conception rate by 2010, and establish a firm downward trend in the under-16 rate.
- To increase the participation of teenage parents in education, training or employment, to reduce their risk of long-term social exclusion.

The Department has a Spending Review 2004 PSA target to reduce the under-18 conception rate.

PSA target 3: Reduce the under-18 conception rate by 50% by 2010 as part of a broader strategy to improve sexual health.

(Joint with the Department of Health)

Progress

Provisional data for 2005 shows that the under-18 conception rate for England stood at 41.1 per 1,000 girls (aged 15-17), representing an 11.8 per

1. The childcare stock figures reflect the numbers of registered places in full daycare, out of school care, and provided by childminders. They do not include registered places in sessional childcare or crèches, as these are less likely to be significant in helping parents work.

Table 3.1: Under-18 Conceptions for England: 1998 – 2005

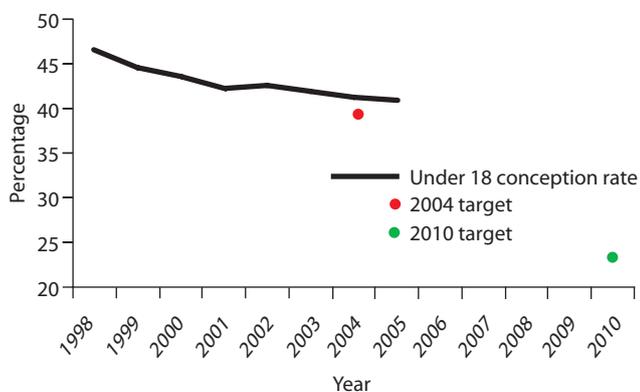
Test	1998	1999	2000	2001	2002	2003	2004	2005
Under-18 conceptions	41,089	39,247	38,699	38,461	39,350	39,553	39,545	39,683
change since 1998		-1,842	-2,390	-2,628	-1,739	-1,536	-1,544	-1,406
Under-18 conception rate	46.6	44.8	43.6	42.5	42.6	42.1	41.5	41.1
% change since 1998		-3.9	-6.4	-8.8	-8.6	-9.7	-10.9	-11.8

Source: Teenage Pregnancy Unit and National Statistics 2007.

cent reduction in the under-18 conception rate from the 1998 baseline. All regions have seen declines of between eight and 16 per cent.

However, the 2004 interim target to reduce the under-18 conception rate by 15 per cent was not met and the rate of decline is not yet on trajectory to meet the 50 per cent reduction by 2010. For this reason, the Department has issued detailed delivery guidance to all local authorities and primary care trusts, asking them to update their local plans using the evidence of what works from local authority areas where rates have declined.

Figure 3.1: Under-18 Conceptions for England: 1998 – 2005



One of the ways children’s trusts will achieve the ECM outcomes for children and young people in their area will be by agreeing and implementing ten year strategies for reducing teenage pregnancies.

Obesity

The proportion of overweight and obese children in the population is increasing. Recent studies in the UK have shown a dramatic rise in child obesity

in the last twenty years and the World Health Organisation has called obesity a global epidemic. The Department has a Spending Review 2004 PSA target to tackle obesity.

PSA target 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 with the Department of Health and the Department for Culture, Media and Sport)

There is no one single cause of obesity and the Government’s response therefore needs to address a number of issues in an integrated, comprehensive way. The key areas for action are to: promote a healthy lifestyle among parents and their children; encourage healthy eating; and promote appropriate physical activity.

Progress

Annual performance on tackling obesity is measured by comparing Health Survey for England (HSE) figures for aggregate three-year periods, i.e. 2002/03/04 against 2003/04/05, against 2004/05/06 and so on until 2008/09/10. Three-year aggregates are used to account for the limited sample size. Halting the increase in obesity would mean no statistically significant change in prevalence between the two three-year periods 2005/06/07 and 2008/09/10.

The three-year aggregate data for 2002/03/04 showed obesity prevalence amongst children aged 2-10 was 14.9 per cent, and equivalent aggregate data for 2003/04/05 (published by the National

Centre for Social Research) was also 14.9 per cent. However, these data should be treated with some caution due to the overlapping nature of the samples, and more meaningful comparisons will be possible once the 2005/06/07 data is available.

Non-aggregated data from the 2005 Health Survey for England recorded that 16.9 per cent of boys and 16.8 per cent of girls aged 2-10 in England were obese, an increase from 9.6 per cent and 10.3 per cent for boys and girls respectively in 1995. A cross-Government programme of work to tackle obesity has been put in place and progress is being made.

In November 2005, the *Sure Start Children's Centre Practice Guidance* set out the role of children's centres in tackling obesity by supporting parents in adopting good day-to-day nutrition and physical activity as part of the family lifestyle. This was developed further in the revised version of the guidance published in November 2006, and a key performance indicator on obesity for children's centres has been established. Healthy lifestyles and links to obesity are also integrated within the new Early Years Foundation Stage Framework, which comes into play in 2008 and sets the curriculum and standards for all early years settings.

The Healthy Schools Programme encourages schools to promote good health across their activities. The whole school approach of a Healthy School to PE and sport, healthy eating, emotional health and well-being and health education, involving pupils, parents and staff, is ideally suited to preventing the problems of being overweight and obesity and helping to tackle them before they become serious. At the end of March 2007, 26.4 per cent of schools (6,030) had achieved the new Healthy School status and 87 per cent of schools (19,866) were involved in the programme. The Government would like all schools to have, or be on the way to achieving, Healthy School status by 2009.

The School Sport Strategy and the work to promote active travel to and from school are delivering increased opportunities for school-age children to increase their levels of physical activity. (also see Physical Education and School Sport in Chapter 3)

The National Child Measurement Programme which seeks to weigh and measure primary school children in Reception and Year 6 is now in its second year. The first year (2005-06) produced the largest collection of data on children's weight in the world with more than half a million five- and 11-year-olds measured during the 2005-06 summer term. Action is being taken to increase participation rates by primary care trusts, schools, and individual pupils. A leaflet for parents has been produced to accompany the programme, which sets out why a healthy weight is important and provides simple tips on how to encourage healthier lifestyles.

The Department is working closely with the Department of Health and the Department for Culture Media and Sport on strategies to change behaviour. These include a Healthy Living Social Marketing Campaign aimed at parents (the first project stemming from this was the Top Tips for Top Mums campaign in March 2007), and the OFCOM regulations to restrict television advertising of high fat, sugar and salt products to children which came into effect on 1 April 2007.

School Food

The Government is determined to transform the quality of food in schools. (also see Obesity in Chapter 3)

The Education (Nutritional Standards for School Lunches) (England) Regulations 2006, came into force in September 2006. These regulations introduced new interim food-based standards for school lunches.

Further regulations will introduce standards for school food other than lunch from September 2007, and final nutrient-based standards for school

lunches for maintained primary schools from September 2008 and for maintained secondary schools from September 2009.

In September 2006, the Secretary of State outlined a major new package of measures and additional funding to complement the beginning of the new school food standards. This package included: further funding of £240 million from 2008/09 to 2010/11; targeted capital support for school kitchens from 2008; a non-statutory pupil entitlement to learn to cook from 2008; and plans to set up a network of regional training schools for school cooks to improve their cookery skills.

Objective II: Raise standards and tackle the attainment gap in schools.

School Standards

In 1996/97, a third of children leaving primary school did not achieve the target level (level 4) in English and mathematics and nearly half of primary schools had less than 65 per cent of pupils achieving this level. Those figures have improved. In 2005/06, 79 per cent of 11-year-olds achieved level 4 in English and 76 per cent did so in mathematics. In seven out of eight primary schools at least 65 per cent of pupils are achieving above 65 per cent in English and four out of five schools are doing so in mathematics. (also see the Primary Years in Chapter 3)

In 2005/06, at Key Stage 3 (age 14), 73 per cent of pupils achieved the expected level (level 5) in English, 77 per cent of pupils did so in mathematics and 72 per cent in science. This represents significant progress since 1997 when 57 per cent of pupils achieved the expected level in English and 60 per cent did so in both mathematics and science. There was a 46 per cent reduction in the number of schools where at least 50 per cent of pupils achieve level 5 or above in English, mathematics and science. (also see the Secondary Years in Chapter 3)

In 2005/06, 58.5 per cent of pupils of 15-year-old pupils achieved five GCSEs at A*-C, representing a 13.4 percentage point improvement since 1996/97. (also see Raising attainment at level 2 in Chapter 3)

The White Paper *Higher Standards, Better Schools for All* (October 2005) set out the Government's aim to achieve a world class education system, in which every school is a good school and every pupil is achieving. The reforms included:

- ensuring that education is tailored to meet the needs of every child;
- fully engaging parents in their child's learning;
- enabling parents to influence the development of a more dynamic school system, offering greater choice and diversity;
- positioning local authorities as strategic commissioners and decision makers, ensuring high standards and fair access; and
- making 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.

The *Education and Inspections Act 2006* received Royal Assent on 8 November 2006. It gives legal force to many of the proposals in the White Paper. This is a big step towards the Government's aim of ensuring that every child, in every school, in every community, gets the education they need so they can fulfil their potential.

- The Act enables schools to become Trust Schools by forming links with external partners.
- It means that local authorities are taking a new strategic role. They are now responsible for promoting choice and diversity; responding to parental concerns about the quality of schools; intervening early to prevent schools failing and taking rapid action with failing schools which do not improve; making decisions about

school organisation issues; making sure young people have a range of exciting things to do in their spare time; and appointing School Improvement Partners for maintained schools.

- It tightens the Admission Framework to ensure fair access for all. The *Education and Inspections Act 2006* required admission forums, schools, local authorities and the Schools Adjudicator to act in accordance with the *School Admissions Code*. The new code came into force on 28 February 2007, and will first affect admission arrangements for September 2008.
- Finally it enables a range of other measures such as those designed to improve pupil well-being; those to improve behaviour and attendance; parenting contracts and orders; provision for excluded pupils; new specialised diplomas for young people; school food; and the new single inspectorate.

Parents

There is strong evidence that good parenting is good for children. Good parenting includes engaging with children's services and education at the right time and in the right way.

As part of working with their Children's Trust partners to deliver better outcomes for children, local authorities now have a clear strategic role in developing support for parents in their area. Guidance issued in October 2006 (*Parenting Support*) asks each local authority to develop a strategic and joined-up approach to the design and delivery of parenting support services, including identifying a single commissioner of parenting support. A toolkit has been developed for those commissioners and others in similar roles across England. It is a user-friendly database of up-to-date and comprehensive information on the current range of parenting programmes, so they can select the most effective programmes for parents in their area.

Significant investment is also being made to explore different ways of supporting parents at different stages of their children's lives. There are Early Learning Partnerships which supports parents of one- to three-year-olds at risk of learning delay. In schools, there are Transition Information Sessions to make parents more aware of how they can support their children during the transition from pre-school to primary school, and from primary to secondary school. There are Parenting Early Intervention Pathfinders in 18 local authorities, testing three different parenting programmes with the families of eight- to 13-year-olds at risk of getting into anti-social behaviour, and there are Parent Support Advisers in nearly 1,000 schools, who work with families to test approaches to early intervention, and preventative support for parents.

The Department is also working on family intervention projects in 53 local authority areas with the Respect Task Force. Since September 2006, these projects have been taking intensive tailored action with particular families, including supervision and sanctions to improve the behaviour of persistently anti-social households.

Proposals in the White Paper *Higher Standards, Better Schools for All* published in October 2005 also give parents more rights, better support and a bigger say in their child's education. That covers, not only, their children's learning, but also the way services are provided and the running of their child's school.

Every Parent Matters, published 15 March 2007, sets out for the first time in one place what the Department for Education and Skills is doing to promote both the development of services for parents; as well as parents' involvement in shaping services for themselves and their children. It assesses where we are to date, the gaps and how we propose to fill them.

Personalised Learning

Personalised learning is about providing a more tailored education for every child. It is aimed particularly at those who fall behind, those who have a particular gift or talent, and those groups which tend to underachieve. It means understanding pupils' needs and monitoring their progress closely, giving them opportunities, and supporting them so they can flourish and progress in their learning. It offers the opportunity for one-to-one and small group teaching. It also means strengthening the link between learning and teaching, by engaging pupils and their parents as partners in learning. This is not a new initiative it is a philosophy in education. Good schools have been personalising their pupils' education for years.

The Secretary of State commissioned a group of independent experts to report on personalised teaching and learning. The group, which was chaired by Christine Gilbert, then Chief Executive of Tower Hamlets and now Ofsted Chief Inspector, published its report *2020 Vision* in January 2007.

The report makes powerful arguments for taking a structured and responsive approach to each child's and young person's learning, in order that all are able to progress, achieve and participate. Its findings are now guiding the Department's approach.

In the *Pre-Budget Report 2006*, the Chancellor announced further funding of £130 million in 2007-08, to be paid directly to schools to help them deliver personalised learning and extended services, in addition to the funding already announced following the publication of the Schools White Paper *Higher Standards: Better Schools for All*. Together, these brought the total new funding for personalised learning to £990 million in 2007-08. The Department's Comprehensive Spending Review 2007 settlement, announced in Budget 2007, will provide the basis for further significant funding to schools to support personalised learning.

The *Pre-Budget Report 2006* also announced an additional £10 million in 2007-08 to support boys' attainment through small group tuition.

This funding will make it possible:

- for every pupil to have access to a single member of staff, for example, a class teacher, a form tutor, a Director of Studies, or a learning guide who is able to co-ordinate a package of support that best helps that pupil;
- to provide an average of ten hours of one-to-one teacher-led tuition for over 300,000 under-attaining pupils a year in English by 2010-11, and 300,000 under-attaining pupils a year in mathematics, combined with a wider range of small group tuition to help those falling behind to catch up with their peers;
- to offer more stretching lessons and opportunities for gifted and talented pupils; and
- to develop more extended schools, offering many opportunities to learn and develop beyond the formal school day.

A collection of individual pupil level data has enabled schools to track as never before the progress of individual pupils through the education system. It will help schools track unevenness of progress, unexpected success among pupils who start off with disadvantages, and pupils who fall off trajectory after showing early promise. The Department's aim is to recognise the patterns of achievement among all pupils. Representations of progress data have been made available to local authorities and schools.

A two year pilot on improving the progress children and young people make in education has been set up. It is running in ten local authorities from April 2007. The pilot will develop new ways to measure, assess, report and stimulate progress in schools, so that every child develops at the best pace and no child is left behind. This will include:

- *Progression targets for schools* – Increasing the number of pupils who make two levels of progress in the Key Stage. The target would apply to all pupils, whatever their prior attainment.
- *Assessment for progression* – Level by level tests to improve the pace of progression, taken when pupils are ready, in the same way that music students take grade exams. Also better periodic assessment to track their progress.
- *Progression tuition* – One-to-one tuition for pupils who were below national expectations at ages seven and eleven, and are still making slow progress.
- *Progression premium* – An incentive payment to schools to improve the proportion of pupils making two levels of progress.

Gifted and Talented

Following a competitive tender, nine Excellence Hubs (one per Government Office region) have been established to provide a range of out-of-hours opportunities for gifted and talented learners. Each Hub is led by a higher education institution and includes partners from the higher education and schools sectors who will work together collaboratively. Hubs will prioritise the needs of gifted and talented learners from disadvantaged backgrounds. Plans are in hand to introduce a student academy that will meet the needs of gifted and talented learners from primary schools as well as those in the secondary sector. Training for leading teachers for gifted and talented education is also under development, with the aim of securing one trained leading teacher per secondary school and one per group of primary schools.

Physical Education and School Sport

Physical education (PE) and school sport are important in raising standards and narrowing the

achievement gap. The Qualifications and Curriculum Authority has shown how putting PE and school sport at the heart of a broad and balanced curriculum can improve attendance, behaviour and attainment. PE and sport build self-esteem, teamwork and leadership skills. They can also help build an inclusive society, raise levels of participation in sport after pupils leave school, and positively affect the health of the nation.

The Department has a PE and sport Spending Review 2004 PSA target.

PSA target 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 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 with the Department for Culture, Media and Sport)

Progress

Excellent progress is being made. All schools are now covered by one of the 449 School Sport Partnerships. The 2006 target has been achieved, and 80 per cent of pupils in a School Sport Partnership school now participate in at least two hours of high-quality PE and school sport in a typical week. That is a rise of 29 per cent from 2003/04, and 11 per cent from 2004/05.

By 2010, the ambition is for all children to be offered at least four hours of sport every week. This will comprise at least two hours of sport at school and the opportunity for at least a further two to three hours beyond the school day (delivered by a range of school, community and club providers).

The Government’s aim (a joint PSA target with DCMS) was to increase the percentage of 5- to 16-year-olds who take part in at least two hours high-quality PE and school sport each week to 75 per cent by 2006. This target has been exceeded, with a total of 80 per cent of 5- to 16-year-olds meeting the two hour target by September 2006. In addition, the aim was to have 400 Specialist Sports Colleges and Academies with a sports focus by the end of 2006. This has also been achieved. There are now 423 designated Specialist Sports Colleges, including 15 Academies with a sports focus.

Primary Years

Primary schools are continuing to raise standards in literacy and mathematics while developing a broad and rich curriculum.

The Department has a Spending Review 2004 target to raise standards in English and mathematics at Key Stage 2.

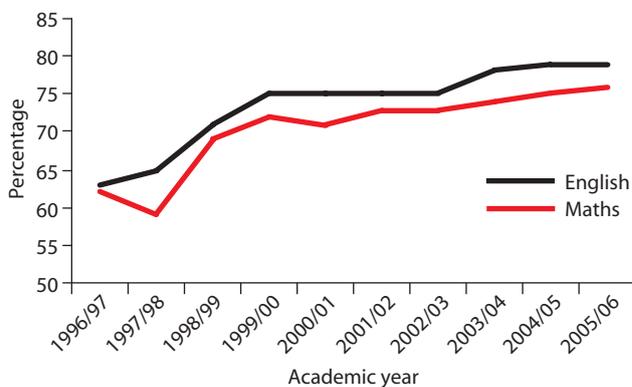
PSA target 6: Raise standards in English and mathematics so that:

- by 2006, 85% 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% of pupils achieve level 4 or above is reduced by 40%.

Progress

Element 1 – 2005/06 results of National Curriculum Key Stage 2 tests show that 79 per cent of 11-year-olds achieved level 4 or above in English and 76 per cent achieved level 4 or above in mathematics.

Figure 3.2: Attainment of 11-year-olds: percentage of pupils achieving level 4 or above



Primary standards are now at their highest level ever, with Key Stage 2 results in English and mathematics having improved by sixteen and fourteen percentage points respectively since 1996/97. Compared to 1996/97, about 95,000 more 11-year-olds are now achieving the target level for their age in English and 83,000 more are doing so in mathematics. The 2005/06 results showed the largest increase in children achieving above the target level at level 5 in English since 2000. Despite this performance, there is slippage against the first element of this target. Standards in Key Stage 2 science also remained high in 2005/06 with 87 per cent achieving level 4 or above, a one percentage point increase compared to 2004/05.

Table 3.2: Attainment of 11-year-olds: percentage of pupils achieving level 4 or above

Key Stage 2 test	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
English	63	65	71	75	75	75	75	78	79	79
Change from previous year		+2	+6	+4	0	0	0	+3	+1	0
Change since 1996/97		+2	+8	+12	+12	+12	+12	+15	+16	+16
Mathematics	62	59	69	72	71	73	73	74	75	76
Change from previous year		-3	+10	+3	-1	+2	0	+1	+1	+1
Change since 1996/97		-3	+7	+10	+9	+11	+11	+12	+13	+14

Source: School Achievement and Attainment Tables.

Drawing on the latest classroom good practice and research, and the findings of the Rose Review (the independent *Review of the Teaching of Early Reading* published in March 2006), the Primary National Strategies renewed the framework for teaching mathematics and literacy, within one framework. The Primary Framework for Literacy and Mathematics was published in September 2006. These are the most significant improvements to the Primary National Strategy since the literacy hour was introduced in 1998.

The new frameworks will support faster progression in both English and mathematics, especially in year one (ages four to five) and years three and four (ages six to seven and seven to eight) where it is known progress can be too slow. The framework recommends that all children should receive high-quality phonics teaching and that this should be introduced by the age of five; introduces some key mathematical learning earlier (including children knowing their times tables by the end of year four rather than year five) and renewing the focus on calculation. Schools are receiving ongoing training on how the frameworks can be used to tackle the particular challenges facing them. Local authorities have also received specific training on implementing the recommendations of the independent review of teaching early reading.

The Every Child a Reader (ECAR) initiative is helping six-year-olds with significant literacy difficulties to learn to read. It does this by placing highly skilled Reading Recovery teachers in schools to provide intensive one-to-one or small group support to children most in need. ECAR has demonstrated the effectiveness of intensive literacy interventions to help children who are struggling to learn to read. The *Pre-Budget Report 2006* announced that ECAR will be rolled out nationally from 2008-09, benefiting over 30,000 children a year by 2010-11. The Reading Recovery model is being developed to ensure it aligns with the recommendations of the Rose Review of the teaching of early reading and reflects best practice in systematic phonics.

Progress towards floor targets

Element 2 – The Department is on course to achieve the target to reduce the proportion of schools in which fewer than 65 per cent of pupils achieve level 4 or above by 40 per cent. In 2003 (the baseline year) 2,849 schools in English and 3,570 schools in mathematics were not achieving this floor target. In 2005/06, these figures have dropped to 1,785 schools in English (a reduction of 37 per cent or 1,064 schools) and 2,555 schools in mathematics (a reduction of 28 per cent or 1,015 schools).

The Department expects to meet the required reduction of 40 per cent in the number of schools

Table 3.3: Attainment of 11-year-olds: Progress towards 65 per cent floor target

	2002/03	2003/04	2004/05	2005/06
English – number of schools	2,849 below target	2,232 below target	1,870 below target	1,785 below target
change from previous year		-617	-362	-85
change since 2002/03		-617 (-22%)	-979 (-34%)	-1064 (-37%)
Mathematics – number of schools	3,570 below target	3,108 below target	2,797 below target	2,555 below target
change from previous year		-462	-311	-242
change since 2002/03		-462 (-13%)	-773 (-22%)	-1,015 (-28%)

Source: *School Achievement and Attainment Tables*.

below the floor target in English by 2006/07 (a year early) and is on course to meet it in mathematics by 2007/08.

Schools can make use of a range of targeted intervention programmes to help those pupils who have fallen behind. For example, there are literacy support programmes, and the springboard programmes for numeracy. These programmes are being reviewed in 2007-08 by the National Strategies in light of the new *Primary Framework* which was published in September 2006.

The Primary Leadership Programme (PLP) has supported schools in raising standards in primary schools. Participating schools benefit from working with a Primary Strategy Consultant Leader, who is usually an experienced headteacher. Over the first three years of the programme, more than 11,000 schools and early years settings have taken part. In both 2003/04 and 2004/05 schools taking part in PLP demonstrated greater progress in English and mathematics than schools not in PLP, and the evaluation also saw improvements in teaching and learning, and in leadership. The phased introduction of School Improvement Partners for all primary schools from January 2007 will take forward the lessons learned from the PLP.

The Primary National Strategy runs a programme (the Intensifying Support Programme) which provides intensive support to improve literacy and numeracy to more than 1,000 low-attaining schools, in 98 local authorities. The schools involved have improved at double the rate of other mainstream primary schools, by nearly two percentage points in English and more than three percentage points in mathematics.

Secondary Years

It is important that pupils achieve highly at Key Stage 3 if they are going to succeed at GCSE and beyond. For example, pupils who reach the expected level (level 5) in each of English, mathematics and science are seven times more likely to achieve five or more A*-C GCSEs than those who achieve level 4 in the same subjects. The 2005/06 results mean that approximately 104,000 more 14-year-olds achieved the expected level for their age in mathematics, 94,000 more in English and 74,000 more in science, than did so in 1996/97.

The Department has a Spending Review 2004 target to raise standards in English, mathematics, ICT and science at Key Stage 3.

Table 3.4: Attainment of 14-year-olds: percentage of pupils achieving level 5 or above

Key Stage 3 test	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
English	57	65	64	64	65	67	69	71	74	73
change from previous year		+8	-1	0	+1	+2	+2	+2	+3	-1
change since 1996/97		+8	+7	+7	+8	+10	+12	+14	+17	+16
Mathematics	60	59	62	65	66	67	71	73	74	77
change from previous year		-1	+3	+3	+1	+1	+4	+2	+1	+3
change since 1996/97		-1	+2	+5	+6	+7	+11	+13	+14	+17
Science	60	56	55	59	66	67	68	66	70	72
change from previous year		-4	-1	+4	+7	+1	+1	-2	+4	+2
change since 1996/97		-4	-5	-1	+6	+7	+8	+6	+10	+12
ICT ¹	50	56	58	62	65	66	67	67	69	²
change from previous year		+6	+2	+4	+3	+1	+1	0	+2	²
change since 1996/97		+6	+8	+12	+15	+16	+17	+17	+19	²

Source: School Achievement and Attainment Tables.

- 1. Teacher assessment.
- 2. Data not yet available.

Table 3.5: Attainment of 14-year-olds: Progress towards 50 per cent floor target

	2002/03	2003/04	2004/05	2005/06
English, mathematics and science – number of schools	589 below target	598 below target	410 below target	320 below target
change from previous year		+9	-188	-90
change since 2002/03		+9 (+2%)	-179 (-30%)	-269 (-46%)

Source: School Achievement and Attainment Tables.

PSA target 7: Raise standards in English, mathematics, ICT and science in secondary education so that:

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

Progress

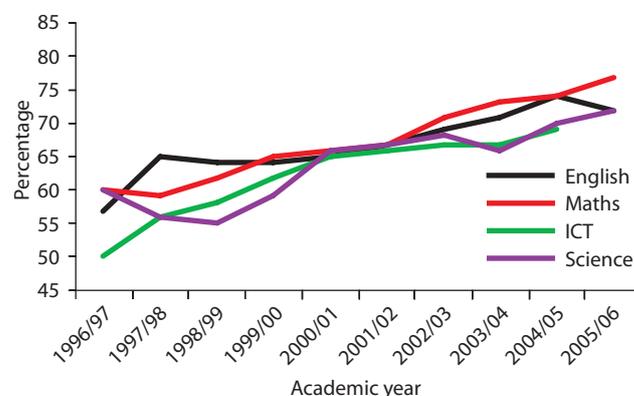
Element 1 – The number of pupils achieving level 5 or above in mathematics and science at Key Stage 3 increased again in 2005/06. Since the strategy was introduced in 2001, there has been an 11 percentage point improvement in mathematics (now 77 per cent) and six in science (now 72 per cent).

In English, the proportion of 14-year-olds achieving level 5 was 73 per cent (a disappointing fall in the percentage point improvement). However, 73 per cent does represent an increase of 16 percentage points since 1996/97, and an increase of two percentage points from the target's 2003/04 baseline. The Department is determined to get English back on track with a refreshed suite of intervention measures delivered through the Secondary National Strategy.

Achievement in information and communications technology (ICT) is measured by teacher assessment. In 2005/06 the volume and quantity

of data has been such that it has not yet been possible so far to publish performance figures. The Department hopes to publish these results later in 2007. Although this is a data collection issue there are implications for the reliability of these figures as a measure of progress towards the PSA target, although there is no evidence to suggest the assessments themselves are unreliable. The Department has investigated the problem and has taken steps to improve the collection of data in 2007.

Figure 3.3: Attainment of 14-year-olds: percentage of pupils achieving level 5 or above



Progress towards floor target

Element 2 – In 2005/06, 320 (10 per cent) schools failed to reach the 50 per cent floor target in English, mathematics and science, a reduction of 46 per cent from the target's baseline.

The Secondary National Strategy is a central element of the Government's ambitious plans to transform secondary education. The priority is now to build on the improvements achieved at school, local authority and national level in 2005/06, and make further progress in 2006/07 and beyond.

To achieve this, the Department will aim to raise standards in the core subjects, and in ICT. It will also tackle underperformance by targeting the pupils and schools most in need of support. Personalised learning will be given greater emphasis, and the Strategy will be pushed as a way to raise standards by working with the whole school, rather than just individual parts or pupils.

School Attendance

The most basic part of improving the performance of pupils in school is making sure they attend regularly. Irregular attendance at school is one of the reasons certain groups of children fall behind others. Regular attendance also helps improve outcomes for children outside and beyond their time at school.

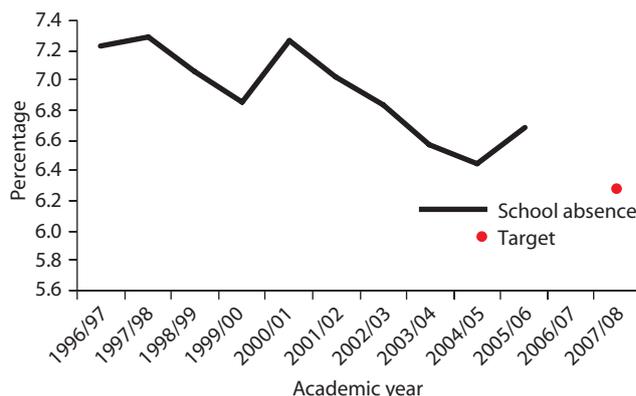
The Department has a Spending Review 2004 PSA target to reduce school absence.

PSA target 8: Improve levels of school attendance so that by 2008, school absence is reduced by 8% compared to 2003.

Progress

Since 2002/03, the percentage of half days missed due to all absences has decreased by 0.14 percentage points from 6.83 per cent to 6.69 per cent. This represents a reduction in absences of 2.0 per cent from the target's baseline and a decrease of 8.1 per cent since 1997/98.

Figure 3.4: Pupil absence: percentage of half days missed



Following four consecutive years of improvement, authorised absence levels rose (to 5.91 per cent of half days missed from 5.67 per cent in 2004/05). This was mostly because of outbreaks of influenza and Noro virus (winter vomiting bug) during the winter. This has affected progress towards the PSA target in 2005/06, but it is expected to be back on course in 2006/07.

The School Attendance Strategy focuses on those schools and local authorities where the need to improve is the greatest. Targeting of serial truants in 2005/06 delivered impressive results. The schools targeted reduced their overall number of truants by 27 per cent (around 3,500 pupils) from a 2004/05 baseline, and there was a reduction in rates of unauthorised absence in those schools of 0.89 percentage points. During 2006/07 the Department will be building on this experience to improve the attendance of the 215,000 (7.1 per

Table 3.6: Pupil absence

Percentage of half days missed	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Authorised absence	6.54	6.34	6.14	6.54	6.30	6.13	5.85	5.67	5.91
Unauthorised absence	0.74	0.73	0.71	0.73	0.72	0.70	0.72	0.78	0.78
Total absences	7.28	7.07	6.85	7.27	7.02	6.83	6.57	6.44	6.69
percentage point change from previous year		-0.21	-0.22	+0.42	-0.25	-0.19	-0.26	-0.13	+0.25
percentage point change from 1997/98 (percentage change)									-0.59 (-8.1%)

Source: DfES Statistical First Release 35/2006 Pupil Absence in Schools in England: 2005/06.

cent) persistently absent secondary school pupils who in 2005/06 missed a fifth or more of the autumn and spring terms (for any reason).

A number of measures have been introduced which provide a balance of support and sanctions so that parents will take proper responsibility for making sure that their child attends school regularly. Since September 2004, there have been 18,679 penalty notices issued, 20,256 voluntary parenting contracts agreed, 69,087 cases entering the fast-track system and 974 parenting orders for truancy.

School Behaviour and Discipline

It is important that children behave well at school if they are going to learn, and if their teachers are going to be able to run lessons as they want to. Everyone in a school should feel respected, safe and secure.

Behaviour is good in the overwhelming majority of schools. Of the primary schools inspected by Ofsted in 2005/06, 93 per cent were judged outstanding or good on behaviour, and fewer than 0.5 per cent were judged to have inadequate standards of behaviour. That is a big improvement on 1996/97, when two per cent of primary schools had inadequate standards of behaviour. Ofsted judged behaviour outstanding or good at 70 per cent of secondary schools inspected in 2005/06 and as inadequate at only three per cent. That is compared to six per cent in 1996/97.

The Government remains determined to continue to improve standards of behaviour in schools, and to help achieve that, the Department is carrying out a national programme which includes:

- giving schools access to high-quality training materials on managing behaviour, and advice from expert behaviour management consultants;
- providing schools with high-quality training and curriculum materials to help develop pupils' social and emotional skills. The Social and Emotional Aspects of Learning (SEAL) resource is available to all primary schools in England and is now being successfully used by approximately one third of primary schools. The secondary school SEAL pilot is currently underway in 50 schools across six local authorities and will be rolled out nationally from September 2007;
- providing extra funding through the School Development Grant to schools dealing with the worst behaviour problems;
- tackling bullying, with specialist advice on bullying around racism, religion and culture published in March 2006. The Department is working with Stonewall and Educational Action Challenging Homophobia (EACH) to develop guidance on homophobic bullying as part of this suite on tackling prejudice driven bullying, which is aimed to be launched later in 2007. The suite will also include guidance on tackling the bullying of pupils with special educational needs (SEN) and disabilities, likely to be ready in early 2008;
- updating the resource pack for schools (*Don't Suffer in Silence*) to make sure that staff have the most up-to-date information. This will be re-issued in early summer 2007, probably under the new title of *Safe to Learn*. The Department will also provide dedicated guidance on cyberbullying later in 2007;
- creating a legal power to discipline pupils, extending the scope of parenting orders and contracts, and improving provision for excluded pupils in the *Education and Inspections Act 2006*;

- pathfinder partnerships to tackle behaviour and attendance. Since January 2006, 284 secondary schools have been working together in 37 pathfinder partnerships across 19 local authorities. Since September 2006, more than a third of secondary schools have been working together in this way; and
- encouraging schools to become involved in Safer Schools Partnerships (SSPs), which encourage joint working between schools and the police. There are now more than 500 SSPs in one form or another.

Schools Commissioner

Sir Bruce Liddington was announced as the new Schools Commissioner on 7 September 2006.

The Schools Commissioner will be responsible for delivering the agenda for greater choice, diversity and fair access in order to raise standards in the schools system. This will include:

- working with local authorities to develop their capacity in their new role as strategic commissioners of school places and services;
- ensuring local authorities are meeting their duties to promote parental choice, greater diversity and fair access;
- working strategically with a small number of high priority local authorities in discussions about reorganisation, and more widely, advise on solutions to improve standards in the lowest attaining schools;
- promoting and supporting the development of Trust schools (including pathfinder schools) and Academies; and
- identifying suitable partners and sponsors and matching them with schools.

This work will also help to tackle school failure, which was reduced during 2005/06. The number of failing schools dropped from 243 in September 2005 to 208 at the end of the summer term 2006.

The *Education and Inspections Act 2006* includes measures designed to prevent school failure and to make sure swifter action is taken to turn a school around when this occurs. In particular, the Act revises the warning notice system, enabling local authorities to respond more rapidly to declining school performance. It also provides a greater range of options for authorities to support schools which drop into failure, including a new power to require the school to work with a partner to improve standards.

Academies

Academies are all-ability independent state schools which aim to transform education where the status quo is not good enough. They are established either as new schools, or to replace failing schools. They raise standards by taking innovative approaches to management, governance, teaching and the curriculum.

The Government is committed to providing at least 400 academies with at least 200 open or in the pipeline by 2010. This included a target of 60 Academies in London by 2010, as a key element of the London Challenge (also see London Challenge in Chapter 3). Forty-seven Academies are now open, and the Department is well on course to achieve the original target of 200 Academies by 2010.

The rate of improvement in Academies is significantly higher than the national average. They have returned some hugely improved Key Stage 3 results in 2005/06, compared to the 2004/05 and 2003/04 results for the schools they replaced. This is above the national trend in English with an 8.1 percentage point rise; and with rises of nine percentage points in mathematics and 10.5 percentage points in science in the proportion of young people reaching the expected levels for their age.

The National Audit Office (NAO) has confirmed that Academies are on track to deliver good value for

money, and that the programme is raising attainment in deprived areas. Among the other key points of a positive report from the NAO are:

- Performance is better than their predecessor schools and is rising faster than in other types of schools with attendance also improving faster than in other schools.
- Academies are narrowing the attainment gap by raising the attainment of pupils from deprived backgrounds; admitting higher proportions of pupils eligible for free school meals and with special educational needs than both the national average and the average in their catchment areas.
- Academies are popular with parents.
- Academies display the major factors that the National Audit Office consider important to turning around a school's performance, including high-quality leadership and governance and improved teaching and learning.
- Most Academy buildings are of high-design quality compared to other schools.
- Sponsors have played an important part in raising aspirations and contributing to a positive ethos.

Specialist Schools

The Specialist Schools Programme contributes to creating a system in which every secondary school has its own special ethos and works with others to spread best practice and raise standards. Specialist status has helped most specialist schools to raise standards. In 2006, specialist schools had a value added score of 1001.6 compared to the national average for all maintained schools and academies of 1000.4.

All pupils are capable of making progress even if they are not all good at taking exams. Value added is a way that schools are given recognition for the work that they do with all pupils. Value added is a

measure of the progress students make between different stages of education measured against similar students. It shows how schools have helped students at the end of compulsory school age to progress since taking their Key Stage 2 tests (Key Stage 2 to Age 15 value added measure).

The Government achieved its target to increase the number of specialist schools to 2,000 by 2006, more than a year early. A further 700 schools have joined the programme since then and around 85 per cent of all maintained secondary schools are now specialist.

The Government is also committed to having in place 200 schools with a vocational specialism by 2008, and there are currently 107 vocational specialist schools. The 2006 *Departmental Report* reported that the new special educational needs (SEN) specialism had been successfully piloted in 12 specialist schools, and a further 15 new SEN specialist schools were announced on 31 January 2007 bringing the total to 41.

About 370 high-performing specialist schools which met specified criteria when they were re-designated have been offered the opportunity to take on leading roles. They might take on a second or vocational specialism. They might become a training school. They can focus on student/school underperformance, or they can specialise in SEN. Schools are expected to choose an option that fits with local provision, and work in partnership with other schools and institutions to raise achievement for young people in the area.

From September 2007, the re-designation procedure will be aligned with Ofsted inspection and the criteria for future re-designations will be primarily based on the identified overall Ofsted grading. This supports the Government's commitment to removing unnecessary administrative burdens and giving schools greater freedom and autonomy.

Trust Schools

Trust arrangements are intended to open up new and different ways for schools to work in the future. Schools or groups of schools, that choose to take up the new arrangements will be self-governing, and supported by a charitable trust. The Trust model will provide opportunities for schools to build long-term relationships with new partners or other schools.

In addition to the funding to help pathfinders and early adopters with the costs of setting up a Trust, schools will be able to get:

- help and advice from the Specialist Schools and Academies Trust and the Youth Sport Trust; and
- practical guidance on acquiring a Trust through a Trust schools toolkit and model documentation.

There are currently around 70 schools working towards Trust School status through the Pathfinder programme in 35 projects. The Early Adopters programme was launched at the end of November 2006 and there are now around 140 schools working towards Trust School status as part of this programme.

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.

New and tougher inspection arrangements were introduced in September 2005. The bar has been raised meaning that schools which were previously judged satisfactory might now be judged inadequate, and placed in special measures or given notice to improve. This reflects the higher expectations on schools. Even working within that tougher context, however, the number of schools failing and made subject to special measures has actually been reduced, down from 515 in 1997/98 to 208 in 2005/06.

The *Education and Inspections Act 2006* created a new Ofsted. It brought into Ofsted the inspection and regulatory remits of the Adult Learning Inspectorate, Commission for Social Care Inspection (children's services), and the Children and Family Court Advisory and Support Service inspection work of the courts inspectorate. The Secretary of State appointed Christine Gilbert as the new Chief Inspector of Ofsted in June 2006 and appointed Zenna Atkins as the Chairman of the new Ofsted non-executive Board in September 2006. Appointments were made to the rest of the Board positions in November 2006 when, after Royal Assent, the Board came into shadow existence. The new Ofsted was fully established on 1 April 2007, one year ahead of the target date for the rationalisation of the inspectorate landscape set out by the Chancellor in the *Pre-Budget Report 2005*. Ofsted published their Departmental Report (Cm7117) on 15 May 2007. (also see Chapter 1)

Special Educational Needs

In October 2006, in responding to the Education and Skills Select Committee's report on special educational needs (SEN), the Department set out a package of measures including:

- a national programme of continuing professional development to transform understanding of SEN and disability in schools;
- a Dyslexia Trust to support higher level specialist teacher training;
- work to strengthen the role and status of the SEN co-ordinators (SENCOs) in schools and to develop nationally accredited training for those newly appointed to the role; and
- mandatory training for new SENCOs and a new requirement that SENCOs must be teachers.

In January 2006, some 236,750 (or 2.9 per cent of) pupils across all schools in England had statements confirming that they had special educational needs.

The proportion of pupils with statements across all schools remains unchanged from January 2005.

There were some 1,293,250 pupils with SEN without statements representing 15.7 per cent of pupils across all schools. This is an increase from 14.9 per cent a year earlier. Contrary to the pattern for pupils with statements of SEN, the incidence of pupils with SEN without statements is greater in primary schools (17.3 per cent) than in secondary schools (15.3 per cent).

Extended Schools

An extended school works with local private, voluntary, and independent providers, agencies (and in many cases other schools) to provide access to a core offer of services for pupils, families and the local community. This comprises a varied menu of study support activities in primary and secondary schools; high-quality childcare from 8am to 6pm all year round in primary schools; parenting and family support; swift and easy referral to a wide range of specialist support services such as health and social care; and wider community access to ICT, sports and arts facilities on the school site, including adult learning. What extended services provision looks like in practice will vary according to the needs of each community, based on consultation through schools.

Progress on extended schools is encouraging, with over 4,500 schools now providing the full core offer against the target of 6,000 schools by September 2007. Behind this are a large number of schools delivering some, but not all, of the offer.

The Government wants all schools to be delivering extended services by 2010, with half of all primary schools and a third of all secondary schools doing so by 2008.

Recent surveys have shown how good extended services are for children and families. An Ofsted survey published in July 2006 found that almost all the provision was effective in meeting the range of needs of children, young people and adults in the

local community; and that the major benefits to children, young people and adults were improved self-confidence, improved relationships, raised aspirations and better attitudes to learning.

A report by Newcastle and Manchester Universities, published in September 2006, also shows that extended services can have positive effects on children, adults and families. There are benefits for schools too, in terms of improvements in performance measures such as pupil attainment and exclusion rates.

London Challenge

The London Challenge was launched in 2003 to break the link between deprivation and underachievement and to respond to the unique challenges faced by London, not least the fragmented approach of 33 London boroughs. It aimed to do this by focusing school improvement approaches on a group of underperforming London schools who face the most challenging circumstances, and by providing strategic input to enable development of London-wide solutions to London-wide issues such as high teacher turnover, admissions and pupil mobility, and the well-being of children.

The success of London Challenge has been recognised by Ofsted (Improvements in London schools 2000-2006 – Dec 2006). The Government has announced as a result that the London Challenge will be extended for a further three years beyond 2008, and a similar approach applied in two other conurbations.

This programme has worked intensively with over 80 secondary schools facing challenging circumstances, largely through expert adviser support and funding for bespoke solutions for each school. It has also worked with key boroughs at both primary and secondary levels, focusing on building capacity at local authority level and developing best practice. The London Challenge has seen sustained

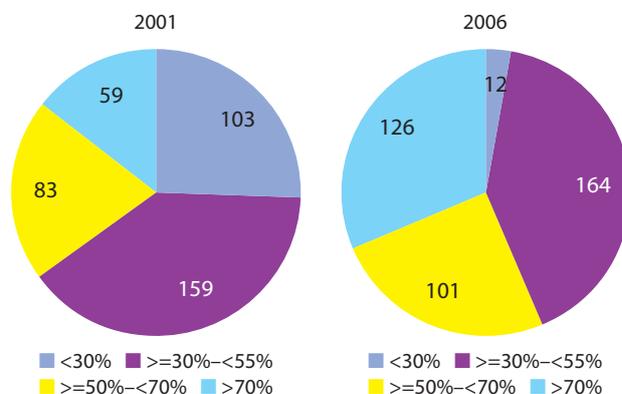
improvement in results across the key boroughs and among the target group of underperforming secondary Keys to Success schools. These are schools whose success is key to raising overall attainment in London. There has also been a marked improvement in primary standards achieved through a modified Keys to Success approach in primary schools and capacity building in local authorities. The Ofsted report *Improvements in London Schools 2000-2006* concluded that the proportion of schools in the London Challenge which were graded as good or better was significantly higher than nationally, and that leadership, management and the quality of teaching have improved significantly in these schools.

An example of the innovative work developed through the London Challenge is the Leadership Strategy. This has been led by headteachers, for headteachers, and is producing rapid improvements in the quality of leadership, which in turn translates into improved standards for learners. This report also praised across-London teacher recruitment initiatives and opportunities for continuing professional development which the programme has supported. The Chartered London Teacher, a status which London teachers can work towards and which recognises and rewards the skills and expertise of these teachers, has provided a focus for continuing professional development in the context of London as a multi-ethnic, urban centre. Two thirds of teachers have signed up, and the first group of teachers have graduated during 2006/07.

The programme is producing real results, with 14,100 more pupils obtaining five good GCSEs including English and mathematics compared to 1996/97. Almost one in three London schools achieved outstanding results of 70 per cent or above five A*-C GCSEs in 2006, twice the number than did so in 2001. Results in inner London are continuing to improve faster than anywhere else in

the country, with 54 per cent of pupils achieving five A*-C GCSEs in 2006, compared to 32 per cent in 2001. Figure 3.5 represents the progress that has been made since 2001.

Figure 3.5: Number of secondary schools by attainment band



The London Challenge will continue in its current form until April 2008, mobilising London’s resources effectively, supporting schools to tackle underperformance and the link between poor achievement and deprivation.

Education Improvement Partnerships and Federations

The Schools White Paper (*Higher Standards, Better Schools for All*) stated the Government’s commitment to encourage the growth of federations and other partnership arrangements. Those arrangements make sure our most successful school leaders are used to best effect, and are able to support our less successful schools. The Department wants to support federations because formal collaborative arrangements through which schools share expertise and resources have great potential to improve teaching and extend learning opportunities for young people. Education Improvement Partnerships (EIPs) enable groups of schools to work together to raise standards and take on wider responsibilities for the children and young people in their local communities. They allow existing and new partnerships to evolve to take responsibility for a range of functions.

Pupil Numbers

Table 3.7 shows the number of pupils in maintained schools, academies and city technology colleges.

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

Table 3.7: Maintained schools, academies and city technology colleges: Pupil numbers (000s)

At January each academic year	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 actual	2000/01 actual	2001/02 actual ¹	2002/03 actual ²	2003/04 actual	2004/05 actual	2005/06 actual	2006/07 projected	2007/08 projected
Nursery and primary schools												
Aged under-five^{3,4}												
Total full-time and part-time	917	917	919	906	899	897	878	864	847	837	848	888
Full-time equivalent (FTE) ⁵	738	737	740	730	726	731	718	709	697	693	698	729
Aged five and over (FTE)⁵	3,563	3,592	3,589	3,575	3,553	3,509	3,473	3,429	3,396	3,350	3,306	3,267
Total Nursery and Primary (FTE)^{5,6}	4,301	4,329	4,329	4,305	4,278	4,240	4,191	4,138	4,093	4,043	4,004	3,996
Secondary schools												
Under school leaving age (FTE) ⁵	2,743	2,765	2,814	2,868	2,913	2,943	2,978	2,988	2,968	2,954	2,907	2,831
Over school leaving age (FTE) ⁵	298	307	308	314	319	321	330	338	349	355	364	368
Total Secondary (FTE)^{5,6}	3,042	3,073	3,122	3,182	3,232	3,264	3,308	3,327	3,317	3,309	3,271	3,198
Special schools												
Total full-time and part-time	93	93	93	92	91	90	91	89	87	87	85	84
Pupil referral units (FTE) ⁵	8	8	8	8	9	10	18	20	22	24	24	24
Total Special Schools and pupil referral units (FTE)⁵	99	100	100	99	99	99	107	108	109	110	108	106
Total pupil numbers in maintained schools (FTE)^{5,6}	7,441	7,502	7,550	7,586	7,609	7,602	7,606	7,573	7,519	7,462	7,383	7,300
Academies⁷												
Under school leaving age (FTE) ⁵	n/a	n/a	n/a	n/a	n/a	n/a	3	9	13	22	40	70
Over school leaving age (FTE) ⁵	n/a	n/a	n/a	n/a	n/a	n/a	0	1	2	3	5	10
Total academies (FTE)⁵	n/a	n/a	n/a	n/a	n/a	n/a	3	10	15	25	45	80
City Technology Colleges												
Under school leaving age (FTE) ⁵	12	12	13	13	13	13	13	12	12	9	9	3
Over school leaving age (FTE) ⁵	3	3	4	4	4	3	4	4	4	3	3	1
Total City Technology Colleges (FTE)⁵	15	16	16	17	17	16	18	16	16	12	11	5
Total pupil numbers in maintained schools, academies and City Technology Colleges (FTE)⁵	7,457	7,517	7,567	7,603	7,626	7,618	7,626	7,599	7,551	7,500	7,440	7,385

Sources: Annual Schools Census and DfES projections.

1. From 2001/02 onwards, the school information is pupil level based from all schools except for Pupil Referral Units.
2. From 2002/03 onwards, the data includes dually registered pupils. Therefore, these figures are not directly comparable with those in the previous publication. Rounding of components may cause discrepancies in totals.
3. Projections allow for increase in take-up of early years education towards universal provision.
4. Age at the beginning of the academic year.
5. 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.
6. Projections take into account provisional 2007 Census data on pupil numbers in primary and secondary schools.
7. The projected pupil numbers in Academies are subject to change.

The White Paper *14-19 Education and Skills*, published in February 2005, set out a radical programme of reform for the 14-19 system, which was described in more detail in the Implementation Plan published in December 2005. The aim is to make year-on-year improvements in order to develop a system of 14-19 education which prepares all young people for success in life. The programme has three elements:

- Raising attainment for those in the system now.
- Curriculum and qualifications reform.
- Reforming local delivery.

Raising attainment for those in the system now

Working closely with the Learning and Skills Council (LSC) and Connexions, a number of projects have been put in place to ensure that young people are being given more support and opportunity to progress and achieve.

From September 2007, the September Guarantee – which is already operating to some extent in every area – will make sure that every 16-year-old is offered an appropriate place in full- or part-time education or training. It will be supported by the 14-19 Prospectus – a searchable Internet-based source of information on all local 14-19 courses – which will be published in every area by September 2007. It will also be supported by better tracking and more focused intervention with those at risk of dropping out of the system.

From 2008, a new progression measure will be introduced for 16- to 19-year-olds, which will enable institutions to track progression at all levels, and will encourage them to focus on supporting more young people to remain in education and training, and to make well-informed decisions about what form that should take.

Apprenticeships

Apprenticeships are an increasingly popular option for young people, as a high-quality, employer-led, structured training programme. They offer the opportunity to learn on the job, develop transferable skills and gain nationally recognised qualifications that will be needed throughout a working life. Funded or partially funded Apprenticeships at levels 2 and 3 are available to 16- to 25-year-olds, and a very successful Young Apprenticeship scheme is running on a small scale for 14- to 16-year-olds. Many apprentices go on to higher education, and the Department is building stronger links with higher education – particularly through Foundation Degrees (see chapter 5) – to make this an attractive option for apprentice and employer alike.

The number of young people participating in apprenticeships is at a record level with around 130,000 employers employing more than a quarter of a million at the end of 2006 (up from 75,000 in 1997). Intensive work to improve the content and flexibility of the Apprenticeship framework, to increase the range of frameworks on offer and to make sure only the best providers are funded to offer the training has resulted in a massive increase in the completion rate, which now stands at 59 per cent.

One of the performance indicators supporting the PSA target for level 2 at 19 is for the volume of young people completing Apprenticeships to increase by 75 per cent between 2002/03 and 2007/08, requiring 75,000 young people to complete their Apprenticeship in 2007/08. Although the average numbers in learning have dropped a little, the increase in completion rates is expected to help exceed this target. In 2005/06, there were 99,000 completions.

An employer-led Apprenticeship Ambassador Network has been working to increase the number of employers offering Apprenticeships, and in

autumn 2006 the Secretary of State announced an Apprenticeship entitlement for 16- to 19-year-olds to be introduced in 2013, alongside the statutory entitlement to 14-19 Diplomas. (also see Curriculum and Qualifications Reform in Chapter 3)

Learning Agreements

Since April 2006, LSC and Connexions have been jointly piloting Learning Agreements, aimed at young people who are in employment, but not undertaking any form of accredited education or training. Through the Learning Agreement, young people are helped to identify part-time learning opportunities that will develop their skills and enable them to progress further in employment. Their employer is intrinsically involved in supporting the learning, even though it might not be directly relevant to their current employment.

Disengagement

Reducing the proportion of 16- to 18-year-olds not in education, employment or training (NEET) is a priority for the Department. Being NEET between the ages of 16 and 18 is a major predictor of later unemployment, low income, teenage motherhood and depression and poor physical health.

The Department has a Spending Review 2004 PSA target to reduce the proportion of young people not in education, employment or training.

PSA target 12: Reduce the proportion of young people not in education, employment or training by 2 percentage points by 2010.

Progress

The proportion of 16- to 18-year-olds not in education, employment or training has remained broadly level for the last 12 years making the target extremely challenging. Provisional departmental estimates showed that ten per cent of 16- to 18-year-olds were not in education, employment or training at the end of 2004, and this forms the

baseline for the target. The provisional 2005 figure for those not in education, employment or training is 11 per cent and the target is therefore off trajectory.

Making reductions in the proportion of young people not in education requires three elements to be working effectively together: having the right learning provision in place; having the right support for young people; and having financial support that enables young people to stay engaged. Local authorities, working through children's trusts and 14-19 partnerships, have the lead strategic role locally in relation to this target. Most already have NEET targets in their Local Area Agreements and all will have them by 2008. In 2007, for the first time, the proportion of 16-to 18-year-olds not in education, employment or training will feature in the annual performance assessment of all local authorities. In support of this, LSC has a specific action plan in place to tackle issues relating to access to learning provision for young people not in education, employment or training, with the context of the 14-19 implementation.

Financial Support

It is vital that 16- to 19-year-olds have the financial support and incentives they need to participate in education and training. *Supporting young people to achieve*, published in March 2005, set out the Government's long term vision of a single, coherent system of financial support for 16- to 19-year-olds. 16- to 18-year-olds including those not in education, employment or training would be supported by the extension of Child Benefit and Child Tax Credit to the families of unwaged trainees on work-based learning programmes arranged by the Government. In addition, £60 million has been allocated over two years (2006-08) to pilot the delivery of Activity Agreements, designed to re-engage those not in education, employment or training by recognising and offering incentives for the kind of action that

equips them to engage, and stay engaged, in appropriate learning and work. Education Maintenance Allowances are available to young people from households with an income below a threshold level who choose to remain in education and training. Care to Learn is available to young parents in education and work-based learning to meet the cost of childcare.

Information, Advice and Guidance (IAG)

Information, Advice and Guidance is key to supporting participation, attainment and progression. Research shows that most young people prefer to get their information and advice from people who know them well – parents, peers, and teachers, rather than by guidance professionals. Therefore, the scope of the Department's work on IAG is much wider than just careers guidance interviews and includes careers education, personal, social and health education, work experience, peer mentoring and parental involvement.

All young people should have access to good quality information, advice and guidance to help them make better career and life choices. The advice should be impartial, comprehensive and free from stereotyping. It should be available in ways that young people want, for example, face to face support and advice from people who know them and their abilities, but also on demand through the Internet, text and telephone.

Youth Matters: Next Steps published in March 2006 set out responsibility and funding for commissioning IAG, which is being devolved from the Connexions Service to local authorities, working through children's trusts, schools and colleges. Following a phased approach from 2006, the new arrangements will be in place by 2008. These new arrangements will not affect the statutory duty on all maintained schools to provide a planned careers education programme in the curriculum for all pupils in years 7 to 11.

Other Support for Young People

Youth Matters published in July 2005 addresses a range of important issues relating to teenagers. Building on the ambition of ECM, *Youth Matters* set out a comprehensive package aimed at improving outcomes for all young people. This included proposals for integrating Connexions Services with a wider range of young people's services at local authority level, and setting local targets for reducing those not in education, employment or training which would be the focus of annual priorities conversations with the Department. Local authorities will be expected to make sure that client tracking systems set up by the Connexions Services are maintained and developed to inform local planning and measurement of the not in education, employment or training group.

Integrated Targeted Support

Youth Matters: Next Steps outlined the Department's expectations around delivering integrated youth support services to deliver improved outcomes for young people. Many of the major commitments are progressing to schedule, including funding migrating to local authorities through Local Area Agreements, new legislation on positive activities, the roll out of youth opportunity funds, and the implementation of targeted youth support pathfinders.

Recent reviews (Prime Minister's Delivery Unit Review of targeted support and HM Treasury – Department for Education and Skills Review of Youth) have raised the question about whether local authorities are sufficiently clear about what integrated services means in practice. While there is evidence of some local authorities starting to reform in line with the original policy intention, there is a risk that others will not move sufficiently fast without further direction. Current delivery plans have been revisited to assess whether they are sufficient to make sure that all local authorities are on trajectory to have integrated services in place by 2008.

Curriculum and Qualifications Reform

The Department is working with the Qualifications and Curriculum Authority, employers and higher education to increase the range of choice and opportunities for 14-to-19-year-olds, and to make sure the curriculum is more engaging, stretching and relevant to future study and employment.

As part of this programme the Key Stage 3 curriculum is being reformed to provide more space for personalisation, and to make sure all young people reach 14 with a good grounding in the basics. £335 million is available through the Dedicated Schools Grant in 2007-08 to personalise learning for pupils at Key Stage 3, including extra support for those falling behind in the basics. New programmes of study are being consulted on and will be approved in September 2007.

Diplomas

The introduction of new Diplomas at levels 1, 2 and 3 is the most high-profile and innovative aspect of the reforms. By September 2013, a new statutory entitlement will ensure that every 14- to 19-year-old will have the choice of all 14 Diploma lines. The Diplomas are being developed by partnerships led by relevant Sector Skills Councils and involving higher education representatives. They will offer a unique combination of practical and theoretical learning within broad sectoral themes, with opportunities for young people to design programmes of study that align with their own interests and preferred learning styles. Embedded in the diplomas will be the new framework for Personal Learning and Thinking Skills, increasingly seen by employers and higher education as essential to future success.

Qualifications for the first five lines in Engineering, Construction and the Built Environment, Society Health and Development, Creative and Media and IT, will be published in September 2007, and are on track to be taught in selected areas in September

2008. Development of the next five lines is now underway.

Functional Skills

The development of the new functional skills qualifications in English, mathematics and ICT also represents a massive change to the system, as they will play a key role in diplomas, GCSEs and apprenticeships, enabling young people to operate confidently, effectively and independently in life and at work. Draft standards have been developed for each functional skill and different assessment methods are currently being trialled. National functional skills pilots will start in September 2007.

Advanced Level

At advanced level (3), the Department is working to introduce greater stretch and challenge, as well as making sure young people develop the generic skills they need for further study and for employment. A level assessment is being changed from September 2008, to enable a more synoptic approach, and the introduction of an A* grade was recently announced. From 2008, young people taking A levels and three Diplomas will undertake an extended project, which will help them to develop skills in planning, research and autonomous working. The extended project is currently being trialled with around 6,000 students.

Entry Level and Level 1

At the same time, the qualification system below level 1 is being changed by introducing a foundation learning tier, which will create a more coherent approach to learning at this level, and provide clearer stepping stones to level 2 and beyond. Trials are currently underway, with a view to phasing roll-out up to 2010.

Reforming Local Delivery

Offering every young person access to a personalised learning experience, including all 14 diploma lines, will require profound changes

throughout the system. No single institution will be able to deliver the full 14-19 Diploma entitlement, and collaboration between schools, colleges, work-based learning providers, higher education institutions and employers will be essential. Local authorities and LSCs will work together to convene local partnerships, to identify gaps in provision and commission provision to fill these. At the same time, the Department will make sure the workforce is fully trained to implement all the reforms, and that every area has the facilities and funding it needs to provide the full entitlement.

The introduction of the sixth form presumption and, more lately, the further education presumption is ensuring that the Department is on track to deliver the 50,000 new places needed to respond to demographic changes. Although the number of 16- to 19-year-olds will subsequently drop off, the higher proportions that will remain in learning will make sure that these places continue to be filled.

The development of 14-19 partnerships has been proceeding at different paces in different areas. However, the Diploma Gateway exercise that took place between November 2006 and March 2007 has given this work a fresh impetus. 361 local consortia (comprising different mixes of schools, colleges, work-based learning providers and higher education institutions) applied to offer some or all of the first five Diplomas. As a result of the exercise, it is expected that 145 consortia will be offering around 38,000 Diploma places at levels 1, 2 or 3 in September 2008.

Successful and deferred consortia alike will be supported over the coming months to implement their plans for delivery. Every consortium has received a package of financial and other support that will make sure they are strengthening their collaboration, improving their facilities, developing their workforce, engaging with employers and

enhancing their provision of information, advice and guidance. A number of pre- and post-16 agencies are working with the Department to support development of the workforce, through leadership training, initial teacher training, and continuous professional development and support materials. (also see Chapter 7)

Changes are also being planned to the pre- and post-16 funding systems, and two sets of consultation are underway, with a view to aligning funding systems and offering incentives for participation and attainment. (also see Chapter 8)

The 14-19 reforms will give all young people the opportunity to choose a mix of learning that motivates, interests and challenges them, and which gives them the knowledge, skills and attitude they need to succeed in education, work and life.

Success will be measured through the Public Service Agreement targets for the achievement of level 2 and level 3 at 19; and for the reduction of young people not in education, employment or training.

The Department also has an aspiration to achieve 90 per cent of 17-year-olds participating in education or training by 2015, and has recently seen the first rise in participation rates for over a decade. The most recent figure is 76.0 per cent.

Building on all of the work described previously, the Department published a Green Paper, *Raising Expectations: staying in education and training post-16* in March 2007 consulting on the introduction of a statutory requirement for all young people to remain in full- or part-time education or training until the age of 18.

Raising attainment at level 2

The Department has two Spending Review 2004 PSA targets to raise attainment at level 2.

Table 3.8: GCSE examinations: Percentage of 15-year-olds achieving five or more A*-C grade GCSEs or equivalent

GCSE	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
5 or more C or better	45.1	46.3	47.9	49.2	50.0	51.6	52.9	53.7	56.3	58.5
change from previous year		+1.2	+1.6	+1.3	+0.8	+1.6	+1.3	+0.8	+2.6	+2.2
change since 1996/97		+1.2	+2.8	+4.1	+4.9	+6.5	+7.8	+8.6	+11.2	+13.4

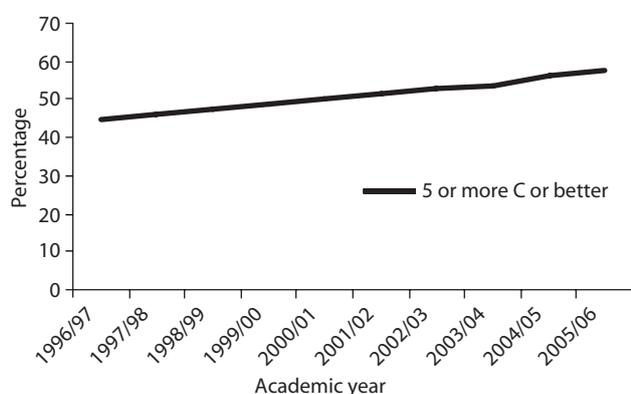
Source: School Achievement and Attainment Tables

PSA target 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.

Progress

Element 1 – Steady progress is continuing to be made in improving the proportion of young people who achieve level 2 attainment at age 16 with some of the deprived areas continuing to show the fastest improvements. The 2005/06 results show that 58.5 per cent of pupils achieved five GCSEs at grades A*-C, an increase of 4.8 percentage points from the 2003/04 baseline and 13.4 percentage points from 1996/97. This means that a total of 378,000 more pupils achieved five good GCSE passes since 1996/97 than would have done if standards had remained the same.

Figure 3.6: GCSE examinations: Percentage of 15-year-olds achieving five or more A*-C grade GCSEs or equivalent



Progress towards floor target

Element 2 – School level performance is also improving rapidly but the floor targets for 2004 (at least 20 per cent of pupils in all schools to achieve level 2) and for 2006 (at least 25% of pupils in all schools to achieve level 2) have not been met. In 2005/06, the number of schools where less than 25 per cent of pupils achieved level 2 was 47. This is an improvement of 63 schools from 2004/05 when 110 schools were below this level.

Table 3.9: GCSE examinations: Progress towards floor targets

Number of schools	2003/04	2004/05	2005/06
Below 15%	27	11	7
Below 20%	72	40	15
Below 25%	186	110	47
Below 30%	343	230	134

Source: School Achievement and Attainment Tables

Science and Mathematics

The Government’s aim is to create an education and training environment that delivers the best in science teaching and learning at every stage. It has set new ambitions to:

- increase the numbers of young people taking A levels in physics, chemistry and mathematics so that by 2014:
 - entries to A level physics are 35,000 (from 24,094 in 2005);
 - entries to A level chemistry are 37,000 (from 33,164 in 2005); and
 - entries to A level mathematics are 56,000 (from 46,037 in 2005);

- improve the number of pupils getting at least level 6 at the end of Key Stage 3; and
- improve the number of pupils achieving A*-B and A*-C grades in two science GCSEs.

The Government is undertaking a programme of action to achieve these ambitions and implement its response to Professor Adam Smith's *Making Mathematics Count* report. Progress so far includes:

- new science GCSEs and two tier mathematics GCSEs were introduced into schools for first teaching from September 2006; and
- the location of the first 211 of 250 science and engineering clubs has been announced.

There have been encouraging increases in 2005/06, particularly in the number of pupils reaching level 6+ in science at Key Stage 3, from 37 per cent to 41 per cent (provisional figures). Mathematics and further mathematics entries at A level have increased from 46,034 and 5,192 in 2005 to 49,720 and 6,505 in 2006 (provisional figures) respectively.

Languages

The percentage of pupils taking a GCSE in language fell by eight percentage points from 59 per cent in 2004/05 to 51 per cent in 2005/06. As a result, the Secretary of State asked Lord Dearing to carry out a review of languages.

The *Languages Review* was published in March 2007. It includes a package of measures to increase the number of pupils studying languages after 14, and a number of recommendations about language learning more generally and the accountability framework required to influence schools. Key recommendations include:

- Making languages a statutory part of the primary curriculum when it is next reviewed, making languages compulsory from age 7 to 14.

- Reforming secondary courses by revising the GCSE to make it more engaging and relevant; developing flexible alternatives to GCSE for a range of learners; creating an Open School for languages; and providing more opportunities for overseas visits, exchanges and work experience abroad.

- No return to compulsion at Key Stage 4, but a strengthening of the expectation that 50 to 90 per cent of pupils should study a language leading to a recognised qualification after 14; the inclusion of languages performance indicators in the Achievement and Attainment Tables; and the use of School Improvement Partners to challenge schools where languages take-up has sharply declined.

The Secretary of State welcomed the Review, and announced that languages should become a statutory part of the primary curriculum when it is next reviewed. Good progress has already been made towards meeting the existing entitlement for all primary schools to be learning a foreign language by 2010. Over 70 per cent of primary schools are now teaching or planning to teach languages, and over 2,000 new primary teachers with a languages specialism have been trained.

An implementation plan is being developed to take forward the Review recommendations which are expected to have a significant impact on language teaching and learning.

The Department has a second Spending Review 2004 PSA target to increase the proportion of 19-year-olds who achieve at least level 2 and the proportion of young people achieving level 3.

Table 3.10: Proportion of young people qualified to level 2 or higher (Percentage)

Age	16	17	18	19	20	21
19 in 2004	49.2	56.1	62.0	66.3	69.1	71.1
19 in 2005	50.3	58.5	64.9	69.3	72.0	
19 in 2006	52.2	60.1	67.1	71.4		
19 in 2007	53.0	62.2	70.4			
19 in 2008	55.5	64.9				
19 in 2009	57.2					

Source: Matched Administrative Data Set

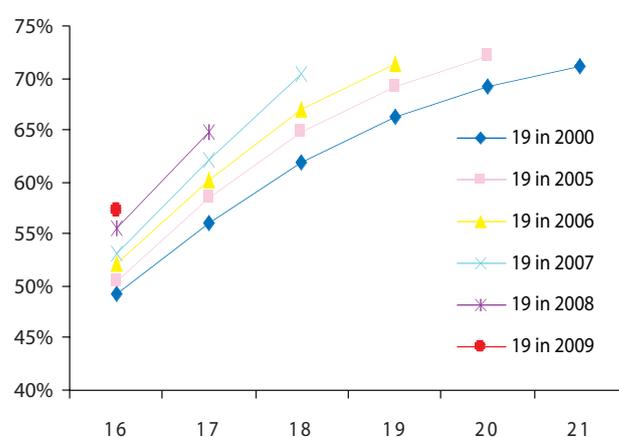
PSA target 11: Increase the proportion of 19-year-olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008, and increase the proportion of young people who achieve level 3.

Progress

Element 1 – The first part of this target has been exceeded. The level 2 baseline is that 66.3 per cent of 19-year-olds were qualified to at least level 2 in 2004. In 2006, this increased to 71.4 per cent, 5.1 percentage points above the baseline.

The baseline for the second part of this target has been set at 71.4 per cent and the 2008 target is 73.4 per cent of people aged 19 to be qualified to at least level 2. In 2006, 64.9 per cent of 17-year-olds (nearly 419,000) had already reached level 2. The target will therefore be met if a further 8.5 per cent of that age cohort (55,000 people) reached level 2 during 2006/07 and 2007/08. By comparison, around 71,000 people reached level 2 or above between the ages of 17 and 19 in the latest age cohort.

Figure 3.7: Proportion of young people qualified to level 2 or higher (Percentage)



Element 2 – Level 3 attainment by young people has increased since 2004. In 2004, 42.1 per cent of 19-year-olds were qualified to level 3. By 2006 this had increased by 4.7 percentage points to 46.8 per cent.

Chapter 4

Adult Skills and Further Education

Objective IV: Tackle the adult skills gap.

In December 2006, Lord Leitch published the final report of his review – *Prosperity for all in the global economy – world class skills*. (also see Chapter 5)

This independent review was commissioned by the Chancellor in the *Pre-Budget Report 2004* to identify the UK's optimal skills mix in 2020 to maximise economic growth, productivity and social justice, and to consider the policy implications of achieving the level of change required.

In his final report, Lord Leitch recommends that the UK should aim to be a world leader on skills by 2020, in the upper quartile of Organisation for Economic Co-operation and Development countries. Lord Leitch also made a number of recommendations for how that vision should be delivered; including the establishment of a new Commission for Employment and Skills; an enhanced role for Sector Skills Councils in driving up employer demand and investment; and a new universal adult careers service.

The Department is now working closely with a range of stakeholders to consider how to take forward the package Lord Leitch has recommended, before finalising the Government's response and publishing an implementation plan.

The Government's current skills strategy is set out in two 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. The Department's skills strategy sets out a challenging reform agenda designed to ensure employers have the skills needed to support the success of their businesses and individuals have the skills needed to be employable and personally fulfilled.

Excellent progress has been made towards the Department's targets, but Lord Leitch's report shows that more needs to be done to become a world leader on skills and able to compete effectively in the global economy of the 21st Century.

Meeting the Skills Needs of Employers

A new demand-led approach is being developed to delivering skills for business success, where employers' needs drive the way adult learning is delivered, and their skills priorities shape decisions on training supply.

Train to Gain

Employers have been put in the driving seat of training and skills development and the Train to Gain service is now operational across England, after being rolled-out nationally in August 2006. Train to Gain offers employers fully subsidised training for low skilled employees up to a first full level 2 qualification and support for progression to level 3, allowing employers to shape the design and delivery of training. When fully operational, Train to Gain will be delivering 175,000 first full level 2 qualifications, to 350,000 employees, from 50,000 employers per year. By the end of 2010 it is expected that over 500,000 learners will have

achieved a first full level 2 qualification through Train to Gain.

From August 2006, two level 3 Train to Gain trials have been operating in the North West and West Midlands regions, offering businesses with less than 250 employees a subsidy for employees to achieve a first full level 3 qualification through Train to Gain. A third level 3 trial began in London in September 2006, targeting women and ethnic minority women in occupational areas where they are under-represented at level 3 to encourage them to progress.

Three higher education Train to Gain pathfinders are being introduced by the Higher Education Funding Council for England (HEFCE) in the North East, North West and South West.

Sector Skills Councils

All 25 Sector Skills Councils (SSCs), making up the Skills for Business Network are now in place. SSCs now cover 85 per cent of the workforce, and provide a voice for employers in identifying skills priorities and the training and qualifications needed for their sector. Ten Sector Skills Agreements (SSAs) have been developed and a further 15 are in development. SSAs provide the framework for SSCs to work with employers in their sectors, with key delivery agencies and with government to address priority skills issues in their sectors. The agreements are a key mechanism for articulating skills demand and underpin the move to a more demand-led system of education and training as set out in the Skills Strategy.

Unionlearn

There are now over 14,000 union learning representatives to raise the demand for learning in the workplace, especially amongst workers with low skills. The new union academy commenced operations on 1 April 2006 and was successfully launched by the Trades Union Congress (TUC) as unionlearn on 2 May 2006.

Centres of Vocational Excellence

A world-class expertise in vocational learning is being developed, driven by the needs of employers and there is now a network of 403 Centres of Vocational Excellence (CoVEs) in place. A new standard for excellence in employer responsiveness is being tested and will be rolled out on a sector by sector basis from May 2007.

National Skills Academies

A network of National Skills Academies (NSAs) is being developed. NSAs are employer-led, sector based, national centres of excellence and build on the excellence developed through the network of CoVEs. The first three NSAs were launched on 31 October 2006, in the financial services, construction and manufacturing sectors. A fourth, in the food and drink sector was approved in January 2007. Four other sectors have successfully applied to be part of the National Skills Academy programme in a second round. The Department's aim is to have twelve NSAs operational by 2008.

Meeting the Skills Needs of Individuals

The Department has two targets to improve adults' employability and their progression through to higher levels of training.

Skills for Life

Supporting those with low or no skills and qualifications to improve their employability and access to further learning continues to be a priority.

The Department has a Spending Review 2004 target to increase the skill levels of adults.

PSA target 13: Increase the number of adults with the skills required for employability and progression through to higher levels of training through:

- 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 (element 1)
- reducing by at least 40% the number of adults in the workforce who lack NVQ 2 or equivalent qualifications by 2010. Working towards this, one million adults in the workforce to achieve level 2 between 2003 and 2006. (element 2)

Progress

Element 1 – The 2007 milestone of improving the basic skill levels of 1.5 million adults has been met. Since the launch of the Strategy in 2001, 4.7 million adults have taken up 10.5 million Skills for Life learning opportunities with 1,619,000 learners achieving their first Skills for Life qualification in literacy, language or numeracy. This figure includes achievements by over 138,000 offenders.

Element 2 – The interim level 2 milestone target of having one million more adults in the workforce with level 2 by 2006 was met six months early. The proportion of adults in the workforce with at least this level of qualification has risen from 69.2 per cent in quarter 4 of 2001 to around 73.9 per cent in quarter 4 of 2006. This represents an increase of almost 1.6 million adults towards the target of 3.6 million extra by 2010.

Level 2 Entitlement

From September 2006, in addition to the existing entitlement to free tuition for people learning basic skills, there is a national entitlement to free tuition for adults seeking their first full level 2 qualification. 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.

Level 3 Entitlement

The Department recognises that more needs to be done to help those young adults who have not achieved a level 3 qualification by the time they reach 19. From September 2007, a new entitlement to free tuition to help young adults (19- to 25-year-olds) gain a first full level 3 qualification will be introduced. This will help tackle an area of particular weakness in skills development in this country. At present there is a sharp divide at the age of 19. Up until that age, every young person who wants to participate in education and training, full-time or part-time, is guaranteed free access. Beyond 19, there is a clear, well-understood pathway for young people who have achieved a level 3 qualification and want to progress to higher education. For those who do not have a level 3 qualification and want to progress to higher education, the options for continuing in their late teens and early twenties can be less clear.

Adult Learning Grant

The Learning and Skills Council (LSC) is currently carrying out regional trials of a means-tested Adult Learning Grant, this typically provides up to £30 per week for disadvantaged adult learners studying full-time for a first full level 2 or first full level 3 qualification. Evidence so far shows that the grant is particularly valuable for young people in their early twenties studying for their first full level 3 qualifications, in many cases working part-time and living with their parents. The grant will be rolled out nationally from September 2007.

Learner Accounts

From autumn 2007, a small number of areas will trial a new type of Learner Account which will help to provide better information and choice for all adult learners at level 3. In the trials of Adult

Learner Accounts, all support for 19- to 25-year-old learners will be brought together through the account mechanism. In the pilot areas, both fee remission and the Adult Learning Grant will be paid through the account.

Adult Information and Guidance

The Department is working with partners to develop a new universal adult careers service in England as recommended by the Leitch Review. The service will enable people to make informed choices about improving their skills and encourage progression in their learning, work and careers. It will bring together the currently separate sources of advice, and draw on JobCentre Plus information and services.

The Leitch recommendations are closely aligned with the findings of a recent review of Information, Advice and Guidance (IAG) arrangements for adults which identified the need for a customer focused careers service. The vision is of a single, no wrong door system offering a menu of services, including a skills health check and access to financial support; accessed face to face (in a range of locations, including Jobcentres), online and over the telephone; available to all adults but with more intensive help targeted on priority groups. High quality purpose built labour market information would underpin the service, together with a customer tracking and follow-up system, a comprehensive quality and workforce development strategy, and reformed signposting and referral arrangements.

New Deal for Skills

The New Deal for Skills has been developed to help people from welfare to work, working with people for whom low skills or an inability to apply their skills is a barrier to entering employment. A Skills Coaching service is being piloted in 19 JobCentre Plus (JCP) districts. The Adult Learning Option (ALO) pilot commenced in five JCP districts

in September 2006. The ALO offers full-time training for benefit recipients with qualifications below level 2, and includes a training allowance which does not affect their benefits.

Offender Learning

Employment is a key factor in helping to reduce re-offending. The Government's aim is to provide more offenders with the tools and motivation to turn away from crime and become more employable as well as productive members of society.

The learning and skills service for offenders is being implemented through the Learning and Skills Council, which brings delivery into the mainstream. It is supported by new alliances between key partners in each region which contribute to their regional reducing re-offending strategy.

The Department is working closely with a range of partners including, in particular, the National Offender Management Service, the Learning and Skills Council, the Adult Learning Inspectorate, the Department for Work and Pensions and the Youth Justice Board to develop and improve offenders' learning and skills and their employability.

Transforming the Further Education System

The Leitch review sets down an ambition which requires a step change in the quality and quantity of skills. This demands a world-class further education system fit for the future. The Further Education White Paper, *Raising Skills, Improving Life chances* published in March 2006 sets out a range of reforms which help deliver the Leitch ambition and these will be considered further in the Leitch Implementation Plan. It establishes the central role of colleges and training providers in achieving the challenges now set out by Leitch. It set out the reforms needed to realise the potential of the supply side and this is now underpinned by the

Further Education and Training Bill 2006 which creates the appropriate statutory framework.

Key reforms include:

- a clear mission and specialisation, meeting employer and learner needs;
- the national improvement strategy led by the new Quality Improvement Agency (QIA);
- robust intervention measures;
- encouraging new models of delivery;
- the development of a demand-led system; and
- a clear commitment to self-regulation and reductions in unnecessary bureaucracy, to give the sector greater autonomy to put more investment to the frontline and to develop the sector's capacity to meet the needs of employers and learners in the new demand-led system.

A Demand-Led System

The Department is committed to developing a demand-led system which ensures that the sector is responsive to the needs of learners and employers and delivers the training they require. Current plans as set out in the White Paper, *Raising Skills, Improving Life chances* propose 40 per cent of funding for adult skills being channelled through demand-led routes such as Train to Gain by 2010 and the majority by 2015, as well as Learner Accounts which are provisionally scheduled to be in place from 2009. This will offer more control and a greater sense of ownership to learners. Lord Leitch's review recommends an acceleration of change, so that by 2010 all public funding for adult vocational skills in England, apart from community learning and programmes for those with learning difficulties and/or disabilities is routed through Train to Gain or Learner Accounts. A consultation document *Delivering World-Class Skills in a Demand-*

Led System was issued in January 2007 on the reforms required.

Choice and Diversity

To promote dynamism and innovation a more active approach is needed to open up the market to extend the range of successful providers and encourage the entry of new providers. Competitions for 16-19 provision will support the need to increase capacity, quality and extend choice. Within demand-led Train to Gain, brokers are able to bring in new quality providers. Building on this, the Learning and Skills Council will be given a formal remit to secure choice, diversity and specialisation of provision. Pilots will test out extending formal competitions for substantial discrete blocks of provision, particularly where participation needs to be expanded. If these pilots are successful, the process will be extended.

National Improvement Strategy

Pursuing Excellence, the National Improvement Strategy for further education was published by the Quality Improvement Agency (QIA) in January 2007 and became fully operational from April 2007. A partnership between the QIA and other national agencies offers a wide range of services and products to support colleges' and providers' own drives for improvement. It includes, for example:

- the Excellence Gateway portal highlighting best practice;
- the national teaching and learning change programme covering key subject sectors such as construction and science; and
- support for workforce and leadership within the sector (see chapter 7).

The Strategy includes an initial consideration of Lord Leitch's recommendations. The Strategy, the policy on intervention, the Framework for Excellence and other improvement measures add up to a comprehensive and coherent package of

support for colleges and providers in their pursuit of excellence.

Framework for Excellence

The Department is working with the Learning and Skills Council to develop the Framework for Excellence, to meet the White Paper commitment to introduce new performance indicators and overall performance ratings. The Framework will set out how each college and provider is performing in delivering high-quality and responsive provision to learners and employers. It will enable moves towards self-regulation by providing a clear and transparent definition of excellence, by informing the choices of customers, and by providing increased accountability.

Intervention

The Government is committed to eliminating inadequate and unsatisfactory further education provision by 2008. In January 2007, the Learning and Skills Council published *Identifying and Managing Underperformance* which sets out the process for managing this. One of the key changes is that the Learning and Skills Council will issue Improvement Notices where necessary, to colleges and providers. These will specify the deficiencies to be remedied within a set timescale. The national Improvement Strategy will offer support to those institutions with an Improvement Notice.

Personalisation

The Further Education White Paper, *Raising Skills, Improving Life chances* acknowledged that people should be able to shape their learning and that learners should have a voice in the development of the system. The Department has set up a National Learner Panel to enable learners to advise on the development of policy, and the *Further Education and Training Bill 2006* includes provision for learners to have a role in the governance of individual institutions. The Department plans to publish a response to its sector-wide consultation

in spring 2007, and the Learning and Skills Council have published a handbook to support colleges and providers as they develop their own learner involvement strategies.

Developing a new relationship with providers

Work is underway to develop a new relationship between central government and front line providers to enable providers to release more of their energy, initiative and dynamism, resulting in a greater proportion of resources flowing through to the frontline. Lighter touch inspection is already in place. From April 2007, the previous functions of the Adult Learning Inspectorate and Ofsted are being carried out by a single inspectorate, the Office for Standards in Education, Children's Services and Skills. A simplified planning and funding system is in place for 2007/08 with a new system in place for 2008/09.

The Further Education Information Standards Authority is now in place to establish standards for data collection during 2007/08. Increasingly it will agree standard reports for providers and stakeholders ensuring accountability remains in the system but is proportional.

A group led by Sir George Sweeney (Principal of Knowsley Community College) is working with the sector to develop proposals for self-regulation. The Department will test the emerging proposals in partnership with the sector from autumn 2007, with the aim of having a self-regulated system operational by 2012.

Further Education Student and Staff Numbers

Table 4.1 shows that between 1996/97 and 2005/06 (provisional), the number of full-time equivalent further education students in England decreased by 14 per cent to 1.1 million. Over the same period, the number of full-time equivalent further education staff increased by nine per cent to 70,000, while the student: staff ratio dropped from 16.4 to 13.9.

Table 4.1: Further education student and staff numbers in England

	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 ¹ actual	2003/04 actual	2004/05 provisional	2005/06 provisional	2006/07 plans	2007/08 plans
Total students (FTE) (000s)												
Council-funded courses ²	1,031	1,014	998	967	946	982	987	993	1,005	1,003	986	1,009
Non-council-funded courses ³	199	165	116	109	99	98	70	67	62	60		
Total	1,230	1,179	1,114	1,075	1,046	1,079	1,056	1,060	1,067	1,064		
<i>of which:</i>												
Further education in sector colleges ⁴	1,050	1,010	1,010	983	955	979	959	964	975	974		
Academic staff (FTE) (000s)												
Further education in sector colleges ⁴	64.0	62.1	62.9	61.8	64.2	65.6	69.5	72.1	70.4	70.0		
Student:staff ratio												
Further education in sector colleges ⁴	16.4	16.2	16.1	15.9	14.9	14.9	13.8	13.4	13.8	13.9		

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

1. There is a discontinuity in these data. Figures from 2002/03 onwards are based on a first census date of 1 October. Figures until 2001/02 are based on a November census date.
2. Full-time equivalent students (FTEs) funded by the Further Education Funding Council until 2000/01, and the Learning and Skills Council from 2001/02 in further education sector colleges (excluding Ufi), external institutions, specialist designated institutions, dance and drama institutions and higher education institutions (there is a discontinuity in this data, from 1998/99 this includes those studying for higher education qualifications, up to 1997/98 it excludes them).
3. Further education students not funded by the Further Education Funding Council or Learning and Skills Council in further education sector colleges (excluding higher education qualifications). There is a discontinuity in this data. Figures up to 1997/98 include further education students in adult education centres, figures after 1998/99, exclude them.
4. Excludes external institutions, specialist designated institutions and Further Education Funding Council or Learning and Skills Council funded higher education. There is a discontinuity in the data. From 1998/99 this also excludes those in dance and drama institutions.

FTE learner numbers on council funded courses have been broadly maintained over the period 1996/97 and 2005/06. This is in line with our strategy to realign public funding away from short non-accredited courses to longer, more expensive courses that lead to employment and further learning.

Chapter 5

Higher Education

Objective V: Raise and widen participation in higher education.

Britain's higher education is a major contributor to the economic success and social well-being of the country. Economists have estimated that UK higher education institutions are worth £42 billion to the economy, plus over £3 billion in export earnings and that every job in an higher education institution creates another one elsewhere in the economy. Add in the contribution of further education colleges which provide higher education and there is something approaching a £50 billion business which creates over 600,000 jobs. Well over two million students now benefit from the opportunities it offers, and graduates can still expect to enjoy financial returns to higher education which are among the highest in the world. Higher education is a national asset, whose excellence in teaching and research is recognised around the world.

A highly skilled workforce is more productive and this in turn drives improved business performance and economic growth. This is a fact our competitors recognise and are responding to by investing in their own skills development. Along with every other Organisation for Economic Co-operation and Development (OECD) country, more science graduates will be produced per head of young people in Britain than in China and India but far fewer graduates in absolute terms.



For Britain to compete effectively in the global economy of the future, the skills of people at all levels will have to be improved – from Skills for Life to higher levels. Across the country, there are examples of higher education institutions helping students, businesses and communities to improve skills and increase and exploit knowledge, through learning and research – but more needs to be done to compete effectively with the economies that are developing quickly.

New ways need to be found to attract people to higher level study looking beyond just meeting the needs of traditional higher education students and providing policies that support greater student diversity, in terms of socioeconomic background: age; gender; ethnicity; and disability. This will directly support social mobility. Participation in higher education significantly improves an individual's life experiences in employment, physical and mental health and parenting.

The future of higher education must be one where universities and colleges work to:

- widen participation beyond young people leaving college or school with good A-level qualifications;
- put learners and employers at the heart of their provision; and
- strengthen their leading position in international education through excellent teaching and innovative research.

The recently published Leitch Report recognised the global challenges and, in its recommendations, sets a very demanding ambition for higher education – to increase the proportion of people in the workforce qualified to level 4 and above from around 29 per cent now to more than 40 per cent in 2020. It does not view level 4 as a ceiling, but aspires to increase the numbers of people continuing to participate in higher education. Taken with its recommendations in relation to skills at other levels, and its emphasis on removing the barriers to progression, the Report is very much a manifesto for lifelong learning. To achieve this, the Report recommends a re-balancing of priorities for the teaching and learning mission of higher education to include the whole adult workforce, in addition to the more traditional group of 18- to 30-year-old undergraduates. This brings a new population of up to six million learners potentially within the scope of higher education – people in work with level 2 and level 3 qualifications who have no previous experience of higher education.

If higher education is to address successfully the global challenges identified by the Leitch Report, a substantial cultural change will be required. This in turn will act as a stimulus towards greater diversity in higher education. The Department has already signalled the priority attached to employer engagement and plans to move beyond small-scale piloting to establish a platform for much greater future growth in the delivery of work-based higher education towards meeting the global challenges identified by Leitch. The Department is currently working closely with a range of stakeholders to consider how to take forward the Leitch Report, before finalising the Government's response.

Increasing participation

The Department has a Spending Review 2004 PSA target to increase participation.

PSA14: 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.

This is being done by raising standards throughout the education and training system; through initiatives focusing on raising the aspirations and attainment levels amongst groups currently under-represented in higher education; by improving the financial packages available to students; and by improving progression routes into higher education.

Figures released by the Universities and Colleges Admissions Service (UCAS) earlier this year for students accepted for entry in 2006, show that although there was a small decrease (4.2 per cent) in university entrants from England, this comes on the back of a larger than usual increase (8.9 per cent) in those entering in 2005. Compared to 2004, numbers are up by 12,000, or 4.4 per cent. Latest figures for those applying for entry in 2007 show that applicants from England are up by 6.0 per cent to 325,000, and that they are also slightly up (by 1.7 per cent) compared to 2005. This means that the number of applicants in 2007 is the highest ever at this point in the application cycle. These UCAS figures cannot be translated directly into Higher Education Initial Participation Rate (HEIPR) equivalents. The provisional HEIPR is 43 per cent, representing an increase in the final 2004/05 figure of 41 per cent. However, HEIPR is expected to fall in 2006/07 before it recovers in 2007/08.

The absolute numbers of initial participants into higher education are increasing from 268,000 in 2004/05 to a provisional 283,000 in 2005/06.

Widening participation

Since the late 1990s, there has been a gradual broadening of the social mix in the higher

education student population. However, still too many learners who could benefit do not enter higher education because of: their prior attainment; a lack of inspiration; or because they believe the demands of their lives prevent them accessing higher level study. Table 5.1 shows the proportion of young UK-domiciled entrants to full-time first degree courses at UK universities from disadvantaged state schools and groups.

Aimhigher

Aimhigher, the national outreach programme is having a positive impact. The proportion of pupils in year 11 saying they intended to go to university was 3.9 percentage points higher in schools with Aimhigher than in similar schools without.

Fair Access

From September 2006, higher education institutions agree with the Office for Fair Access (OFFA) their plans for outreach and the financial help they will give to students from poorer backgrounds. On the basis of the Access Agreements which have been approved, OFFA reports that around 400,000 students from low

income backgrounds are expected to benefit from £300 million bursaries or other financial incentives from their institutions. A further £35 million will be spent on outreach activity.

Higher education institutions remain responsible for their own admissions policies, which are outside OFFA's remit.

Student satisfaction

The National Student Survey (NSS), launched in 2005 and which is managed by the Higher Education Funding Council for England, provides the views of existing students in their final year on the quality of teaching they have received. The NSS has reported high levels of student satisfaction with the higher education experience; with approximately 80 per cent of students in 2005 and 2006 stating that they were definitely or mostly satisfied with the quality of their courses.

The 2007 UNITE student experience survey reported that 94 per cent of students believed that university was a worthwhile investment.

Table 5.1: Young entrants to full-time first degree courses at higher education institutions in England from disadvantaged groups, 1997/98 to 2004/05

	Proportion of young UK-domiciled entrants to full-time first degree courses at English universities from:			
	State schools	Lower social classes (IIIM, IV,V) ¹	Lower socio-economic classes (4-7) ¹	Lower participation areas
1997/98	81.0	24.7	N/A	11.4
1998/99	84.4	24.9	N/A	11.6
1999/00	84.1	25.1	N/A	11.7
2000/01	85.0	25.3	N/A	11.8
2001/02	85.2	25.5	N/A	12.4
2002/03	86.4	N/A	27.9	12.5
2003/04	86.1	N/A	28.2	13.3
2004/05	85.9	N/A	27.9	13.1

Source: *Performance Indicators in Higher Education*, published by the Higher Education Statistics Agency (HESA)

1. N/A = not available. The National Statistics Socio-Economic Classification was introduced in 2002/03 to replace the social class groupings. The two classifications are not directly comparable. Figures for Northern Ireland are available separately.

Tables 5.2 and 5.3 set out further details of student and staff numbers in higher education in England and details of higher education students by type of institution and level of course. Table 5.4 provides details of the subjects studied.

Foundation Degrees

The Department is committed to the expansion of Foundation Degrees. Foundation Degrees, developed in collaboration with employers, are an innovative and flexible way of addressing skills gaps, through part-time and full-time courses, distance learning, workplace learning and learning through

Table 5.2: Higher education¹ student and staff numbers in England, 2001/02² to 2007/08

	2001/02 actual	2002/03 actual	2003/04 actual	2004/05 actual	2005/06 provisional	2006/07 projected	2007/08 projected
Home domiciled students (000s)	1,591	1,643	1,682	1,687	1,715	1,739	1,787
<i>of which:</i>							
full-time and sandwich	882	912	936	954	981	1,008	1,044
part-time	709	731	745	733	735	731	743
Higher Education Initial Participation Rate ³ (HEIPR)	40%	41%	40%	41%	43%		
EU students (000s)	68	67	64	75	77	80	86
Other overseas students (000s)	124	150	169	173	173	173	172
Total full-time equivalent students ⁴ (000s)	1,320	1,380	1,425	1,449	1,480	1,508	1,554
Total full-time equivalent students publicly funded by the Higher Education Funding Council for England ⁵ (HEFCE) (000s)	1,027	1,059	1,071	1,080	1,108	1,134	1,176
Total full-time equivalent students publicly funded by the Training and Development Agency for Schools ⁶ (TDA) (000s)	59	59	62	62	62	62	61
<i>of which:</i>							
Initial Teacher Training students	48	48	52	52	51	51	51
Academic staff in higher education institutions – full-time equivalents (000s) ⁷	64.0	65.2	67.0	68.6			
Student: Staff ratio in HEIs ⁸	17.6	18.1	18.2	18.0			

Source: Higher Education Statistics Agency and Learning and Skills Council individualised learner records (ILR)

- Whole year count for both higher education institutions (HEIs) and further education colleges (FECs), including 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 direct from source data.
- Figures are only available from 2001/02. Projections are included in this table which are based on a particular student count that was derived to be comparable with the population used by the Higher Education Funding Council for England (HEFCE) for funding purposes. Unfortunately, this can only be calculated back to 2001/02.
- The HEIPR is used to measure progress on the Government's goal of increasing participation towards 50 per cent of 18- to 30-year-olds in higher education by 2010. The HEIPR sums the percentages of each single age group who enter higher education (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). The HEIPR time series has been updated due to the HEIPR methodology being subject to revision following a National Audit Office review of the data system. Revisions are detailed in the following Statistical First Release: www.dfes.gov.uk/rsgateway/DB/SFR/s000714/SFR08-2007.pdf
- Using a full-time equivalent (FTE) factor for part-time students of 0.38.
- The total full-time equivalent students publicly funded by HEFCE are academic year figures. The figures reflect outturn data for 2005/06 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 11 January 2007.
- Using an appropriate FTE factor for part-time students of 0.50.
- Figures exclude staff at the Open University and in further education colleges (FECs). Figures for academic staff numbers include the research activity of academic staff who are engaged in both teaching and research.
- The ratios cover higher education 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 and part-time students¹ in higher education by type of institution and level of course, 2001/02² to 2005/06 (000s)

	2001/02 actual		2002/03 actual		2003/04 actual		2004/05 actual		2005/06 provisional	
	full-time	part-time	full-time	part-time	full-time	part-time	full-time	part-time	full-time	part-time
Postgraduate										
HE institutions	144.0	197.0	160.3	201.6	170.6	206.6	174.1	208.8	176.2	207.6
of which:										
mature ³	78.9	181.9	85.7	185.2	90.2	188.5	92.2	190.2	94.4	188.6
First degree										
HE institutions	750.9	87.0	784.5	88.1	810.3	171.4	828.7	174.9	859.3	179.7
of which:										
mature ³	290.9	81.6	307.3	82.8	319.3	163.5	325.6	166.4	331.1	170.2
Other undergraduate										
HE institutions	96.5	367.6	100.3	387.2	101.6	313.2	102.8	303.4	103.0	303.2
of which:										
mature ³	59.9	353.6	64.2	371.7	66.9	299.1	68.7	288.1	68.8	286.0
Total students	991.4	651.6	1,045.1	676.9	1,082.5	691.1	1,105.6	687.1	1,138.4	690.4
Higher education in further education colleges										
Postgraduate	0.4	3.3	0.7	4.2	0.8	4.9	0.8	4.7	0.7	5.8
First degree	9.6	6.2	8.9	4.4	9.7	4.9	9.6	5.2	8.2	6.1
Other undergraduate	34.2	86.0	29.5	87.2	26.8	96.0	25.2	95.7	24.7	93.9
Total	44.2	95.5	39.1	95.9	37.3	105.8	35.7	105.7	33.6	105.8
of which:										
mature ³	24.3	83.2	22.7	86.9	21.7	96.7	20.8	96.7	19.8	96.5
Grand total	1,035.6	747.1	1,084.2	772.8	1,119.8	796.9	1,141.9	792.9	1,172.0	796.2
of which:										
mature ³	454.0	700.3	480.0	726.6	498.1	747.8	507.4	741.5	514.1	741.3
percentage of mature	44	94	44	94	44	94	44	94	44	93
Percentage of total students by institution and level of course										
Postgraduate	14	26	15	26	15	26	15	26	15	26
First degree	73	12	72	11	72	22	73	22	73	23
Other undergraduate	9	49	9	50	9	39	9	38	9	38
Higher education in further education colleges										
Postgraduate	0	0	0	1	0	1	0	1	0	1
First degree	1	1	1	1	1	1	1	1	1	1
Other undergraduate	3	12	3	11	2	12	2	12	2	12

Source: Higher Education Statistics Agency and Learning and Skills Council individualised learner records (ILR)

1. Department for Education and Skills whole year count for both HEIs and FECs. Includes the Open University.

2. Figures are only available from 2001/02.

3. Based on age in the current academic year (rather than in the year of entry): 21 and over for undergraduates; 25 and over for post graduates.

Table 5.4: Home first degree graduates from English Higher Education institutions, 2002/03 to 2005/06 (000s)

	2002/03 ¹ actual	2003/04 actual	2004/05 actual	2005/06 provisional
HE institutions				
Medicine and dentistry	4	5	5	6
Subjects allied to medicine	18	18	19	21
Biological sciences	18	20	21	21
Veterinary, agriculture and related sciences	2	2	2	2
Physical sciences	10	9	10	10
Mathematical and computational sciences	17	19	18	17
Architecture and related studies	4	4	4	5
Engineering and technology	11	12	11	11
Total sciences	84	89	91	93
Social sciences	19	20	22	23
Law	8	9	10	10
Business and financial studies	26	26	25	25
Mass communication and documentation	6	6	7	7
Languages and related studies	16	15	16	16
Historical and philosophical studies	10	12	12	13
Creative arts and design	21	22	24	25
Education	7	7	8	9
Total arts	113	118	124	127
Multi-disciplinary studies ²	9	5	6	7
All subjects	206	213	220	227
Projected outcomes^{3,4}				
Obtain a degree	78	77		
Obtain another award	2	2		
Transfer	6	6		
Neither award nor transfer	14	15		
Not known	–	–		

Source: Higher Education Statistics Agency (HESA) student records and HESA performance indicators.

1. 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.
2. The projected outcomes for a cohort based on the assumption that their patterns of progression will follow those of students currently in the system.
3. Figures for 2004/05 will be published by HESA in summer 2007.
4. A student is assumed to have left with no award if they have been inactive for two years.

the Internet. They are accessible to people of all ages and circumstances, many of whom might not otherwise have considered higher education. The target of 50,000 students studying for Foundation Degrees in 2006 has already been exceeded (there were 61,000 Foundation Degree enrolments in 2006/07), and a new target of 100,000 Foundation Degree enrolments by 2010 is being worked towards.

Completion Rates

Completion rates for UK students are amongst the highest in the OECD. In England, the national rate of projected non-completion is down since 1997/98.

Research

The Government's aim is to support excellence wherever it is found and an appropriate level of funding for the highest quality research of all types is necessary if the UK is to compete globally. Maintaining excellent research facilities against international competition involves a high level of investment.

The Science and Innovation Framework 2004-2014 (published jointly by HM Treasury, the Department of Trade and Industry and the Department for Education and Skills in July 2004) sets out the Government's strategy and targets to build the

Table 5.5: Percentage of UK domiciled full-time first degree entrants expected neither to obtain an award nor transfer (English higher education institutions), 1997/98 to 2003/04

Students starting courses in:	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Non-completion rate (%)	15.8	15.8	15.9	15.0	13.8	13.9	14.4

Source: Performance indicators in higher education published by the Higher Education Statistics Agency (HESA).

UK science, research and innovation through significant investment in university research and development over the next decade. *Science and Innovation: next steps* published with the 2006 Budget provided an update to the Framework and set out further proposals, including the commitment to consult on a metrics-based replacement for the Research Assessment Exercise (RAE).

Currently, excellence is assessed through the peer review process of the RAE, and the next RAE is in 2008. Initial proposals for a metrics-based system to replace the RAE after 2008 were issued in June 2006 for consultation. The consultation outcome and the Government's revised plans for research assessment after 2008 were announced on 6 December 2006. The new process uses a set of indicators for all subjects based on research income, postgraduate numbers, and a quality indicator. For subjects in science, engineering, technology and medicine (SET) the quality indicator will be a bibliometric statistic relating to research publications or citations. For other subjects, the quality indicator will continue to involve a lighter touch expert review of research outputs, with a substantial reduction in the administrative burden. Experts will also be involved in advising on the weighting of the indicators for all subjects. The first assessment exercise for SET subjects will be in 2009, and will begin to inform funding in 2010/11. Other subjects will have their first assessment under the lighter touch regime during 2013 which will inform funding for 2014/15.

Student Finance

In September 2006, the *Higher Education Act 2004* came into effect. The Act introduced tuition fees of up to £3,000 a year for new full-time undergraduate entrants to higher education in 2006/07, and also introduced a maintenance grant of up to £2,700, targeted at new undergraduate students from low income backgrounds. New undergraduate students in institutions wishing to charge full tuition fees (i.e. over £2,700 a year) may also benefit from a range of bursaries from universities and colleges, brought in as part of the OFFA Access Agreements. (also see Fair Access in Chapter 5)

Full-time undergraduate students who are continuing a course in 2006/07 which they began in 2005/06 or earlier will continue to pay a maximum tuition fee of £1,200 a year. Continuing students are not eligible for the new maintenance grant or bursaries, but continue to be eligible for the existing range of help.

In 2006/07, all full-time undergraduate students (new and existing) are eligible for new student loans for tuition fees. These cover the full cost of tuition fees and are paid directly to the student's institution, which means that no student has to find their fees before their course or whilst they are studying. Every student is also eligible for a student loan for maintenance of their living costs. Both types of loan do not need to be repaid until after the student has left their course and is earning over £15,000 a year. The interest rate on student loans is linked to inflation, so what is repaid in real terms is broadly the same as the amount borrowed.

All undergraduate students also remain eligible for the help targeted at students with a disability, and also the help targeted at students with children or adult dependents. Students who need extra financial help for their course and to stay in higher education may also be able to access help through the university administered Access to Learning Fund.

Chapter 6

Capability to Deliver – The Department for Education and Skills Workforce

Recruitment

Recruitment is carried out in accordance with the *Civil Service Commissioners' Recruitment Code*. The Department's approach to recruitment reflects its commitment to equal and fair opportunity for all. This includes adherence to the *Civil Service Code of Practice on the Employment of Disabled People*. Table 6.1 shows the recruitment undertaken in 2006.

Jobs are advertised externally using a variety of media, including the national press and specialised publications; the Department's website, and recruitment consultant's web presences, as appropriate.

The facility to register and apply for opportunities via the Department's external website has been successful, with the majority of applicants choosing this way. In 2007, the website will undergo a radical overhaul and will make searching for vacancies more user-friendly.



Exceptions to Fair and Open Competition

The Department recruited a very small number of people without full fair and open competition in accordance with the exceptions permitted by the Office of the Civil Service Commissioners. This was where it was necessary to secure very specific skills and to deliver specific tasks.

Interchange

Inward and outward exchanges bring a greater diversity of staff background, outlook and experience to the Department's policy making and services. In 2006, the number of inward secondees at G6 and below, including loans from other government departments decreased from 248 to 242 and the numbers seconded to outside organisations and other government departments decreased from 379 to 307.

In 2006, at SCS level, the numbers seconded to outside organisations and other government departments was 16 and numbers seconded into the Department was nine.

Table 6.1: External Recruitment 2006

Grade (include grade equivalents)	No of posts	Successful female applicants	Successful disabled applicants	Successful ethnic minority applicants
SGB2 (AA)	2	2	0	0
Grade 6	14	12	0	0
Grade 7	4	2	0	0
Senior Civil Service	11	4	1	0
Total	31	20	1	0

Staffing

The Department aspires to be an exemplar equal opportunities employer, whilst creating a workplace which values diversity and is free from any form of discrimination. An understanding of equality and diversity issues is key to Departmental reform. Table 6.2 shows an analysis of the Department's HQ staffing by sex, ethnic minority, disability and age.

In addition the Department monitors the outcome of a number of HR processes by equality demographics, including grievance, learning and development, leavers, recruitment, performance appraisal markings and promotions. The Department will be publishing a Departmental Equality Report in late spring/early summer 2007, which will cover progress towards the implementation of the Department's Equality and Diversity Delivery Plan.

Human Resource Strategy and Professional Skills for Government

The Department has been involved in the first stage of cross-government Capability Review which aims to assess the capability of departments to deliver on their long term aims and identify improvements for the future. The review looked at both internal and external issues, including people

management, planning, delivery capacity and the way the Department works with its partners.

The review highlighted areas of good performance along with areas for improvement. People management was identified as an area for improvement and is therefore one of four development strands in the Department's Capability Review Implementation Plan.

As part of this plan the Department is developing a new people strategy which will support the delivery of the *Five Year Strategy for Children and Learners* and *Professional Skills for Government*. Its focus will be on improving people management across the organisation, ensuring the Department has a professional workforce with the right skills and experience to deliver and develop a culture of continuous improvement. The new strategy will also support the Department's aim of becoming an exemplar employer in relation to equal opportunities and diversity.

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*.

Table 6.2: Analysis of Departmental HQ staffing¹ at 1 January 2007 (percentage)

Grade (including grade equivalent)			Black and	Staff	Staff	Staff
	Female staff	Male staff	Minority ethnic staff	with a disability	aged under 24	aged 50 and over
Administrative Assistant (AA)	39	61	8	7	–	54
Administrative Officer (AO)	69	31	15	5	3	26
Executive Officer (EO)	66	34	15	6	1	21
Higher Executive Officer (HEO)	56	44	11	6	2	18
Senior Executive Officer (SEO)	52	48	7	3	-	24
Grade 6/7	49	51	5	4	-	35
Senior Civil Service (SCS)	40	60	4	1	-	47
Total	57	43	10	5	1	26

1. All figures are rounded.

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 determined remuneration for SCS members within the limits 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 2006. 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.

Investors in People

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

Health and Safety

The Department retains both a progressive approach and a strong commitment to ensuring that a safe and healthy working environment is provided for all employees. This has been demonstrated in the number of developments over the last year which includes:

- A successful pilot was run in 2006 on the e-learning programme Safety for Line Managers. This was well received by participants and has resulted in the package being rolled out to all managers in the Department from March 2007.
- Changes to the Fire Regulations in October 2006 have resulted in a review and comprehensive assessments being completed on the Department’s fire prevention and protection measures.
- A policy banning smoking was introduced across the Department’s estate at the beginning of January 2007 ahead of the national timetable.
- A pilot of the Health and Safety stress management questionnaire was trialled in one directorate which was well received.
- The Department has run a number of health events supporting the Department of Health campaign Small Change Big Difference promoting the five a day by distributing free fruit and walking to work by giving out free pedometers.
- The Department has also agreed to become an exemplar for the Department of Health Action on Stigma campaign which aims to support and promote mental health awareness in the workplace.

Table 6.3: Salaries of Senior Civil Servants at 1 April 2006

Salary range (£s)	Number	Salary range (£s)	Number	Salary range (£s)	Number
55,000 to 59,999	19	90,000 to 94,999	2	125,000 to 129,999	2
60,000 to 64,999	17	95,000 to 99,999	1	130,000 to 134,999	0
65,000 to 69,999	15	100,000 to 104,999	6	135,000 to 139,999	1
70,000 to 74,999	14	105,000 to 109,999	3	140,000 to 144,999	0
75,000 to 79,999	19	110,000 to 114,999	4	145,000 to 149,999	1
80,000 to 84,999	14	115,000 to 119,999	1	150,000 to 154,999	0
85,000 to 89,999	6	120,000 to 124,999	3	Above this level	2

Gold Team Arrangements and Business Continuity Arrangements

The Department for Education and Skills Departmental Security Officer (DSO) has responsibility to ensure that the Department has effective Business Continuity Management (BCM) arrangements in place to enable critical business functions to continue during an incident. His responsibility towards non-departmental public bodies (NDPBs)/sector is to provide direction, support and guidance to colleagues in those organisations to develop their own plans with the aim of achieving cohesion across the whole sector.

BCM planning is a cornerstone of effective corporate governance. This initiative supports all of the Department's strategic objectives as set out in the *Five Year Strategy for Children and Learners* and Public Service Agreements.

The approach being taken to implement BCM within the Department follows best industry practice in British Standard 25999.

- The Department's Gold Team was established May 2006.
- The Gold Team (Strategy) plan and Silver/Bronze Team site based crisis management plans have been completed.
- The Gold Team plan was tested on 9th February 2007 and arrangements are in place for the Silver/Bronze plans to be tested within the foreseeable future.
- A multi-layered education and awareness training and Business Continuity Management testing initiative has begun aimed at all staff.
- A computer based training module is being developed to familiarise all staff with their BCM responsibilities and this will be reinforced by the provision of BCM workshops to key staff.

- The DSO has visited 15 of the 18 NDPBs to discuss how best practice might be shared and provide transparency about the integrity of mutual business recovery arrangements. The initial response has been excellent. A seminar for NDPBs was held on 15th March 07.
- The Department's Business Continuity Plans (BCPs) highlight the ownership of Business Continuity within and between the Department and its delivery partners. It identifies where these risks have been transferred to 3rd parties.

Sustainable Development (also see Chapter 2)

Engaging with departmental colleagues is a highly critical factor in promoting and embedding sustainable development thinking and action in the Department's policies and operations. The working profile of sustainable development was boosted within the Department in 2006 with the creation of a wholly dedicated central sustainable development division, located in the Corporate Services Directorate with Jon Thompson as the Board Champion.

A new corporate strategy for sustainability has been developed including: securing programme funding; increasing staffing resources in policy teams; and taking forward an internal communications campaign in 2007, focusing on securing understanding and commitment at Board and individual level.

Better Regulation

Improving policy development and Regulatory Impact Assessment: The steps taken to improve engagement with stakeholders

In 2006, the Implementation Review Unit, the independent scrutiny group for schools, was re-appointed for up to a further three years. It includes primary and secondary head teachers, as well as a senior teacher and a school bursar. Its task

is to review the administrative burdens placed upon schools through interventions by government and its agencies, and to identify how burdens might be eliminated or reduced. The Secretary of State asked the chair, Dr Chris Nicholls, to remain, but a number of new members have introduced fresh ideas and expertise, in particular, on areas such as early years education for the under fives, and on special educational needs from a specialist perspective.

The Bureaucracy Reduction Group, the independent gatekeeper for the further education sector, has been operating for just over a year. The group is applying a formal scrutiny process, which involves the Department and the key delivery partners (Learning and Skills Council, Ofsted, Quality Improvement Agency, Qualifications and Curriculum Authority and the Sector Skills Development Agency) reporting on their plans for reducing bureaucracy in the further education system. The group will publish an annual report on the progress made in 2006-07, later in spring 2007.

In 2006, the Higher Education Regulation Review Group, the independent gatekeeper for higher education, was re-appointed for a further two years. It includes senior managers from the sector and an independent chair. Its task is to review the administrative burdens placed upon higher education institutions through interventions by government and its agencies, and to identify how the burden might be eliminated or reduced. The new chair, Steve Bundred (Chief Executive of the Audit Commission) has brought in valuable skills and expertise of the better regulation agenda. New members also include the current chairs of both the Association of Heads of University Administration and the British Universities Finance Directors Group.

The Department's overall level of compliance with the Cabinet Office guidance – Better Policy Making: A Guide to Regulatory Impact Assessment Under the current framework, a Regulatory Impact Assessment (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 and now routinely completes a RIA where the impact is solely on the public sector.

Consultation

A total of 46 formal consultations were started during the period 1 January 2006 to 31 December 2006, of which 42 lasted 12 weeks or more. The four consultations that lasted less than 12 weeks were authorised by the appropriate minister.

They were:

- *Transforming School Food: Standards for School Food other than Lunch* – this was a limited consultation because those consulted had already responded to the earlier consultation – *Turning the Tables: Transforming School Food – Recommendations for the Development and Implementation of Revised School Lunch Standards*. Some of the interested parties and stakeholders had been consulted by the School Food Trust when they were gathering evidence in order to make their recommendations. This earlier consultation had run for 12 weeks, and had asked for views on the recommendations of the School Meals Review Panel for standards for school lunches.

- *Further Education, Raising Skills, Improving Life Chances: the implications for Race Equality* – ministerial approval was given for a limited consultation of four to six weeks, in order to publish the *Race Equality Impact Assessment* (REIA) before the earlier than expected introduction of the *Further Education and Training Bill*. The REIA is very much a living document which will be updated and amended in the light of operational experience; the ongoing development of individual policy strands; and/or external reaction and comment. The results of the consultation and a revised REIA were published in November 2006. A further version will be made available in the summer of 2007 to take account of further developments.
- Language Review – the Secretary of State set a timetable for Lord Dearing’s review of languages, the consultation was then fitted into the timetable and was unable to run for 12 weeks.
- Supplementary Consultation on School Admissions – the School Admissions consultation ran for 12 weeks from 8 September 2006 to 1 December 2006. In light of the issues raised during consideration of the *Education and Inspections Bill*, ministers decided to consult on additional provisions and launched a supplementary consultation on 7 November 2006 for response by the same deadline. For the new code to apply to admissions in September 2008, it needed to come into force before 1 March 2007. The short deadline for the supplementary consultation was therefore to allow for time to analyse and take account of the consultation responses.

Best practice in consultation

The Department consulted on Section 12 (duty to provide information, advice and assistance) of the *Childcare Act 2006* from 2 October 2006 to 3 January 2007. The consultation involved a variety of external partners including:

- local authorities (including early years and childcare lead officers);
- Children’s Information Services;
- other interested organisations, including voluntary and community sector organisations to ascertain their views on the proposals in the guidance and regulations; and
- a cross section of parents across England, including those from black and minority ethnic communities and those with disabled children.

The consultation included an online written consultation and face to face meetings. Local authorities, Children’s Information Services and other organisations were invited to comment on the proposals in writing on the e-consultation website. They were also invited to attend one of the face to face sessions held in each of the Government Office regions between October 2006 and January 2007. Parents’ views were gathered by holding six focus groups with a representative cross section of parents in England, commissioned from an external agency – The People’s Partnership.

The e-consultation yielded responses from local authorities, voluntary and community sector organisations, and other interested parties. The focus groups held in the regions were very well attended by virtually all the Children’s Information Services within each region and they generated lively and useful comments on the proposals covered in Section 12. The responses from both types of consultation were reported on to provide

a rounded final report. The large number of views and suggestions gathered from the various exercises informed the amendments to the guidance to the duty on local authorities to provide information, advice and guidance. Generally, these views were positive and supported the Department's proposals. The final report will be issued in May 2007.

Simplification and Administrative Burdens Reductions The steps taken to ensure a risk-based approach to regulation

During 2006, the Higher Education Regulation Review Group launched its Higher Education Concordat for quality assurance and data collection with the active support of the Department as one of 16 agencies and departments, who, by becoming signatories, have committed themselves to a risk-based approach to regulation and to the reduction of unnecessary burdens from external bureaucracy and regulation. As a signatory to the Concordat, the Department has publicly committed itself to supporting the principles of the Concordat, sustaining the gatekeeping role of the group and, through strategic leadership of the higher education system, ensuring that the Concordat and deregulation principles are understood and embraced across the sector and that the Concordat's other signatories are accountable.

Progress on producing and publishing a rolling simplification plan

The Department's *Simplification Plan* was published in December 2006. In their report *Regulation – Less is More: Reducing Burdens, Improving Outcomes*, the Better Regulation Task Force (now the Better Regulation Commission) recommended to government that administrative costs on businesses, associated with central government regulations, should be systematically measured, and subsequently reduced. Measurement of the administrative costs has been completed, and the

Department has set a challenging but achievable reduction target of 25 per cent by May 2010.

The details of the specific areas examined in the study can be found in the Department's *Simplification Plan* at www.dfes.gov.uk/reducingbureaucracy/

The regulatory frameworks that affect the Department's business stakeholders fall into five main areas: early years and day care settings; independent schools; non-maintained special schools and other schools with provision for special educational needs; repayment of student loans through payroll; and adventure activity centres.

Procurement and Partnerships

The Department spends billions of pounds each year through grant, grant-in-aid and contracts.

The Department has established a Commercial Directorate and the Department's first Commercial Director has been appointed to lead and transform both Department and the wider system commercial environment. Improving policy and service outcomes and working with partners to deliver significant improvements in commercial capacity and capability with the aim of releasing significant resources that are available for reinvestment across the Department and the wider system.

The Central Procurement Services supports the wide-ranging strategic programme and operational procurement and contract management.

In 2004, the Department also created the Centre for Procurement Performance which promotes better procurement across the wider education, skills, children and families system by providing information, investment in infrastructure and skills and helping to put better deals in place. The Centre works closely with local authorities, schools,

colleges and universities, to realise Gershon efficiency savings of £1.4 billion by March 2008. (also see Chapter 10)

Over the past year, the Commercial Directorate Shared Services Team have been working with delivery partners and policy directorates to identify opportunities for shared services across the education sector, both traditional back office services and others which are more transformational.

The Education and Skills Strategy Board have agreed the following vision for shared services:

‘the education and skills sector will use the sharing of common services to release capacity for teaching, caring and managing and ensure that those common services meet customer needs for support at a significantly lower cost’

The *Education and Skills Sector Plan* was published in January 2007 as part of the Chief Information Officer update on Transformational Government. The Shared Services team are working on taking the identified opportunities to strategic business cases.

Risk Management

Risk management is an integral element of good management. Undertaking risk and making informed decisions is fundamental to the effective delivery of the Department’s policies and services.

Managers in the Department for Education and Skills are expected to take well managed risks to improve outcomes and make a difference.

The risk management process is built into the Department’s business planning and reporting processes. There is clear accountability and ownership of risk to ensure that risk is managed at the appropriate level and there are frameworks in place to escalate risks to ensure that significant risks are reported to senior management, and, if

required, via the Department’s Risk Committee to the Board and Accounting Officer.

Departmental Correspondence

All Whitehall Departments and Agencies have published targets for answering correspondence. This Department’s target is to reply to 95 per cent of all correspondence within 15 working days. In 2005-06, replies were sent to 94.7 per cent of correspondence within the deadline.

The Permanent Secretary is required to report to the Cabinet Office bi-annually on the Department’s performance against this 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 correspondence has 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 who will review the complaint and how it has been handled.

Publicity and Advertising

The Department employs communications professionals in its Communications Directorate to communicate its key policies and messages to the Department’s audiences. Communications Directorate uses publicity and advertising to communicate with teachers and other education and social services professionals, employers, young people, parents and adult learners.

For each marketing campaign, the appropriate mix of media and channels is chosen and there is no prior assumption that advertising will be needed. Communicating via stakeholders and using retail and media partners to target audiences are other effective ways of connecting with them and increasingly the Department is looking at ways of

using local networks, advocates and influencers to share messages and help encourage behaviour change to deliver better outcomes for the citizen.

All major campaigns are rigorously evaluated to measure their impact on audiences and the extent to which they have contributed towards changes of attitude and behaviour. This evaluation enables the Department to demonstrate that the campaign spend has provided good value for money and to make adjustments to the campaign strategy in future years.

Examples of key campaigns for 2006-07 include the teenage pregnancy campaign, run jointly with the Department of Health. The 'Want respect? Use a condom' campaign used satellite television, cinema, radio, online and magazine advertising, alongside media and partnership marketing to target 16- to 18-year-olds (with a focus on the socially excluded) with messages linking condom use to self-respect and respect from peers. The advertising (which cost £1.3 million out of a campaign budget of £3.8 billion) achieved very high levels of recognition (93 per cent among 16- and 17-year-olds) with 62 per cent of teenagers saying that they were more likely to use a condom in the future after seeing the advertisements.

The Department contributes £1 million to the ongoing drug information campaign (FRANK), which is run jointly with the Department of Health and the Home Office. This targets young people (and their parents) who are not regular drug users but move in social situations where drugs are common. Advertising (television, radio, outdoor and online) is one part of an integrated approach which also uses stakeholder and media channels and partnership marketing (using commercial brands trusted by young people). The advertising component costs £4.05 million out of a campaign budget of £9.23 million.

The strategy is to publicise the FRANK helpline and website as a trusted place to go to get the facts about drugs, which will help young people to resist peer group pressure and so influence behaviour. Evaluation shows that awareness of the service is rising (to 68 per cent prompted awareness among young people) and usage is increasing (with around 1,350 calls a day and 5.7 million website visits in the last year). Satisfaction with the service is high, both with customers (88 per cent saying the service is good or excellent) and stakeholders (93 per cent satisfied with the quality of support provided by FRANK).

A multi media campaign (costing £4.5 million) for potential students and their parents about the financial help available to those entering higher education was also run by the Department. Within this, television, online and radio advertising (costing £2.95 million) formed one component in an integrated approach, in which youth media partnerships worked particularly well alongside a media campaign, regional events for student advisers and partnership working with stakeholder organisations such as the Universities and Colleges Admission Service (UCAS). As a result, levels of knowledge that financial help is available for higher education students have reached the encouraging levels of 84 per cent among potential students and 75 per cent among parents.

The Department's partnership with Lime Pictures, who own and produce Hollyoaks and Grange Hill, is an example of an innovative way to target a difficult to reach audience of young people via popular brands which have credibility with them. The partnership provides access to scriptwriters, input to programme websites, opportunities for using cast members for off-screen media appearances and exclusive competition prizes such as set visits. The partnership has been used to publicise a range of policies, including anti-bullying, respect, teenage pregnancy, drug

information and widening access to higher education. In the second year of the partnership it achieved media coverage which would have cost £1.7 million to buy, an impressive return on the contract fee.

Public Accounts Committee

The Public Accounts Committee is the Parliamentary committee that examines how well Government has used its resources. In the period 1 December 2005 to 1 December 2006 five Treasury Minutes were published replying to reports concerning the Department and its associated bodies (see Annex J).

Sponsorship

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.

During the year the Department received £60,000 from Intel Corporation for sponsorship of the Moving Young Minds international ministerial seminar.

The Department welcomes private sector and other external organisations' sponsorship of education and skills initiatives. This support is important in helping to meet the challenges faced. The Department is increasingly looking to its partners to deliver education and skills projects and as such actively encourages sponsors to work with these partners, rather than directly through the Department.

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Chapter 7

Capability to Deliver – Workforce Reform

The Government is committed to a transformational reform agenda designed to improve life chances for all and reduce inequalities in our society. Much of the children's and education services have been transformed, securing higher levels of achievement for children, young people and adults wherever they learn and opening up opportunities for young people to reach their full potential through education and training.

Critical to the success of these reforms is increasing the skill, confidence and competence of the workforce. A lot has already been achieved in local areas across the country with the workforce responding to a very challenging agenda.

Children's Workforce

In February 2006, *Building a world-class workforce for children, young people and families* was published as the response to the consultation on the Children's Workforce Strategy (CWS). This strategy laid out the Department's vision for a world-class workforce that:

- strives to achieve the best possible outcomes for all children and young people, and reduce inequalities between the most disadvantaged and the rest;
- is competent, confident and safe to work with children and young people;



- people aspire to be part of and want to remain in – where they can develop their skills and build satisfying and rewarding careers; and
- parents, children and young people trust and respect.

The strategy document laid out a series of actions to be taken by government and partners to:

- support the development of local workforce strategies;
- strengthen safeguarding and improve outcomes for looked after children;
- tackle key strategic challenges including:
 - improving recruitment, retention and the quality of practice;
 - bringing services together around children, young people and families; and
 - strengthening leadership, management and supervision.
- make early progress on immediate sectoral priorities including:
 - establishing a more professional early years workforce; and
 - tackling problems facing the social care workforce.

An update on progress was published in March 2007. The key messages, and progress, identified in it are:

- The CWS *Update* is a progress report after twelve months of hard work in collaboration with key delivery partners, the Children's Workforce Development Council (CWDC) and other sector skills councils including Lifelong Learning UK. It is only the start of the journey and there is still much to be accomplished. Later in 2007, the Department will publish a CWS *Refresh*, which will set out future plans for the next stage of reform.
- In the Early Years, the development of the Early Years Professional Status (EYPS) will help drive up quality of provision and support the delivery of integrated services for young children. This year the first graduates have been awarded EYPS.
- The Options for Excellence Review considered how the social care workforce could be developed and supported in working in different and innovative ways.
- Since April 2006, local authorities nationally have been implementing the Common Assessment Framework (CAF) as part of their new arrangements for more integrated working practices. The *Information Sharing Practitioners' Guide* published in April 2006 has won widespread endorsement from professional bodies.
- There has been enormous progress locally to adopt more integrated working practices, supported by the new CAF and lead professionals. The Department wants to see this progress continue and accelerate, with a workforce well equipped to achieve the culture change needed to make integrated working a reality for children and their families.

Parenting Workforce

The National Academy for Parenting Practitioners, to be launched in October 2007, will deliver long

term systemic change to the parenting workforce. It will have three main areas of work:

- training, development and support of the parenting workforce, especially – but not exclusively – the trainers of practitioners and those who train trainers;
- acting as a national centre and source of advice on high-quality academic research evidence on parenting and parenting support, combined with practical knowledge of what works and has worked in different situations and with different client groups; and
- supporting the Government's parenting agenda as it develops.

The new National Occupational Standards for children's services include standards for work with parents, which were approved by the Qualifications and Curriculum Authority (QCA) in April 2005. By September 2007 examining bodies (including City and Guilds) will have developed qualifications that reflect these standards so that they can be incorporated into web-based and taught courses. All training programmes will be reviewed by December 2007 under the QCA framework.

Making the sector more professional, will ensure practitioners are working towards National Occupational Standards and have clear paths of career progression. In turn, parents will be able to expect high-quality support through a range of practitioners across a number of different sectors, including education, health and youth justice.

Sure Start Children's Centre Leadership

The National Professional Qualification in Integrated Centre Leadership developed by the National College for School Leadership is a national programme designed to address the needs of leaders in multi-agency, early years settings. It is a qualification which strengthens skills in leadership and management across multi-agency boundaries.

The one-year qualification began in 2004 and priority is given to children's centre managers. All centre managers are recommended to take this qualification and 800 have so far taken or are taking the course. In response to the National Audit Office findings in its report on Sure Start Children's Centres in December 2006, consideration is being given on how aspects of financial management can be incorporated into this course.

The *National Standards for Leaders of Sure Start Children's Centres* were published in February 2007. They set out the key areas of responsibility for heads of children's centres and define the knowledge, skills and understanding needed to fulfil them. In particular, they address the specific requirements of those leading complex integrated teams. The standards are expected to have a variety of applications but essentially their purpose is to specify what is expected of heads of centres. They will be used to assess the leadership capability of participants completing the National Professional Qualification in Integrated Centre Leadership. They will also be expected to be used to inform job descriptions, person specifications and performance management.

School Workforce

Teachers

The number of full-time equivalent regular teachers in the local authority maintained school sector in England has fallen from 435,600 in January 2006 to 434,900 in January 2007.

A decrease of 600 (0.1 per cent) and an increase of 35,800 (nine per cent) since 1997.

Ofsted judged teaching and learning to be outstanding or good in 60 per cent of the schools inspected in 2005/06. The White Paper, *Higher Standards, Better Schools for All* set out plans for a new professionalism and a new framework for professional standards for teachers has been

published. The framework has been agreed with the Rewards and Incentives Group, comprising the teacher unions within the social partnership, employers and the Department. The professional standards will help teachers to plan their professional development and their careers. Subject to the outcome of consultation (which ended on 2 May) the standards will also be used to assess whether teachers may progress from one pay scale to another. The Training and Development Agency for Schools is working with a range of national, regional and local stakeholders to support the continuing professional development of teachers. Revised regulations for the performance management of teachers and headteachers were published in October 2006, with the new arrangements coming into force from September 2007. The revised regulations build on existing requirements to provide clearer, fairer and more consistent arrangements more closely integrated into the processes of other schools and local authorities. The Rewards and Incentives Group published guidance to support the introduction of the arrangements and the Training and Development Agency for Schools ran a series of workshops to enable local authorities to cascade the new arrangements to schools.

In 2006/07, there were over 32,600 new entrants to conventional initial teacher training, in addition to about 7,000 entrants via employment-based routes in 2005/06. Teach First, first launched in London in September 2003, as a business-led initiative to attract, train and support high achieving graduates with good degrees who might not otherwise have chosen to teach has been extended to Manchester since September 2006 and is recruiting to start training in the Midlands from September 2007. By 2009/10 Teach First will have expanded to 11 cities, as announced in the *2006 Pre Budget Report*. In 2006 Teach First was ranked 16th in the Times Top 100 Graduate Employers survey.

Major reforms to the Teachers' Pension Scheme introduced on 1 January 2007 will deliver long-term savings in excess of £5.4 billion. The reform package introduced a higher pension age for new entrants; an increase in the contribution paid by members; a ceiling of 14 per cent on the future employer contribution rate; and a number of flexibilities that will allow individuals new options in the way that they manage the transition from work to retirement and, therefore, support the retention of older, experienced teachers who may otherwise have retired earlier from the profession.

Support Staff

The total number of full-time equivalent support staff rose by 17,900 (6.2 per cent) to reach 305,500 in January 2007. The number of support staff in schools has more than doubled from 133,500 in 1997.

Measures are in place to improve the training of support staff, with 16,000 people already meeting Higher Level Teaching Assistant standards.

Under the guidance of the Workforce Agreement Monitoring Group, which includes support staff unions as well as those represented on the Rewards and Incentives Group, the Training and Development Agency for Schools and local authorities are supporting and challenging schools to use their workforce more effectively. Support staff in a range of new roles are taking on a number of tasks previously carried out by teachers. This leaves teachers free to focus on the key activities that need their professional skill and expertise, contributing to improved pupil standards and reduced teacher workload.

School leaders

Schools need strong leaders and leadership teams with a broader range of skills to deliver reforms such as Every Child Matters and extended schools and to continue to drive up standards of achievement for all pupils. They need to be able to manage complex organisations, with competing

priorities, they need strong management and leadership skills; strong strategic planning and financial management skills; good networking skills; the ability to spot and make the most of opportunities; and the willingness to take risks and do things differently.

The Department is working with the National College for School Leadership to build a strategy to develop the next generation of school leaders fit to lead schools for the next 10 to 15 years, through succession planning and a range of other programmes:

- the re-designed National Professional Qualification for Headship is due in September 2008;
- 2,000 teachers are taking part in the current Fast Track leadership development programme which aims to help participants reach senior leadership positions within five years. This is also being re-designed for September 2008; and
- the Future Leaders programme currently has 20 candidates to prepare high-calibre leaders in urban complex schools. This has been expanded so that the next intake in September 2007 will recruit 40 candidates.

Ofsted judged leadership to be outstanding or good in 62 per cent of schools last year, and inadequate in only four per cent. However, the Department cannot be complacent and PriceWaterhouseCooper were commissioned to review the current state and future needs of school leadership. This study was published on 18 January 2007. It reported the conclusions of an extensive research project, recognised that there is much to be positive about in school leadership and made recommendations about future models which will inform future work for the Department and its partners, including the 2007 remit for the School Teachers Review Body.

Science and Mathematics Teaching

The Government has set new ambitions to step up recruitment, retraining and retention of physics, chemistry and mathematics specialist teachers so that by 2014:

- 25 per cent of science teachers have a physics specialism, (compared to 19 per cent now);
- 31 per cent of science teachers have a chemistry specialism (compared to 19 per cent now); and
- the increase in the number of mathematics teachers will enable 95 per cent of mathematics lessons in schools to be delivered by a mathematics specialist (compared with an estimated 88 per cent now).

Progress so far includes:

- the Department taking forward the recommendations on science teacher pay incentives and flexibilities of the *School Teachers Review Body sixteenth report* published in February 2007;
- establishing a National Centre of Excellence in the Teaching of Mathematics to boost continuing professional development for teachers of mathematics;
- additional training for the new science GCSE is being made available;
- the Science, Engineering, Technology and Mathematics Network has been awarded £900,000 to recruit 6,000 additional science and engineering ambassadors by 2007-08; and
- raising the teacher training bursary to £9,000 for intending teachers of mathematics and science.

The Sainsbury Review is looking at what more can be done to ensure the UK's success in the face of the opportunities and challenges of globalisation. The report of the review will be published in

summer 2007. Among the issues the review is considering are:

- ways of improving the qualifications of school science teachers and support for their professional development;
- measures to recruit and retain teachers;
- careers advice and guidance; and
- the impact of the introduction of the second maths GCSE in 2010.

Further Education Workforce

The White Paper *Further Education: Raising Skills, Improving Life Chances* set out a comprehensive programme of change to transform the further education system into the powerhouse of economic prosperity and social mobility.

Since April 2006, the Quality Improvement Agency (QIA) has led on the development of a national Improvement Strategy which was published in January 2007.

Enhancing Further Education Leadership

The Centre of Excellence in Leadership (CEL) delivers a range of quality programmes to support the development of leaders in further education. In addition, CEL has developed a qualifying programme for further education principals to meet commitments set out in the White Paper *Further Education: Raising Skills, Improving Life Chances*. Based on the role specification for further education principals developed by Lifelong Learning UK in consultation with the sector and published in November 2006, the programme was launched with the first group of 32 principals in March 2007 and will be rolled out across the sector in autumn 2007.

Equipping Teachers with the Skills they Need

Improving the skills and professional standing of teachers is the key aim of the reforms outlined in *Equipping Our Teachers for the Future – 2004*. In

September 2006, Lifelong Learning UK published new standards for teachers in further education. These are being used to underpin development of the new qualification for further education teachers (Qualified Teacher Learning Skills) which from September 2007 will be a mandatory requirement for all newly appointed teachers.

Continuing Professional Development

The White Paper *Further Education: Raising Skills, Improving Life Chances* outlined the intention for all teachers to maintain their professional knowledge, skills and qualifications to teach through a programme of continuing professional development. In September 2007, regulations will be introduced (applying to further education colleges) supported by a Continuing Professional Development (CPD) framework and guidance requiring:

- all full-time further education teachers to fulfil at least 30 hours CPD per year, with reduced amounts for part-time teachers;
- all teaching staff to maintain a portfolio to show evidence of their CPD activities; and
- teachers to be professionally registered.

Learning and Skills Council contracts will require other providers to ensure the professional development of their staff.

Attracting New Teachers to Further Education

£18 million has been invested in attracting people to teach in further education through the Department's bursary and Golden Hello programmes. In July 2006, a review was completed of the key priorities for payment of incentives. This resulted in publication of an enhanced shortage subjects list which is being used to aid recruitment and steer targeting of available incentive funds.

Centres for Excellence in Teacher Training

A new Centre for Excellence in Teacher Training (CETT) network will be in place by September

2007, with the intention of enhancing the quality of teacher training in further education. CETTs will build future initial teacher training systems around networks of providers, who will give teacher trainees good experiences of teaching and professional development across the further education system.

National Teaching and Learning Change Programme

The National Teaching and Learning Change Programme (NTLCP) seeks to transform the learning experience within the further education sector through improving the quality of the teaching offered in priority subjects. It is delivered via three complementary enablers:

- World class multimedia teaching and learning resources.
- Regional subject networks for the providers' chosen champions (Subject Learning Coaches) to share effective practice.
- A national professional training programme in coaching skills for Subject Learning Coaches.

The initiative currently supports 11 priority curriculum areas. Phase 4 to be rolled out during 2007/08, will support the introduction of the new 14-19 Diploma lines. Responsibility for delivery of NTLCP transferred to QIA in April 2006.

Higher Education Workforce

The higher education sector and its institutions, lead in making sure that the workforce is well trained and supported.

Higher Education Academy

The Higher Education Academy was launched in October 2004 and is responsible for helping higher education institutions (HEIs) ensure the best possible learning experience for all students. The Academy established the framework for professional standards in teaching and supporting learning in higher education in February 2006. This

framework will be embedded through the Academy's accreditation of institutions' initial qualifying programmes for new staff. The Academy supports practitioners, subject departments and discipline communities through its network of 24 Subject Centres. The Academy more broadly covers work on all aspects of the student learning lifecycle, including; strategies for retention; effective use of e-learning; development of enterprise capabilities; and support for excellent research training environments. Some examples of specific projects include: working with HEIs to make the most effective use of the results of the National Student Survey; undertaking an evaluation of the two-year fast track degree pilots; and running the Change Academy in collaboration with the Leadership Foundation which provides support for institutions wishing to bring about large-scale strategic change.

Leadership Foundation for Higher Education

The Leadership Foundation for Higher Education is committed to developing and improving the management and leadership skills of existing and future leaders of higher education. The Leadership Foundation arranges a wide range of programmes and support networks for managers and leaders in higher education such as the: Top Management Programme for aspiring Vice Chancellors and Principals; Leadership Foundation Fellowships which support individuals with change programmes in their institutions; and the MASHEIN (Management of Small and Specialist Higher Education Institutions) Programme which supports capacity building and effective leadership development. The evaluation of the first two years of its operation, published in June 2006, was positive, and it is seen as an important and necessary agency, helping the higher education sector to focus on the development of its leaders and managers.

Centres for Excellence in Teaching and Learning

The Centres for Excellence in Teaching and Learning (CETL) aim to reward excellent teaching practice, and to invest further in that practice so that CETLs deliver substantial benefits to students, teachers and institutions. A total of 74 CETLs were approved in January 2005. Funding of CETLs will total £315 million over five years from 2005-06 to 2009-10. The CETLs six objectives are to: reward excellent practice; enable and embed change/innovation; achieve deeper understanding of student learning; recognise/promote clusters of excellence to influence practice and raise the profile of teaching excellence; demonstrate collaboration and sharing of good practice; and raise student awareness of effectiveness in teaching and learning. The phase one interim evaluation of CETLs, covering their development between 2005 and 2007, is expected to report at the end of 2007, alongside which CETLs will also undertake a self-evaluation.

Chapter 8

Spending to Deliver



The Department is investing unprecedented resources in children's services, education and skills. 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 (and Annexes A, B and C) shows spending on programmes which are within the Department's Departmental Expenditure Limit (DEL). In 2006-07, forecast outturn is £59.2 billion.

Table 8.1: Summary of Resource and Capital tables 1997-98 to 2007-08^{1,2} (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans outturn
Total spending in departmental expenditure limits (DEL)										
Consumption of resources:										
Support for children, young people and families ^{3,4}	534	579	863	1,343	1,975	2,318	2,191	2,562	2,746	3,268
Schools ⁵	1,810	2,273	4,435	5,425	8,054	9,140	10,077	11,112	38,075	41,535
Further education, adult learning, skills and lifelong learning	4,295	4,570	5,116	6,105	6,774	7,748	8,187	8,980	9,335	10,045
Higher education	5,956	6,251	5,852	6,136	6,432	6,956	7,112	8,008	8,709	9,434
Activities to support all functions	248	259	271	274	250	280	302	276	308	384
Total Department for Education and Skills⁶	12,843	13,932	16,537	19,283	23,485	26,442	27,869	30,938	59,173	64,666
Total education spending in England⁷	31,023	32,860	35,922	39,779	42,333	47,601	50,839	55,033	57,316	63,700
<i>of which:</i>										
Local government formula education spending^{8,9,10}	19,384	20,414	21,479	22,513	22,505	25,013	26,402	27,876	–	–

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 transferred from Formula Spending Shares (FSS) to the Dedicated Schools Grant and becomes part of the Department for Education and Skills DEL.
6. The 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 2007/08 is based on 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 8.4.
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, the FSS replaced Standard Spending Assessment (SSA). FSS figures reflect the level of actual spending by councils 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.

By 2007-08, planned expenditure within the Department's DEL will have risen by £5.5 billion to £64.7 billion. Overall this represents an increase of £51.8 billion since 1997-98.

Spending on Education

Spending on education in England is set to rise to £63.7 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.

Spending by Function

Table 8.2 provides a more detailed breakdown of departmental expenditure. Spending on administrative costs will fall reflecting efficiency gains by the Department in its core services. (see chapter 10)

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 billion in 1997-98 to £5.1 billion in 2007-08 with a further £1.3 billion coming through the Private Finance Initiative (PFI). Much of this investment is to go towards renewing the school stock and creating extended schools facilities. In addition, there are substantial capital investment programmes associated with information and communications technology (ICT), Academies and Specialist Schools. (see Chapter 9)

- In 2006-07, approximately half of the funding to support children, young people and families went to Sure Start. Spending on Sure Start has risen from £179 million in 1998-99 to £1.8 billion in 2007-08, a fivefold increase. Also in 2006-07, £416 million was spent on funding Connexions and £143 million on the Childrens Fund.
- Also In 2006-07, £8.7 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 in 2006-07. This will grow to £9.3 billion by 2007-08. The Learning and Skills Council is also responsible for administering £1.9 billion of funding for school sixth forms (£2.1 billion in 2007-08).
- Most higher education expenditure goes through the Higher Education Funding Council for England (HEFCE). In 2006-07, HEFCE spent approximately £6.5 billion. Of this around £4.6 billion was recurrent funding for student places in higher education. A further £1.3 billion was 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.
- The remainder of higher education funding is for student support and the student loans in RAB terms, £1.2 billion and £1 billion respectively in 2006-07.

Table 8.2: Detailed breakdown of expenditure by function within departmental expenditure limit (DEL), 1998-99 to 2007-08 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans ¹
Schools	1,810	2,273	4,435	5,425	8,054	9,140	10,077	11,112	38,075	41,535
<i>of which:</i>										
Investment in school buildings ²	924	960	1,632	1,679	2,113	2,689	3,082	3,380	3,317	3,975
<i>of which:</i>										
Voluntary aided schools	118	129	116	182	306	493	564	501	627	697
Capital grants within standard funds	67	19	274	622	995	1,188	1,263	1,478	1,458	1,304
Credit approvals	376	450	540	559	812	1,000	1,198	1,375	1,022	1,033
Building schools for the future							57	27	210	941
New Deal for Schools	231	234	702	316	0	0	0	0	0	0
Dedicated schools grant ³	0	0	0	0	0	0	0	0	26,580	28,330
Other standards funds	264	515	1,319	1,205	1,440	1,054	1,269	1,461	2,125	2,064
School standards grant	0	0	0	683	668	847	928	923	1,219	1,557
Schools sixth form funding (through Learning and Skills Council)	0	0	0	0	1,399	1,525	1,655	1,783	1,940	2,053
ICT	51	52	109	156	308	395	408	429	253	617
Modernising the teaching profession	224	266	674	995	1,158	1,427	1,607	1,751	901	879
Academies and specialist schools	41	50	73	102	225	405	624	754	1073	1,133
CTCs	56	59	63	71	73	78	81	72	65	84
Support for school meals	0	0	0	0	0	0	0	60	80	80
National Strategies	105	195	190	304	390	442	301	355	366	381
Other miscellaneous programmes	145	176	375	230	279	286	122	143	156	382
Higher Education	5,956	6,251	5,852	6,136	6,432	6,956	7,112	8,008	8,709	9,434
<i>of which:</i>										
Higher Education Funding Council for England	3,540	4,413	4,273	4,563	4,916	5,325	5,616	6,225	6,543	6,878
Student loans RAB charge ^{4,5}	410	604	773	574	458	444	503	575	548	564
Student fee loans RAB charge	0	0	0	0	0	0	0	0	163	349
Student loans management of provision ⁶	0	0	0	277	354	475	225	314	466	509
Student Support Grants ⁵	1,877	1,075	647	551	541	542	614	758	847	918
Access funds and bursaries	39	82	87	88	97	98	78	72	64	56
Student support admin	18	36	30	30	46	51	51	49	58	52
Other miscellaneous programmes	72	41	42	53	20	21	25	15	20	108
Support for Children, Young People and Families	534	579	863	1,343	1,975	2,318	2,191	2,562	2,746	3,268
<i>of which:</i>										
Sure Start ⁷	179	213	368	467	680	721	921	1,240	1,384	1,836
Children's Fund	0	0	0	37	140	262	222	169	143	128
Parenting and families ⁸	0	0	25	29	22	16	45	28	0	0
CAFCASS	0	0	0	77	85	93	107	101	106	107
Careers Service	205	228	239	0	0	0	0	0	0	0
Connexions Service ⁹	0	0	12	319	428	489	473	454	416	356
Children's Services ¹⁰	0	88	138	322	487	594	213	248	250	126
Other youth activities	0	0	0	0	0	0	0	0	158	138
Local area agreements	0	0	0	0	0	0	0	105	146	426

Table 8.2: Detailed breakdown of expenditure by function within departmental expenditure limit (DEL), 1998-99 to 2007-08 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans ¹ outturn
Special Educational needs/ disabilities	0	0	25	38	37	30	50	41	40	33
Information sharing projects	0	0	0	0	0	0	0	0	29	56
Workforce development	0	0	0	0	0	0	19	24	21	37
Other miscellaneous programmes	150	50	56	54	95	112	141	152	53	25
Further Education, Adult Learning, Skills and Lifelong Learning	4,295	4,570	5,116	6,105	6,774	7,748	8,187	8,980	9,335	10,045
<i>of which:</i>										
Further education ¹¹	3,172	3,330	3,632	0	0	0	0	0	0	0
Work-based training for young people ¹¹	712	800	837	0	0	0	0	0	0	0
TEC strategy Budget ¹¹	114	117	116	0	0	0	0	0	0	0
Learning and Skills Council (excl sixth form funding)	0	0	0	5,408	6,077	7,053	7,312	8,349	8,682	9,324
Adult education and skills strategy	162	155	213	241	245	169	181	191	175	186
Adult Learning Inspectorate	5	7	10	19	25	28	27	28	20	18
Career development loans	12	13	16	14	14	14	16	2	2	2
14-19 development	0	0	0	0	0	11	12	14	10	62
Union Learning Fund	2	3	4	6	7	2	2	2	5	15
Education qualifications	84	85	85	101	94	100	133	152	189	181
Ufi Learndirect ¹²	5	42	58	57	50	45	13	0	0	0
Offenders' learning and skills	0	0	0	57	70	114	122	111	60	42
Post-16 standards	0	0	9	13	13	21	53	73	129	157
Education Maintenance Allowances ¹³	0	1	2	109	120	1452	239	0	0	0
Other miscellaneous programmes	27	17	134	80	59	49	77	58	63	58
Activities to Support all Functions	248	259	271	274	250	280	302	276	308	384
<i>of which:</i>										
Research and publicity	17	21	25	25	32	37	37	34	30	22
Reserve	0	0	0	0	0	0	0	0	0	95
Administrative Costs	211	220	230	228	214	221	258	240	244	238
Other miscellaneous programmes ¹⁴	20	18	17	19	4	22	7	2	34	29
Total Department for Education and Skills DEL	12,843	13,932	16,537	19,283	23,485	26,442	27,869	30,938	59,173	64,666

1. The 2007-08 figure excludes 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 £215 million credit adjustment to the amounts previously set aside on the Department's balance sheet to meet the expected future costs of student loans (effectively reducing expenditure by £215million). From 2005-06, the Student loans RAB is based on a discount rate of 2.2 per cent rather than 3.5 per cent.
5. Planned and actual expenditure on Welsh students has been removed from the Student Loans RAB charge and Student Support Grants to reflect the devolution of student support to the National Assembly for Wales (but cannot be excluded from the management of provision line).
6. The Student loan management of provision line reflects the standard accounting transactions that are made each year to manage the provision for the outstanding loan stock. This includes loan cost of capital, interest added to the loan stock in year, inflation adjustments, unwinding costs, revaluation and the release from provision.
7. From 2003-04, the funding for Childcare and Nursery education has been merged with Sure Start.
8. Funding from April 2006 became the responsibility of Schools Directorate, and is contained within Schools other miscellaneous programmes.
9. From 2001-02, the activities of the Careers Service were taken over by the Connexions Service.
10. In 2004-05, the quality protects and the care leaver components of the Children's Service Grant ended and amounts were rolled into formula spending.
11. Funding from April 2001 became the responsibility of the Learning and Skills Council (LSC).
12. The figure for 2004-05 excludes expenditure incurred by the LSC.
13. From 2005-06, Education Maintenance Allowance is included within the LSC total – see table 8.9 for the amounts.
14. Included in these figures are non-cash costs to reflect the notional cost of capital cost generated by holding programme related assets and liabilities (excluding student loan related balances) on the balance sheet. The cost of capital can be a positive or negative value, depending on whether the relevant asset balances exceed liabilities.

Expenditure on Education by Sector

Table 8.3 provides a breakdown of education expenditure by sector. All sectors have increased their expenditure on education since 1997-98.

The largest increase is in the school sector where expenditure has increased by 69 per cent since 1997-98. Large increases have also been seen in further education, adult and community learning and higher education.

Table 8.3: Education Expenditure¹, by Central and Local Government² by Sector in Real Terms³ in England, 1997-98 to 2006-07 (£ million)

	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 provisional outturn	2006-07 estimated outturn
Schools										
Capital ⁴	1,296	1,418	1,536	1,871	2,164	2,433	2,820	3,154	3,465	3,524
Current ⁵	22,035	22,497	24,138	26,216	28,717	29,645	32,576	33,596	35,209	35,807
<i>of which:</i>										
Under fives ⁶	2,116	2,159	2,402	2,685	3,212	3,260	3,636	3,874	3,990	3,760
Primary	7,904	8,018	8,330	9,028	9,750	10,188	10,785	10,911	11,350	11,640
Secondary	9,851	10,042	10,581	11,359	12,482	12,944	14,295	14,869	15,454	15,822
Other ⁷	2,164	2,279	2,825	3,143	3,274	3,252	3,861	3,943	4,416	4,586
Further education and Adult and Community Learning^{8,9}	4,029	3,948	4,056	4,396	5,215	5,502	6,236	6,423	6,970	6,934
<i>of which:</i>										
FE and Other Lifelong Learning	#	#	#	#	5,044	5,273	5,958	6,133	6,698	6,692
Adult and Community Learning Recurrent	#	#	#	#	171	209	236	242	229	213
Adult and Community Learning Capital	#	#	#	#	0	20	42	49	43	28
Higher education¹⁰	5,432	5,387	5,730	5,313	5,664	5,805	6,054	6,280	6,695	6,892
Higher education Student Support^{11,12}	1,549	1,539	1,381	1,302	926	755	700	791	955	1,119
Administrative, inspection costs and miscellaneous services	1,545	1,637	1,085	1,140	1,282	1,557	1,607	1,754	1,875	1,846
Total										
Real Terms	35,886	36,425	37,925	40,237	43,968	45,697	49,992	51,998	55,168	56,121
Cash	29,699	30,911	32,835	35,237	39,519	42,344	47,701	50,982	55,168	57,512
Other Expenditure included in Table 8.1¹³ (cash):										
Ofsted	-	-	-	-	161	199	206	211	216	202
Departmental admin	-	-	-	-	240	230	239	250	231	256
Capital Receipts	-	-	-	-	-146	-233	-221	-210	-217	-399
Other ¹⁴	-	-	-	-	6	-207	-322	-392	-365	-255
Total Education Spending in England¹³ (cash)	-	-	-	-	39,779	42,333	47,601	50,839	55,033	57,316

- Figures within Departmental Expenditure Limits (DEL). Excludes DfES administration costs and expenditure on other areas than education, for instance on children and families and on skills.
- The recurrent local authority figures in this table are drawn from Table 8.4; the footnotes to that table set out the underlying data sources. The dotted lines denote the changes from the Department of Environment, Transport and the Regions education Revenue Outturn return (the 'R01') to Section 52 Outturn Statements in 1999-00 and arising from the review of the Section 52 categories in 2002-03 following the introduction of Consistent Financial Reporting to schools. Central Government figures are drawn from the Combined Online Information System (COINS).
- All figures have been converted to 2005-06 price levels using the March 2007 Gross Domestic Product (GDP) deflators.
- Excludes Private Finance Initiative (PFI) credits (£35 million in 1997-98, £130 million in 1998-99, £350 million in each of 1999-00 and 2000-01, £450 million in 2001-02, £850 million in 2002-03 and 2003-04, £1,050 million in 2004-05, £1,200 million in 2005-06 and £1,250 million in 2006-07).
- Figures from 2003-04 onwards reflect the transfer of responsibility from the Department to LAs of costs relating to teachers' pensions.
- Under five figures include central government Sure Start and exclude local authority Sure Start expenditure. From 2006-07, funding for Sure Start local programmes was paid through LAs rather than from central government accounting for the fall in under fives expenditure from that year.
- Includes local authority services to schools, expenditure on City Academies, small remodelling programmes and on teacher training.
- This line now includes FE Student Support (previously a separate line). The figures include Education Maintenance Allowances (EMAs) and other support for students in further education and school sixth forms. EMAs were reclassified as being within DEL rather than AME in 2007, hence their re-introduction back into this table.
- Adult and Community learning covers Learning and Skills Council (LSC) funding for ACL from 2001-02. Prior to 2001-02 reliable and consistent disaggregation of expenditure on ACL from local authority budgets is not available.
- The expenditure data in this table and those used in the calculation of funding per student in FE in table 8.10 and HE in table 8.11 are not directly comparable. Tuition Fee Grants and Tuition Fee Loans RAB Charge are included in the HE line, not the HE student support line.

- 11 HE Support includes Student Loans RAB charge, but not management of student loans provisions; all grants paid by the Student Loans Company (FT and PT Maintenance grants, HE grant and grants for vulnerable students): Access Funds; Postgraduate Awards; EUI Bursaries; Discretionary Awards; Mandatory and Student Support Awards.
- 12 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.
- 13 As recorded in the Total Education Spending in England line of DAR Table 8.1
- 14 The 2006-07 Education Spending figure in Table 8.1 is Planned Spend, the figures in Table 8.3 are Estimated Outturn. Other differences include timing differences and other small expenditure programmes which have not been included in this table.

denotes figures not available

Local Authority Expenditure

Table 8.4 provides a breakdown of Local Authority expenditure. In 2006-07, local authorities spent an estimated £39.2 billion on education, an increase

of £17.8 billion since 1997-98. The vast majority of local authority funding goes to schools or to provide local authority support for schools.

Table 8.4: Local Authority Expenditure¹ on Education, 1997-98 to 2006-07 (£ million)

	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 provisional outturn	2006-07 estimated outturn
Current expenditure²										
Schools	17,162	18,635	20,385	22,321	24,887	26,280	29,397	31,213	33,360	34,906
Under fives ³	1,049	1,765	2,010	2,233	2,698	2,757	3,040	3,275	3,473	3,716
Primary schools ⁴	6,153	6,397	6,806	7,496	8,298	8,957	9,752	10,144	10,769	11,329
Secondary schools ^{4,5}	7,299	7,633	8,210	8,999	10,172	10,881	12,346	13,201	13,984	14,509
Special schools ⁴	1,092	1,156	1,166	1,251	1,373	1,450	1,649	1,741	1,854	1,912
Meals	355	357	348	336	331	342	354	379	415	426
Transport	461	485	531	587	613	716	793	820	909	977
Non-maintained school fees ⁶	240	248	273	277	312	309	344	376	421	449
Teacher development ^{2,7}	73	76	74	106	73	17	22	24	23	26
Pupil support	38	39	30	39	37	23	28	45	85	88
Other support services ^{2,8}	402	479	939	997	981	828	1,069	1,209	1,427	1,474
Youth community and admin										
Adult and community learning ⁹	170	163	183	209	#	#	#	#	#	#
EMAs to Local Authorities ¹⁰	#	#	#	#	107	119	125	51	0	0
Youth service	248	257	268	272	288	316	350	379	422	434
Other community services	64	70	51	61	62	41	30	29	24	20
Central administration ^{2,11}	778	872	381	366	389	563	564	629	652	674
Total current expenditure	18,422	19,997	21,269	23,229	25,733	27,320	30,465	32,301	34,458	36,034
Specific grants outside AEF^{9,12}										
Technical and Vocational Education Initiative	3	2	0	0	0	0	0	0	0	0
Work related further education ¹³	54	60	59	77	0	0	0	0	0	0
Receipts from HEFCE ¹⁴	11	11	11	12	12	#	#	#	#	#
HE student support ¹⁵	1,982	1,877	796	318	127	81	61	20	0	0
Total current expenditure including grants outside AEF	20,472	21,947	22,136	23,635	25,872	27,401	30,527	32,321	34,458	36,034
Capital spending¹⁶										
Gross capital spending on education (excluding New Deal for Schools) ¹⁷	1,037	1,027	1,184	1,016	1,746	2,287	2,780	3,087	3,492	3,581
Local authority Receipts	-133	-82	-102	-119	-146	-233	-221	-210	-217	-399
Total net capital spending on education	904	945	1,082	897	1,600	2,054	2,559	2,877	3,275	3,182
New Deal for Schools	78	224	207	702	316	0	0	0	0	0
Total net authority capital spending	982	1,169	1,289	1,599	1,916	2,054	2,559	2,877	3,275	3,182
Total local authority expenditure on education	21,454	23,116	23,425	25,234	27,788	29,455	33,086	35,197	37,733	39,216

Sources: 1998-99 LEAs' education Revenue Outturn Statements to the Department of Environment, Transport and the Regions. Section 52 Outturn statements to the Department for Education and Skills. Capital Outturn Returns to the Department for Communities and Local Government.

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 for Education and Skills to local authorities (LAs). Outturn data up to 1998-99 was drawn from Education Revenue Outturn Statements which LAs submitted to the Department of Environment, Transport and the Regions. Figures for 1999-00 to 2001-02 were drawn from Section 52 (Table 3) outturn statements which LAs submitted to the Department for Education and Skills. Figures for 2002-03 onwards are taken from Section 52 (Table A) outturn statements. The change in sources is shown by the dotted lines. Figures within Departmental Expenditure Limits (DEL).
 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 2005-06 figures are provisional and may change.
 3. Includes expenditure on under fives in nursery schools, in primary schools and in the private, voluntary and independent sectors. 1997-98 outturn expenditure reflects the transfer of £527 million from local government to central government for the nursery voucher scheme. Sure Start expenditure is not included in this table.
 4. Figures from 2003-04 onwards reflect the transfer of responsibility from the Department for Education and Skills to LAs of costs relating to teachers' pensions.
 5. Includes from 2002-03 onwards, for comparative purposes, expenditure funded by the Learning and Skills 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 LA's capital; programme, the planning and supply of school places and the Educational Welfare Service.
 9. Adult and community learning expenditure for 2001-02 onwards has been removed from this table as it is mostly funded by the Learning and Skills Council.
 10. Education Maintenance Allowances (EMA) payments to LAs. These were distributed through the Standards Fund prior to 2001-02. EMAs were reclassified as being within DEL rather than AME in 2007, hence their re-introduction back into this table.
 11. Up to 1998-99 included administration and inspection costs some of which are included within other categories from 1999-00. From 2002-03 includes some expenditure previously reported under Other support services.
 12. Grants outside AEF are funded almost wholly by central government.
 13. Work related further education funded by the Further Education Funding Council (FEFC). This was transferred to the LSC in 2001-02.
 14. Expenditure funded by receipts from the Higher Education Funding Council for England in respect of prescribed courses of higher education in LA institutions. Expenditure data from 2002-03 onwards not available.
 15. Includes expenditure by Welsh local authorities. Student support payments were made by the Student Loans Company (SLC) from 2004-05 onwards.
 16. Includes expenditure from the education component of the Urban and Regeneration programme.
 17. Gross education capital spending includes schools, youth and other education services.
- # denotes figures not available.

Schools Funding

For the first time local authorities received funding for their schools in 2006-07 through the Dedicated Schools Grant (DSG). The great majority of allocations were finalised in June 2006, and the final total of DSG allocated in 2006-07 was £26.6 billion. These allocations represented a 5.9 per cent increase over local authorities' baseline budgets for 2005-06 and deliver the Government's commitment to increase spending on schools in every local authority area. Coupled with the indicative allocations for 2007-08, they will also allow schools to take a longer term, more strategic approach to their financial planning.

The Department is now in its second year of operating DSG and issued revised indicative allocations for 2007-08 to local authorities in November 2006. These were based on the guaranteed units of funding announced in December 2005 and revised estimates of pupil numbers for 2007-08. Final allocations of DSG for

2007-08 will be made once January 2007 pupil number data has been fully validated.

A consultation on early years, school and 14 to 16 funding was launched in March 2007. The main issues on which views are being sought are:

- The method to be used for the distribution of DSG from 2008-09. The choice is between the current spend plus methodology or a return to a single formula.
- The continued action needed to make sure that the local distribution of deprivation funding properly reflects the funding distributed to local authorities through DSG and School Development Grant.
- The continuation of the Minimum Funding Guarantee, with a number of proposals about its level, and the method by which it is implemented locally.
- How funding to support the introduction of specialised diplomas for 14- to 16-year-olds

should be distributed to local authorities and the frontline.

- How the school funding system might be developed over the 2007 Comprehensive Spending Review period to support the increase in the early years entitlement to 15 hours, and drive towards greater flexibility.

The consultation closes on 1 June 2007. The Department expects to take decisions over summer 2007 and issue the first three year allocations of DSG in autumn 2007.

Table 8.5 shows total funding per pupil. Between 1997-98 and 2007-08 real terms funding has increased by £2,460 per pupil (87 per cent).

Table 8.6 shows total capital funding per pupil. Between 1997-98 and 2007-08 real terms funding has increased by £700 per pupil (583 per cent).

Learning and Skills and Further Education Funding

As set out in the Learning and Skills Council's (LSC) *Annual Statement of Priorities*, published in October 2006, planned expenditure for 2006-07 was £10.5 billion, and for 2007-08 £11.2 billion. These amounts exclude funding allocated for administration. The *Annual Statement of Priorities* builds on *Priorities for Success* by outlining how resources will be redeployed to focus government funding for participation on key national priorities.

Participation funding for further education allocated to LSC in 2005-06 was £4,959 million. The end of year forecast for 2006-07 is £5,074 million and the planned amount for 2007-08 is £5,158 million. This represents a four per cent cash increase over the period.

Levels of further education participation for 2005/06 to 2007/08 are set out in Table 8.7. Figures for 2006/07 and 2007/08 are based on whole year estimates. They are therefore subject to some (potentially significant) variability, particular in the case of shorter courses, where learners enrol at

Table 8.5: Revenue^{1,2,4,6} and capital funding⁷ per school pupil³, 1997-98 to 2007-08 (excluding LA block funding⁵)

Funding per pupil (£)	1997-98 actual	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 actual	2005-06 actual	2006-07 estimated outturn	2007-08 plans
Real Terms											
Revenue only ⁸	2,710	2,780	2,910	3,200	3,370	3,480	3,740	3,870	4,090	4,330	4,510
Year-on-year change	–	70	130	290	170	110	260	130	220	240	180
Real terms index ⁹	–	103	107	118	124	128	138	143	151	160	166
Revenue and Capital ⁶	2,830	2,950	3,120	3,540	3,720	3,960	4,290	4,510	4,770	4,960	5,290
Year-on-year change	–	120	170	420	180	240	330	220	260	190	330
Real terms index ⁹	–	104	110	125	131	140	152	159	169	175	187

Sources: See Table 8.2 (for revenue data) and Annex C (for capital data).

- Figures are rounded to the nearest £10
- Funding consistent with Education Standard Spending/Education Formula Spending and Dedicated Schools Grant (DSG) from 2006-07 plus all schools-related revenue grants in the Department for Education and Skills DEL which are relevant to pupils aged 3 to 19. Funding excludes Childcare and Sure Start.
- Calculations are based on publicly funded full-time equivalent pupils aged 3 to 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.
- Includes funding for Academies and Specialist schools but excludes City Technology Colleges.
- Due to the introduction of the DSG in 2006-07 the LA block no longer exists so this has been removed from the earlier years 1997-98 to 2005-06.
- Pensions transfers to Education Formula Spending and the Learning and Skills Council are now included from 2003-04 onwards.
- Includes capital budgets (drawn from Annex C) and PFI funding streams.
- Real terms figures have been calculated using the March 2007 Gross Domestic Product (GDP) deflators with 2005-06 as the base year.
- The real terms funding index has been based with 1997-98 as 100.

Table 8.6: Capital^{1,3} only funding per maintained school pupil², 1997-98 to 2007-08 (maintained sector only)

Funding per maintained pupil (£)	1997-98 actual	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 actual	2005-06 actual	2006-07 ⁶ estimated outturn	2007-08 plans
Real terms ⁴	120	170	220	340	350	500	570	660	700	650	820
Real terms year-on-year change	–	50	50	120	10	150	70	90	40	-50	170
Real terms index ⁵	–	142	183	283	292	417	475	550	583	542	683

Sources: See Table 8.2 (for revenue data) and Annex C (for capital data).

- Figures are rounded to the nearest £10.
- Calculations are based on maintained sector full-time equivalent pupils aged 3 to 19 in England. Taken from the PLASC dataset as at January 2006.
- Includes capital budgets (drawn from Annex C) and PFI funding streams.
- Real terms figures have been calculated using the March 2007 Gross Domestic Product (GDP) deflators with 2005-06 as the base year.
- The real terms funding index has been based with 1997-98 as 100.
- The apparent drop in capital funding per pupil between 2005-06 and 2006-07 is caused by the transitional effect of a change in the funding mechanism for the Building Schools for the Future (BSF) programme. This involves the re-phasing of payments to local authorities to better reflect the actual pattern of delivery on the ground. Any unspent capital from 2006-07 will be rolled forward to be used in future years, thereby ensuring that the BSF programme is fully delivered.

different times in the year. It should be noted that the reduction in headcount totals occurs because the Department has chosen to move to longer, more expensive and more valuable courses which will be of much greater benefit to people in their careers and future lives.

Alongside planned further education participation funding earmarked for colleges, LSC also records total funding received by colleges for previous years. The total amounts allocated to colleges by LSC between 2001-02 and 2005-06 are set out in Table 8.8. 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 £1.5 billion between 2001-02 and 2005-06. In future years, colleges will continue to have access to funding outside further education participation funding, for example, participation funding through the Train to Gain

programme which will rise to £460 million in 2007-08, an increase of £300 million between 2005-06 and 2007-08.

Table 8.9 sets out the breakdown of expenditure by LSC. The figures for 2006-07 differ from those set out in the LSC *Annual Statement of Priorities* as they are based on end of year forecasts rather than planned allocations. This table shows the range of programmes funded by LSC, including further education, work-based learning, Train to Gain and Personal and Community Development Learning.

Table 8.10 sets out the unit of funding per full-time equivalent student in further education between 1997-98 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 hard 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

Table 8.7: Further Education Headcount Volumes, 2005/06 to 2007/08 (000s)

	2005/06	2006/07	2007/08
Total Headcounts ¹	3,344	2,946	2,832
of which:			
Youth	734	756	775
Adult	2,610	2,190	2,057

Source: Learning and Skills Council (LSC) estimates and projections based on LSC individualised learner record (ILR).

- Total headcounts include further education offered in higher education institutions and exclude Ufi.

Note: In the 2006 Departmental Report Ufi figures were included in the adult figures in error, when they should have been excluded.

Table 8.8: Total Amounts Allocated to Colleges¹ by the Learning and Skills Council for England, 2001-02 to 2005-06 (£ million)

	2001-02	2002-03	2003-04	2004-05	2005-06
Total funding provided to colleges ¹	4,102	4,400	4,788	5,081	5,590

Source: LSC Published Accounts.

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

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 a change in the month in which the number of learners was measured on the LSC Individualised Learner Records. The unit of funding increases are broadly in line with inflation between 2005-06 and 2007-08.

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 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 through demand-led mechanisms including learner accounts and the Train to Gain programme.

Table 8.9: Breakdown of Expenditure by the Learning and Skills Council within Departmental Expenditure Limit¹, 2001-02 to 2007-08 (£ million)

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 forecast	2007-08 plans
A. Participation							
School sixth forms	N/A	1,399	1,525	1,655	1,783	1,940	2,053
16-19 further education	1,765	1,855	2,211	2,297	2,802	3,149	3,081
16-18 work-based learning	474	532	565	615	592	604	632
Entry to employment	57	74	206	247	222	191	220
Young people (sub-total)	2,296	3,860	4,507	4,814	5,399	5,884	5,986
19+ further education	1,692	1,695	1,882	1,902	2,011	1,757	1,896
Train to Gain/Employer training pilot	N/A	7	33	89	142	217	461
19+ work-based learning	154	211	213	243	232	218	274
Personal and community development learning	153	194	225	237	229	240	210
Adults (sub total)	1,999	2,107	2,353	2,471	2,614	2,432	2,841
Specialist colleges for learners with learning disabilities and/or difficulties	67	79	105	125	146	168	181
Ufi/Learndirect	97	115	194	169	201	171	176
B. Learner support and development	513	826	853	715	700	784	801
Education maintenance allowance	N/A	N/A	0	21	407	525	577
Learner support and development (sub total)	513	826	853	736	1,107	1,309	1,378
C. Capital	147	235	300	408	377	426	596
D. Administration	292	265	269	244	290	234	219
Total	5,411	7,487	8,581	8,967	10,134	10,624	11,377

Source: LSC Published Accounts (up to 2005/06); LSC Planned Expenditure (from 2006/07).

1. The totals in this table may differ slightly from LSC totals shown elsewhere in this report as they show gross expenditure, excluding all income, and exclude LSC expenditure on non Department for Education and Skills programmes.
2. Education maintenance allowances became part of Departmental Expenditure Limit (DEL) in 2007-08 and have now been shown within DEL figures for the years before 2007-08.
3. Administration includes the costs of fixed assets and provisions for liabilities and charges.

Higher Education Funding

In 2006-07, higher education institutions began to benefit from additional income via variable fees. At the same time, the Government maintained funding per student for teaching (in real terms) and introduced a more generous package of student support. Together with the continued growth of student numbers, these steps mean public funding increased by £700 million in 2006-07 and is planned to increase by a further £725 million in 2007-08.

There are two unit of funding series in Table 8.11. The new series is needed because: a) the introduction of variable fees in 2006-07 means it is no longer appropriate to include fee income in the planned funding numerator; and b) a more accurate count of student numbers is now used for the denominator. By presenting both the old and the new units for 2005-06, the table shows that funding per student is being maintained in

real terms and thus variable fee income will be genuinely additional.

Non-Departmental Public Bodies

Table 8.12 shows the administration costs of all non-departmental bodies from 1997-98 to 2006-07, including those that no longer exist or are now the responsibility of other government departments.

Consultants

Like most government departments, the Department uses consultants to work on specific projects outside the Department's business as usual, such as where the Department does not have the skills internally or where a different, external perspective on difficult issues is needed. In 2006-07, the Department spent £45 million on key areas of work such as the ContactPoint (previously known by the working title IS Index), where specialist IT consultants are helping to

Table 8.10: Funding per Full-Time Equivalent Student in Further Education, 1997-98 to 2007-08

	1997-98 ³ outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 ⁵ outturn	2004-05 provisional outturn	2005-06 ⁹ provisional outturn	2006-07 ⁹ estimated outturn	2007-08 plans
Funding per full-time equivalent student¹											
Funding for participation ^{2,4,7,8} (£)	3,070	3,090	3,290	3,470	3,810	3,940	4,360				
Real terms index ⁶	100	98	102	107	114	115	123				
Funding per full-time equivalent student rebased in 2003-04¹											
Funding for participation (£) ^{2,4,7,8}							4,240	4,320	4,880	4,990	5,150
Real terms index ⁶							100	99	110	110	110

Sources: Learning and Skills Council's (LSC) individualised student/learner records (ISR/ILR) and DfES estimates and projections. Expenditure figures are consistent with LSC accounts and LSC plans. The Further Education Funding Council was previously responsible for the ISR.

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. 1997-98 only, includes assumed additional employer contributions.
4. From 1999/00 onwards, excludes 18,500 FTE Higher National Certificate/Diploma students and associated funding which was transferred to the Higher Education Funding Council for England.
5. A break in the series 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.
6. The real terms funding index has been based with 1997-98 as 100, and rebased in 2003-04 as 100 due to the break in the series, and has been calculated using March 2007 GDP deflators.
7. Unit funding figures for 1997-98 to 2003-04 are based on the actual expenditure by LSC and actual full-time equivalent volumes. Unit funding figures for 2004-05 and 2005-06 are based on actual expenditure and provisional full-time equivalent volumes.
8. Funding for participation includes 16-18 and 19+ Further Education and LSC Specialist Colleges for learners with learning disabilities and/or difficulties. It also includes Teachers Pension Scheme; Teacher Pay Initiative; and some Standards Fund resources, which were consolidated in 2003-04. Funding for participation excludes LSC Ufl/learnirect and Personal Community Development learning/Adult community learning.
9. The funding per FTE figures for 2005-06 and 2006-07 have been adjusted to more accurately reflect the timing of cash demands on colleges across the academic years.

design and develop an electronic tool which will enable practitioners to find out who else is working with a child or young person, making it easier to deliver co-ordinated support; and the Integrated Children’s System where specialist consultants are working closely with IT suppliers and local authorities on the implementation of IT products that fulfil the functional requirements for Phase 1 of ICS, and which will form the electronic case record management system for use by local children’s social care practitioners working with children in need and looked after children. A further £14.2 million was spent on other external expert advisers on education and children’s matters to assist with direct policy implementation and delivery. The Department is playing its full part in a process to improve the use of consultancy across government as a whole, including introducing new arrangements to address recommendations in the recent National Audit Office report on central government’s use of consultants.

Table 8.11: Funding per full-time equivalent student in higher education^{1,2}, 1997-98 to 2007-08

	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 ⁹ outturn	2006-07 estimated outturn	2007-08 plans
Total funding per planned student^{3,4}											
Real terms (£)	5,530	5,540	5,550	5,540	5,560	5,560	5,640	5,640	5,790		
Real terms index ⁵	100	100	100	100	101	101	102	102	105		
Total funding per planned student^{6,7}											
Real terms (£)									4,970	5,050	5,050
Real terms index ⁸									100	102	102

Source: Underlying figures on expenditure and full-time equivalent student numbers are consistent with Grant Letters to the Higher Education Funding Council for England (HEFCE) and the Training and Development Agency for Schools (TDA).

1. There are two series of unit funding to reflect the changes in higher education funding that occurred in 2005-06 when tuition fees for full-time undergraduates ceased to be regulated and to demonstrate that, in addition to fee income, the Department for Education and Skills grant per student for institutions is maintained in real terms.
2. All figures are at 2005-06 prices, using March 2007 Gross Domestic Product (GDP) deflators, 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.
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 and Development Agency for Schools, 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 1997-98 set as 100.
6. Funding covers the same grants as total funding but excludes income from tuition fees. From 2006-07 institutions 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. Real terms index has been based with 2005-06 set as 100.
9. In 2005-06 the difference between the two series is due to two factors (a) excluding tuition fee income which accounts for about £800 (the difference is less than the standard fee as figures are on an FTE basis) and (b) the move to the whole year count method which accounts for the residual.

Table 8.12: Administration costs of non-departmental public bodies, 1997-98 to 2006-07

	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn
Adult Learning Inspectorate ⁵ (ALI)					17.53	23.74	26.63	27.73	26.81	21.83
British Educational Communications and Technology Agency (Becta)	3	1.5	1.5	1.54	6.24	6.83	11.85	15.46	10.56	11.41
Children and Family Court Advisory and Support Service ⁹ (CAFCASS)							96.51	105.3	100.23	102.79
Disability Rights Commission ¹⁰ (DRC)			7.7							
Equal Opportunities Commission ¹¹ (EOC)	5.8	6	7.1	9.6						
Funding Agency for Schools ¹² (FAS)	13	12.5	2.3							
Further Education Funding Council ⁶ (FEFC)	22.6	22.6	25.5	29.1						
Higher Education Funding Council for England (HEFCE)	9.5	9.4	12.4	13	15.74	15.69	17.5	18.3	18.01	17.9
Investors in People (IIP UK)	4.8	6.1	7.2	6.9	6.09	7.49	6.44	3.33	2.5	2.46
Learning and Skills Council ⁸					231.95	223.27	234.29	214.58	227.63	210.19
National College for School Leadership ⁵ (NCSL)					9.73	6.4	11.9	17.67	10.11	11.24
National Council for Vocational Qualifications ¹³ (NCVQ)	6.6									
Office of the Children's Commissioner ¹ (OCC)									1.65	3.02
Office for Fair Access ² (OFFA)								0.41	0.5	0.5
Partnership for Schools ² (PFS)								7.67	9.65	9.98
School Curriculum and Assessment Authority ¹³ (SCAA)	5.5									
Quality Improvement Agency (QIA) ¹⁵										5.25
Qualifications and Curriculum Authority ¹³ (QCA)	12.6	25.7	23.7	27.1	31.94	34.37	38.03	41.14	50.96	53.51
Sector Skills Development Agency ⁷ (SSDA)						3.73	4.69	6.02	6.31	7.36
Student Loans Company ³ (SLC)	18.9	18.2	31.9	35.3	37.35	45.22	52.6	51.02	54.01	66.7
School Food Trust ¹⁴										6.92
Training and Development Agency for schools ⁴ (TDA)	5	4.9	5.9	6.8	8.77	10.44	13.35	14.48	20.66	25.65

1. The Office of the Children's Commissioner was set up in 2005-06.
2. The Office for Fair Access and Partnership for Schools were set up in 2004-05.
3. The Student Loans Company administration figures are for the whole of the UK and include contributions from Scotland and Northern Ireland.
4. The Training and Development Agency for Schools was previously known as the Teacher Training Agency.
5. The Adult Learning Inspectorate (ALI) and National College for School Leadership (NCSL) started in 2001-02. The ALI was abolished and its functions were absorbed into the new Ofsted (Office for Standards in Education, Children's Services and Skills) on 1 April 2007.
6. The Further Education Funding Council was subsumed within the Learning and Skills Council from 1 April 2001 as part of the Learning and Skills Act 2000.
7. The Sector Skills Development Agency started in April 2002.
8. The Learning and Skills Council started in September 2000.
9. Responsibility for The Children and Family Court Advisory Support Service transferred to the Department for Education and Skills from the Department of Constitutional Affairs in June 2003.
10. Under the 2001 Machinery of Government changes, sponsorship for the Disability Rights Commission transferred to the Department for Work and Pensions (DWP).
11. Under the 2001 Machinery of Government changes, sponsorship for the Equal Opportunities Commission transferred to the Department for Work and Pensions (DWP).
12. The Funding Agency for Schools was wound up in 1999-00.
13. The National Council for Vocational Qualifications and School Curriculum and Assessment Authority ceased operations on 30 September 1997 to form the Qualifications and Curriculum Authority.
14. The School Food Trust was set up in 2006-07.
15. The Quality Improvement Agency was set up in 2006-07.

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Chapter 9

Investing to Deliver

Government investment in the places in which children and adults learn is vital in improving the life chances of learners. Capital investment on education and skills in England will rise from £1 billion a year in 1997-98 to £8.3 billion by 2007-08, an eight fold increase. The substantial investment made so far is continuing to 2010-11 and beyond through the 2007 Comprehensive Spending Review settlement. This investment supports the Department's strategic objectives and is helping to achieve 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 seeks to be responsive to local needs and the aspirations of local communities, and in doing so works with a range of partners, including local authorities (LAs) and non-departmental public bodies (NDPBs). Working in partnership enables the Department to respond flexibly to provide investment targeted at local need and designed to deliver the best possible outcomes for learners, and to ensure funding represents good value for money.

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 make sure value for money is achieved.

The *Departmental Investment Strategy* 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.
- Multiple use – where buildings and their facilities will be designed to support different types of provision and service 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 (see *Sure Start, Early Years and Childcare* – Chapter 3)

The Department's capital spending on Sure Start, Extended Schools and Childcare supports the commitment set out in the Ten year strategy for childcare *Choice for parents, the best start for*

children published in December 2004. The action plan *Choice for parents, the best start for children: making it happen* was published in May 2006 setting out how the Department will work with partners to deliver a transformation to services.

LAs are responsible for working with local partners to plan and lead the changes in delivering services to meet the needs of parents and children. The Department provides funding to LAs through the General Sure Start Grant (GSSG) to create new buildings, and to refurbish and extend existing premises to promote choice and to enable integrated services to be provided.

To promote flexibility the Department notified allocations for 2006/07 and 2007/08 in a single capital block for children's centres, extended schools, childcare and early years provision. The early years provision covers investment to support delivery of the extended free offer for three- and four-year-olds. The flexibility of the allocation enables LAs to identify how best to spend to meet local needs.

A total of £813 million was allocated to LAs over 2006/08 in addition to funding that was carried forward from 2005/06 to complete earlier projects.

Sure Start Children's Centres and extended schools are at the heart of the Every Child Matters Change for Children programme, offering integrated support to children and their families.

Children's centre funding is aimed at developing centres targeting children under five in the 30 per cent most disadvantaged areas by 2008. In March 2007 the target of 1,250 children's centres was achieved ensuring that over a million children now have access to a children's centre. By 2008 the children's centre network will grow to 2,500. Funding from the 2007 Comprehensive Spending Review will help deliver the remaining centres to reach 3,500 communities, ensuring that young children and families in every community will have access to a children's centre by 2010.

In 2008, half of all primary schools and a third of all secondary schools in England will be providing access to extended services.

Schools

Record investment is being made in school buildings and infrastructure with support for total capital investment rising from £5.5 billion in 2005-06 to £6.3 billion by 2007-08, and planned to rise by £8.0 billion by 2010-11.

This unprecedented investment is improving the condition, suitability and sufficiency of the nation's schools. The Department seeks to provide a balance of programmes that enable schools, 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 technology. 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 launched in February 2003, will make sure that secondary education in every part of England has facilities of 21st century

standard. The aim of BSF remains firm – to deliver this goal successfully for every secondary pupil in 15 waves from 2005-06, subject to future 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, and in November 2006 the Prime Minister announced that the number of Academies would be increased to 400. By September 2007, more than 80 Academies will be open in over 50 LAs, with at least 100 more under construction or firmly committed. (also see Academies in Chapter 3)

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

- New projects under way or beginning in over a quarter of all LAs by 2007-08.
- An ambition that by 2011, projects will have begun in every LA and that around 60 per cent of all LAs will have major rebuilding projects (at least three secondary schools) under way. All the rest will have resources to tackle their secondary schools in greatest need (at least one school). The first 13 LAs 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 LA.
- In fifteen waves from 2005-06, every school which needs it will be replaced or upgraded as part of the schools capital programmes.

The Department is taking a similarly transformational approach to capital investment for the primary sector. The primary capital programme will support LAs in rebuilding, remodelling or refurbishing at least half of all primary schools over the next 15 years. The aim is to support all LAs in implementing a strategic approach to making sure primary schools are fully equipped for 21st century learning and meet the needs of the communities they serve. The Department is working with 23 regional pathfinders to:

- test systems and processes ahead of the national roll out;
- deliver high-quality exemplar projects in each region; and
- build capacity and share good practice regionally.

Pathfinders will share £150 million of additional capital investment in 2008-09. From 2009-10, subject to the approval of strategic plans, all LAs will benefit from a share of additional primary sector capital investment of at least £500 million.

Targeted capital funding of £150 million has also been earmarked to support the Government's commitment to choice and diversity. These resources may be called upon to provide support for projects such as: new schools by promoters, including parent promoters; fresh start and federations; and incentive funding to expand successful and popular schools. Over £30 million has been joined up with Learning and Skills Council (LSC) capital to provide a fund to support the delivery of the new 14-19 diplomas.

The Government recognises that significant extra 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 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)

Harnessing Technology: Transforming Learning and Children's Services, published in March 2005, sets out the Government's strategy for the development of ICT in children's services, education and skills. In summer 2006, the British Educational Communications and Technology Agency (Becta) was asked to lead the implementation of the strategy and work with the Department for Education and Skills to develop technology informed policy. It published the *Harnessing Technology Delivery Plan* in December 2006.

Harnessing Technology has been divided into four streams of work which are:

- Personalised content – This means designing learning to the needs of the individual learners. Work on the strategy and implementation plan for this area will be completed in 2007.
- Knowledge Architecture – This means developing structures that will enable collaboration and information transfer, across all sectors of education. Work is progressing on the definition of this area and is expected to be available by summer 2007.

- Strategic Technologies – These are the underpinning technologies supporting learning and teaching. Significant progress has been made in this area, with the provision of framework agreements that will enable institutions to purchase best value solutions. Additionally, work on the SuperJanet network has improved access to the Internet for all institutions.
- E-Maturity – This means enabling learners, practitioners and institutions to make better use of existing technology and to develop the demand for improved provision of it in the future. The ICT mark was launched in spring 2006 and by the end of 2006 more than 677 institutions have achieved its standard. A national conference was held in November 2006 to promote awareness of the advantages of ICT and to start a year long drive to increase its effective use.

Becta has been working with partners across all sectors of education to develop a closer working relationship by establishing national strategic and delivery co-ordination groups. In addition, more formal working relationships are being agreed that will enable all partners to participate in the Harnessing Technology strategy.

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 for a fairer society. Lord Leitch's report *Prosperity for all in the global economy – world*

class skills, builds on these reforms and sets a challenge to ensure that the UK has a world-class skills base by 2020. The challenge has been accepted and the Department is now focused on making sure the supply side (the further education system) is able to respond to the challenge.

The Further Education Capital Programme, administered by LSC, is continuing to address the legacy of underinvestment in colleges to make sure the sector can offer world-class training in modern buildings with leading edge equipment. Since 2001, £1.8 billion of grants have been approved by LSC to support 632 building projects in the learning and skills sector. Together with other private and public sector investment this is a total of over £4.5 billion. Capital investment, including information and learning technology, will rise to almost £600 million by 2007-08, with further additions of £100 million in 2008-09 and £250 million in 2009-10 announced in Budget 2005. Through the *Pre-Budget Report 2006*, a further £250 million in 2010-11 has been announced.

Further to the commitment in the White Paper, LSC published its Capital Prospectus in February 2007 which stated how capital investment will support the White Paper's strategic themes. Regional capital strategies will also be developed in 2007, led by LSC, reflecting regional and local plans to improve choice, quality and diversity and drive the approval criteria for individual capital proposals.

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 builds on this and in line with the strategic leadership role of LAs in delivering 14-19 reform, LAs are extending the scope of their BSF visions to cover all settings in which young people aged 14-19 will learn, including further education colleges. As funding flows through the Local

Education Partnership to implement the BSF vision, LSC is directing its capital resources to implement in full the further education component of the vision. This means that for the first time, there is effectively a fully integrated capital strategy which will deliver for 14- to 19-year-olds across schools and in the further education system.

The White Paper also sets out how capital investment in further education, by focusing on employability, can better meet the needs of the 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 programme and the development of specialist networks. (see Centres of Vocational Excellence and National Skills Academies in Chapters 3 and 4)

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 their resources on frontline delivery.

Higher Education

Capital expenditure in higher education supports strategic outcomes in terms of the excellence; relevance and sustainability of UK research; and in terms of raising the quality and cost efficiency of teaching.

There are two main capital programmes through the Higher Education Funding Council for England (HEFCE) which are:

- The Science and Research Investment Fund (SRIF), a joint programme with the Office for Science and Innovation but managed by HEFCE.

- Learning and Teaching Capital, with funding being provided to both higher education institutions and further education colleges.

The Department's *Five Year Strategy for Children and Learners* stated that alternative ways would be developed to achieve higher education level qualifications; promote innovation and knowledge transfer; and maintain our world-class position in research. Capital investment in research directly supports the strategic outcome. SRIF has facilitated an enormous improvement to research infrastructure at the UK level, which in 2006 is in a much better (and improving state) than in 2001.

This improvement can be seen in three main areas:

- institutions now generally have access to enough space of broadly appropriate character (maintenance condition, fitness for purpose, and legislative compliance) to carry out their sustainable programmes of teaching and research;
- many institutions are undertaking condition surveys, producing strategic 10-year capital plans, and working towards managing their physical assets in a sustainable manner (i.e. more efficiently, with consistent investment, and generating a realistic return on assets); and
- a few institutions are close to being able to finance their required future level of investment in their infrastructure on a recurrent basis, and some are actually spending at or close to these required levels.

Budget 2007 confirmed that total investment in the public science base will rise by an annual average rate of 2.5 per cent in real terms over the period 2008-09 to 2010-11, meeting the commitment in the ten year science investment framework.

Over the past two years HEFCE has worked with the Department for Education and Skills, Office for Science and Innovation (OSI) and HM Treasury and

with sector representative bodies to develop a new approach to capital investment, to secure greater assurance from higher education institutions that they are investing sufficient amounts to maintain their physical infrastructure in a fit state for the long-term. This should then avoid a build-up of underinvestment as occurred over the 1980s and 1990s. In exchange for such assurances HEFCE are looking to reduce the burden further on the levels of information required from universities and colleges to release capital allocations. They will work with the sector, Department for Education and Skills and OSI to develop this in time for implementation in 2008.

Public Private Partnerships (PPPs)/Private Finance Initiatives (PFIs)

Public Private Partnerships and Private Finance Initiatives have become well established procurement methods for the construction of new schools and the refurbishment of existing ones. There are currently 105 signed contracts in the schools sector covering 836 schools, with a total value of £4.0 billion. Services have started in 80 projects covering 615 schools and total new build will reach 334 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 LAs in 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 to 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 and £1.1 billion is non-recyclable. Recyclable efficiency gains mean that 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 frontline 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. This chapter sets out progress against the three elements of the Department's Efficiency target.

Spending Review 2004 Efficiency target

Achieve over £4.3 billion in annual efficiency gains by 2007-08, contributing to the Government's overall target of over £20 billion over the 2004 Spending Review period. (Element 1)

Performance

Element 1: £1.6 billion worth of efficiency gains have been achieved by December 2006 and efficiency gains of £2.4 billion have been reported to March 2007.

Where gains have been reported, the Department is ahead of trajectory overall, but lags in reporting systems, resulting from the use of academic years as opposed to financial years, and the unavoidable



time taken to gather data from so many frontline institutions means that a few exceptional first year gains have still to report.

The Department remains confident that the target will be reached. Of the £2.4 billion reported by the end of March 2007, over £0.94 billion is cashable and over £2.23 billion is recyclable in that it is non-financial resource which is being redeployed at the frontline to improve services.

Quality

The majority of efficiency gains stem from programmes within the Department that were developed to improve the quality of provision in children's services, schools, colleges and universities. Quality is therefore expected to improve as efficiencies are realised. A number of quality measures are being tracked to ensure the efficiencies do not lead to reductions in quality. Most of the Department's efficiency measures have quality measures linked to the Department's Public Service Agreement targets. Progress towards these targets shown in this Departmental Report demonstrates how services for children and learners are being improved and also indicates that quality is not being sacrificed for economy.

Progress

The Department continues to achieve against this target by delivering a number of key initiatives which span children's services, schools, further and higher education. The Department's Efficiency Technical Note sets out the multiple strands of

initiatives of which this programme comprises. Since September the following key actions have been carried out:

- Implementation of of Training and Development Agency for Schools action plan to increase schools' use of cover supervisors and other support staff to provide cover for absence and to ensure the transfer of administrative tasks, focusing on those areas which have made least progress so far.
- A recent survey of e-procurement activities in over 120 higher education institutions has identified key actions to be taken forward in this area.
- The *Further Education Capital Strategy* published, and the Efficiency Measurement Model for further education made available to further education institutions.
- The timetable for rolling out the Financial Management Standard for primary, middle and special schools agreed.
- Schools efficiency measurement models have been validated by visits to 30 efficient schools.
- Building Schools for the Future (BSF) National Construction Framework awarded.
- Construction has begun on the BSF programme in 11 local authorities.
- The Green Paper *Care Matters: Transforming the Lives of Children and Young People in Care* published in October 2006. This included proposals for piloting Regional Commissioning Units and sets out policies, for consultation, to ensure earlier and more cost effective interventions and support for families where children are on the edge of care.
- Up to March 2007 the Centre for Procurement Performance visited 36 local authorities supporting them in their procurement and commissioning arrangements.

Over the next six to 12 months, the Department will carry out the following actions to ensure realisation of its efficiency target:

- Establishment of a single inspectorate for further education.
- Continuing implementation by Training and Development Agency for Schools of action plan addressing the issues raised by its support staff survey and by the Office of Manpower Economics Teachers Workload Diary Survey.
- Carry out a pilot with three local authorities looking at relative school efficiencies.
- Further engagement with partners to provide support and challenge on financial management in schools.
- Cost, timeliness, reporting and key performance indicator modules implemented in BSF Benchmarking and Performance Management System – system fully live and user training rolling out.
- Centre for Procurement Performance is to establish Educational Procurement Centre whose aim is to support schools to realise and record efficiency gains at a local level.
- The White Paper, *Care Matters: Transforming the Live of Children and Young People in Care* to be published in May 2007.
- The Centre for Procurement Performance to visit around 30 more local authorities in 2007-08, supporting them with their procurement and commissioning arrangements.

Spending Review 2004 Efficiency target

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. (Element 2)

Performance

Element 2 – At 1 January 2007, there had been a reduction of 1,612¹ (full-time equivalent) posts, made up of 1,232 Departmental and 380 Ofsted posts.

At 1 April 2007, workforce reductions of 1,731 (full-time equivalent) posts, made up of 1,325 Departmental and 406 Ofsted posts have been reported.

Progress towards staffing reductions in the Department for Education and Skills continues and the target of 1,460 staffing reductions is expected to be achieved by the end of March 2008.

In Ofsted, the merger with other inspection functions has led to an increase in staff numbers over recent months to lead and ensure continuity over the merger, but this will lead to reduced number overall by the end of the period. The 500 staffing reductions in Ofsted are also expected to be achieved by the end of March 2008.

Spending Review 2004 Efficiency target

Be on course to relocate around 800 posts from the Department and its partner organisations out of London and the South East. (Element 3)

Performance

Element 3 – As at January 2007, 464 posts had been relocated out of London and the South East.

At March 2007, 559 posts have been reported as being relocated out of London and the South East.

Qualifications and Curriculum Authority and Training and Development Agency for Schools relocation business cases received and Secretary of State has agreed proposals for new locations. Both

organisations are large contributors to the target of 800 posts.

The Department is significantly ahead of schedule and confident of realising the target of 800 posts by March 2010.

1. This figure should have been reported as 1,631 (1,232 DfES and 399 Ofsted). This takes account of an upward adjustment in the baseline for 25 staff on maternity leave to reconcile figures held by DfES with those held by HM Treasury and a revised figure from Ofsted of six less than previously reported.

Annex A – Total Departmental Spending (£ million)

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
Resource Budget							
Resource Departmental Expenditure Limit (DEL)							
Schools, including sixth forms	3,466	5,421	5,846	6,265	7,050	34,340	36,515
<i>of which:</i>							
Dedicated Schools Grant						26,580	28,287
Higher education	5,793	6,092	6,534	6,657	7,111	8,021	8,695
Further education, adult learning and skills and lifelong learning	5,822	6,421	7,411	7,759	8,582	8,899	9,442
Support for children, young people and families	1,298	1,912	2,177	1,960	2,225	2,370	2,654
Activities to support all functions	260	235	266	292	265	294	365
Total Resource budget DEL	16,640	20,080	22,234	22,932	25,233	53,924	57,671
<i>of which:</i>							
Near-cash	15,817	19,282	21,305	22,185	24,258	52,806	56,259
Resource Annually Managed Expenditure Limit (AME)							
Higher education	-145	-123	-205	-272	-352	-	-515
Further education, adult learning and skills and lifelong learning	98	127	125	126	151	166	170
Activities to support all functions	-	-	-	-	-	-	12
Teachers' Pension Scheme ¹	6,843	7,156	6,575	6,344	8,037	8,669	10,517
Total Resource budget AME	6,797	7,160	6,495	6,198	7,836	8,835	10,184
<i>of which:</i>							
Near-cash	1,572	1,559	573	728	901	958	1,208
Total Resource budget^{2,3,7}	23,436	27,239	28,729	29,130	33,068	62,759	67,855
<i>of which:</i>							
Depreciation	25	35	37	35	41	35	47
Capital Departmental Expenditure Limit (DEL)							
Schools, including sixth forms	1,959	2,633	3,294	3,811	4,062	3,734	5,020
Higher education	343	340	421	455	897	688	739
Further education, adult learning and skills and lifelong learning	283	353	337	428	398	436	603
Support for children, young people and families	45	63	141	231	337	377	613
Activities to support all Functions	15	16	14	10	10	14	19
Total Capital budget DEL	2,644	3,404	4,207	4,936	5,705	5,250	6,995
Capital Annually Managed Expenditure Limit (AME)							
Higher education ⁸	1,763	1,863	1,906	1,880	2,065	3,022	3,704
Further education, adult learning and skills and lifelong learning	3	5	4	3	2	3	4
Total Capital budget AME	1,766	1,869	1,910	1,883	2,067	3,025	3,708
Total Capital budget^{4,5,6}	4,410	5,273	6,117	6,819	7,772	8,274	10,703
Total Departmental spending*							
Schools, including sixth forms	5,424	8,052	9,138	10,073	11,109	38,071	41,527
Higher education	7,753	8,170	8,655	8,716	9,720	11,728	12,627
Further education, adult learning and skills and lifelong learning	6,192	6,886	7,855	8,301	9,108	9,488	10,189
Support for children, young people and families	1,343	1,973	2,315	2,189	2,560	2,744	3,265
Activities to support all Functions	266	241	272	292	265	299	384
Teachers' Pension Scheme	6,843	7,156	6,575	6,344	8,037	8,669	10,517
Total Departmental spending⁹	27,822	32,478	34,809	35,914	40,799	70,999	78,510
<i>of which:</i>							
Total DEL	19,261	23,452	26,407	27,828	30,899	59,141	64,633
Total AME	8,561	9,025	8,402	8,086	9,900	11,857	13,877

Annex A – Total Departmental Spending (£ million) (continued)

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
* Total departmental spending is the sum of resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL, less depreciation in DEL, and total AME is the sum of the resource budget AME and capital budget AME, less depreciation in AME							
Spending by local authorities on functions relevant to the Department							
Current spending		25,874	27,401	30,544	32,321	34,458	–
<i>of which:</i>							
Financed by grants from budgets above		3,435	5,535	5,772	5,734	6,998	–
Capital spending¹⁰		1,916	2,054	2,559	2,877	3,275	–
<i>of which:</i>							
Financed by grants from budgets above		1,917	2,463	3,231	3,729	4,059	–

1. Figures include changes due to the recording of pension scheme accounts, estimates and budgets under FRS17.
2. Includes expenditure by non-departmental public bodies, which is financed by voted grants.
3. Includes non-cash items i.e. capital charges, depreciation and provisions.
4. Including ring-fenced Capital Modernisation Fund.
5. Figures include reclassification changes of capital investment from resource DEL to capital DEL.
6. Includes capital expenditure by non-departmental public bodies, which is financed by voted grants, and local authority credit approvals.
7. Includes expenditure on the New Deal for Schools previously recorded in the Welfare to Work/Employment Opportunities fund DEL.
8. Following HM Treasury reclassification into capital AME in 2006-07, figures include cash provision for issuing student loans net of anticipated receipts from repayments of student loans (principal).
9. Total central government spending on education includes DfES 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.
10. 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 DEL and AME (£ million)

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
Resource DEL							
Schools, including sixth forms ¹	3,466	5,421	5,846	6,265	7,050	34,340	36,515
Higher education	5,793	6,092	6,534	6,657	7,111	8,021	8,695
Further education, adult learning and skills and lifelong learning ^{4,5,6}	5,822	6,421	7,411	7,759	8,582	8,899	9,442
Support for children, young people and families <i>of which:</i>	1,298	1,912	2,177	1,960	2,225	2,370	2,654
Sure Start	446	648	604	728	929	1,083	1,305
Activities to support all Functions	260	235	266	292	265	294	365
Total Resource budget DEL	16,640	20,080	22,234	22,932	25,233	53,924	57,671
<i>of which:</i>							
Near-cash	15,817	19,282	21,305	22,185	24,258	52,806	56,259
<i>of which:</i>							
Pay	374	420	464	493	490	551	375
Procurement	242	344	363	223	355	534	659
Current grants and subsidies to the private sector and abroad	11,803	13,014	14,725	15,876	16,558	17,686	18,888
Current grants to LAs	3,435	5,535	5,772	5,734	6,929	33,766	36,028
Depreciation	23	32	34	41	38	32	33
Resource AME							
Higher education	-145	-123	-205	-272	-352	0	-515
<i>of which:</i>							
Student loans ^{2,3}	-145	-123	-205	-272	-352	0	-515
Further education, adult learning and skills and lifelong learning	98	127	125	126	151	166	170
Activities to support all functions	-	-	-	-	-	-	12
Teachers' Pension Scheme ⁷	6,843	7,156	6,575	6,344	8,037	8,669	10,517
Total Resource budget AME	6,797	7,160	6,495	6,198	7,836	8,835	10,184
<i>of which:</i>							
Near-cash	1,572	1,559	573	728	901	958	1,208
<i>of which:</i>							
Pay	30	36	40	43	49	52	
Procurement	65	85	83	-92	-18	-18	-27
Current grants and subsidies to the private sector and abroad				182	120	131	137
Current grants to LAs							
Depreciation	2	3	3	-6	3	2	14
Total Resource Budget^{8,9,10,11,12}	23,426	27,329	28,729	29,130	33,068	62,759	67,855

- Includes the Learning and Skills Council support for LAs and sixth forms.
- Represents the cost of administering student loans, including the student loans RAB charge (and from 2006-07 the student fee loans RAB charge), and administration costs of the Student Loans Company. 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 £252 million 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 fell as a result of the change in the discount rate from 3.5 per cent to 2.2 per cent.
- This covers all 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.
- Figures for 2001-02 include funding for sixth form access fund.
- Education maintenance allowances have been reclassified from Resource AME to Resource DEL for all years.
- Figures include changes due to the recording of pension scheme accounts, estimates and budgets under FRS17.
- 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 DEL and AME (£ million)

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
Capital DEL							
Schools, including sixth forms ¹	1,959	2,633	3,294	3,811	4,062	3,734	5,020
Higher education	343	340	421	455	897	688	739
Further education, adult learning and skills and lifelong learning ³	283	353	337	428	398	436	603
Support for children, young people and families <i>of which:</i>	45	63	141	231	337	377	613
Sure Start	21	32	116	193	310	301	531
Activities to support all functions	15	16	14	10	10	14	18
Total Capital budget DEL	2,644	3,404	4,207	4,936	5,705	5,250	6,994
<i>of which:</i>							
Capital expenditure on fixed assets net of sales*	84	44	33	36	17	23	18
Capital support to LAs	1,917	2,463	3,231	3,729	4,060	3,695	5,476
Capital AME							
Higher education	1,763	1,863	1,906	1,880	2,065	3,022	3,704
<i>of which:</i>							
Student loans ²	1,763	1,863	1,906	1,880	2,065	3,022	3,704
Further education, adult learning and skills and lifelong learning	3	5	4	3	2	3	4
Total Capital budget AME	1,766	1,869	1,910	1,883	2,067	3,025	3,708
Total Capital budget^{4,5,6}	4,410	5,273	6,117	6,819	7,772	8,274	10,702
<i>of which:</i>							
Capital expenditure on fixed assets net of sales**	88	49	37	39	18	26	22
less depreciation*	24	33	34	31	37	35	47
Net capital expenditure on tangible fixed assets	64	16	3	8	-19	-9	-26

** Expenditure by the Department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

* Included in Resource Budget.

1. Includes expenditure on the New Deal for Schools previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
2. From 2006-07, includes cash provision for issuing student loans net of anticipated receipts from repayment of student loans (principal), following HMT Treasury reclassification into Resource AME.
3. This line covers all LSC capital budgets, including all LSC capital funding for further education.
4. Includes, capital expenditure by non-departmental public bodies financed by voted grants, and local authority credit approvals.
5. Includes figures in both DEL and AME.
6. Includes ring-fenced Capital Modernisation Fund and Invest to Save budget allocations.

Annex D – Capital Employed (£ million)

£000	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn estimated	2006-07 outturn	2007-08 plans
Assets on balance sheet at end of year:											
Fixed assets											
<i>of which:</i>											
Intangible Assets ¹	-	-	-	-	388	1,704	1,417	1,955	2,344	13,499	20,000
Tangible assets	19,971	60,956	61,249	53,944	72,622	82,007	80,493	84,871	93,319	97,217	95,000
<i>of which:</i>											
Land and buildings	6,872	45,155	43,036	35,110	53,304	58,901	53,305	56,917	66,194	69,280	68,000
Investments	1,980,738	2,040,137	3,295,108	5,037,924	6,864,360	8,727,212	10,905,122	13,001,406	15,494,238	17,121,815	21,687,070
Debtors falling due after more than one year	-	-	-	-	-	-	-	2,465	582	111	90
Current assets	772,410	751,862	978,700	520,214	752,620	897,953	851,493	948,762	821,360	1,014,865	862,941
Creditors – less than one year	(740,888)	(636,025)	(863,888)	(374,580)	(658,567)	(614,930)	(439,663)	(623,287)	(533,850)	(404,603)	(560,876)
Provisions	(1,190,546)	(1,524,989)	(2,015,937)	(2,547,609)	(3,118,020)	(3,797,623)	(3,510,429)	(3,712,624)	(3,563,950)	(3,557,249)	(4,519,197)
Capital employed within main department	841,685	691,941	1,455,232	2,689,263	3,913,403	5,296,323	7,888,433	9,703,548	12,314,043	14,285,655	17,585,028
NDPB net assets ²	125,233	142,938	158,742	118,340	(150,113)	(69,006)	(62,435)	97,717	(359,586)	(234,545)	(249,251)
Public corporation net assets	-	-	-	972	1,526	4,940	8,541	8,933	7,803	8,000	8,000
Total capital employed in departmental group	966,918	834,879	1,613,974	2,808,575	3,764,816	5,232,257	7,834,539	9,810,198	11,962,260	13,806,093	17,343,777

1. From 2006-07 Teachers' TV programmes are capitalised as a new type of intangible asset.

2. The NDPB net assets relate to the NDPBs that were part of the departmental group in that year, for example, CAF/CASS net assets are only included in the table from 2003-04, the year it transferred to DFES under the machinery of government changes.

Annex E – Administration Costs (£ million)

	1997-98 outturn ⁴	1998-99 outturn ⁴	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 estimated outturn	2007-08 plans
Administration expenditure¹											
Paybill	145	122	118	138	141	149	165	168	149	146	
Other	110	95	109	101	98	81	82	93	93	100	
Total administration expenditure¹	255	217	227	239	239	230	247	261	242	246	240
Administration income	-16	-6	-6	-7	-5	-6	-9	-3	-2	-2	-2
Total administration budget	239	211	221	232	234	224	238	258	240	244	238
<i>of which:</i>											
DfES Departmental expenditure limit (DEL)	239	211	221	232	234	224	238	258	240	244	238
Analysis by request for resource²											
Early years and Childcare ^{2,3}	0	#	1	2	4	5	12	0	0	0	0
Support for children, young people and families ²	0	0	0	0	2	5	5	0	0	0	0
Activities to support all Functions	239	211	220	230	228	214	221	258	240	244	238
Total administration budget¹	239	211	221	232	234	224	238	258	240	244	238

1. Administration costs within the administration costs control regime.

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

3. # indicates figures below £500,000.

4. 1997-98 and 1998-99 figures are taken from the latest available Departmental Reports for those years and have not been adjusted for subsequent Machinery of Government changes.

Annex F – Staff Numbers^{1,4}

	1997-98 actual	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 actual	April 2006 ^{2,3}	April 2007 ^{2,3}	April 2008 ^{2,3}
Department for Education and Skills											
Civil Service full-time equivalents	4,537	4,563	4,751	5,092	4,810	4,300	4,500	4,226	3,608	3,271	
Overtime	71	74	77	79	70	50	40	30			
Casuals	194	312	263	226	200	110	90	63	27	10	
Total	4,802	4,949	5,091	5,397	5,080	4,460	4,630	4,319	3,635	3,281	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 of 4,620) as the result of the Departmental Reform programme. The April 2007 figure is a reduction of 1,339 against the October 2003 baseline. Consequently the Department is on target to achieve its efficiency headcount reductions.
3. The October 2003 baseline and 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 and from April 2007 the transfer in of posts related to the work of the former Commission for Social Care Inspection.
4. These figures exclude the Employment Service which was part of the Department before Machinery of Government changes in 2000-01.

Annex G – Identifiable Expenditure on Services by Country and Region¹ (£ million)

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 plans	2007-08 plans
North East	899	970	1,050	1,106	1,194	1,222	1,282
North West	2,189	2,291	2,389	2,574	2,817	2,973	3,188
Yorkshire and the Humber	1,605	1,712	1,792	1,951	2,123	2,234	2,352
East Midlands	1,253	1,342	1,382	1,549	1,673	1,752	1,883
West Midlands	1,650	1,756	1,829	1,956	2,167	2,257	2,429
Eastern	1,275	1,427	1,535	1,585	1,818	1,999	2,138
London	2,722	3,038	3,336	3,598	3,907	4,200	4,383
South East	2,221	2,439	2,483	2,697	3,019	3,274	3,522
South West	1,399	1,503	1,525	1,669	1,856	1,969	2,131
Total England	15,213	16,477	17,320	18,686	20,574	21,879	23,308
Scotland	17	19	13	14	16	19	20
Wales	139	142	71	86	105	122	135
Northern Ireland	3	4	4	3	3	3	3
Total UK identifiable expenditure	15,373	16,642	17,408	18,788	20,697	22,024	23,467
Outside UK	47	45	26	31	42	46	62
Total identifiable expenditure	15,420	16,686	17,434	18,820	20,739	22,070	23,528
Non-identifiable expenditure	0	0	0	0	0	131	48
Total expenditure on service	15,420	16,686	17,434	18,820	20,739	22,201	23,576

- 1 (i) Annexes G, H and I show analyses of the department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of *Public Expenditure Statistical Analyses (PESA) 2007*. The figures were taken from the HM Treasury public spending database in December 2006 and the regional distributions were completed in January and February 2007. Therefore the tables may not show the latest position and are not consistent with other tables in this Departmental Report.
- (ii) The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government and public corporation elements of TES. They include current and capital spending by the Department and its non-departmental public bodies, and public corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities own expenditure.
- (iii) TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of *PESA 2007*.
- (iv) 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.
- (v) 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 department's area of responsibility, usually England, compare. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis.

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

	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 outturn	2005-06 outturn	2006-07 plans	2007-08 plans
North East	354	382	414	435	467	479	502
North West	323	338	351	377	411	433	463
Yorkshire and the Humber	322	343	358	387	419	438	458
East Midlands	299	318	325	362	388	404	432
West Midlands	312	331	344	367	404	420	451
Eastern	236	263	281	289	328	359	382
London	372	412	452	484	520	553	573
South East	277	303	307	333	370	399	427
South West	283	303	305	331	366	385	414
Total England	308	332	347	373	408	431	457
Scotland	3	4	3	3	3	4	4
Wales	48	49	24	29	35	41	45
Northern Ireland	2	3	3	2	2	2	2
Total UK identifiable expenditure	260	281	292	314	344	364	386

- 1 (i) Annexes G, H and I show analyses of the department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of *Public Expenditure Statistical Analyses (PESA) 2007*. The figures were taken from the HM Treasury public spending database in December 2006 and the regional distributions were completed in January and February 2007. Therefore the tables may not show the latest position and are not consistent with other tables in this Departmental Report.
- (ii) The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government and public corporation elements of TES. They include current and capital spending by the Department and its non-departmental public bodies, and public corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities own expenditure.
- (iii) TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of *PESA 2007*.
- (iv) 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.
- (v) 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 department's area of responsibility, usually England, compare. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis.

Annex I – Identifiable Expenditure on Services by Function, Country and Region¹ for 2005-06 (£ million)

Department for Education & Skills	North East	North West	Yorkshire and the Humber	East Midlands	West Midlands	Eastern London	South East	South West	England	Scotland	Wales	Northern Ireland	UK identifiable expenditure	Outside UK	Total identifiable expenditure	Non-identifiable	Total
Public order and safety																	
Administration of justice	7	17	13	7	11	8	16	13	102	0	0	0	102	0	102	0	102
Total Public order and safety	7	17	13	7	11	8	16	13	102	0	0	0	102	0	102	0	102
Employment policies																	
Employment policies	1	2	2	1	2	2	2	3	17	0	0	0	17	10	27	0	27
Total Employment policies	1	2	2	1	2	2	2	3	17	0	0	0	17	10	27	0	27
Health																	
Central and other health services	0	1	1	1	1	1	1	1	8	0	0	0	8	0	8	0	8
Total Health	0	1	1	1	1	1	1	1	8	0	0	0	8	0	8	0	8
Education and training																	
Further education	478	1,140	805	653	941	733	1,330	1,131	7,967	0	0	0	7,967	0	7,967	0	7,967
Higher education	369	819	691	516	560	484	1,511	1,069	6,547	0	0	0	6,547	0	6,547	0	6,547
Other education and training	57	143	106	90	108	104	127	151	985	0	5	0	991	1	992	0	992
Primary schools	3	7	5	3	5	3	7	4	40	0	0	0	40	0	40	0	40
Secondary schools	42	73	68	60	89	45	246	73	748	0	0	0	748	0	748	0	748
Student support	93	268	178	147	201	163	365	258	1,849	0	0	0	1,849	0	1,849	0	1,849
Training	14	36	35	25	29	83	44	35	328	9	17	2	355	0	355	0	355
Under-fives	41	82	58	37	55	36	87	52	486	0	0	0	486	0	486	0	486
Total Education and training	1,098	2,568	1,944	1,531	1,987	1,652	3,717	2,773	18,950	9	22	2	18,982	4	18,987	0	18,987
Social protection																	
Family benefits, Income Support and Tax Credit	1	1	1	1	1	1	2	2	10	0	0	0	10	0	10	0	10
Personal social services	30	77	52	40	55	48	85	70	499	0	0	0	499	0	499	0	499
Public sector occupational pensions	58	150	110	91	110	105	84	158	988	8	83	1	1,079	28	1,107	0	1,107
Total Social protection	88	228	163	132	166	155	171	229	1,497	8	83	1	1,588	28	1,616	0	1,616
Total Department for Education and Skills	1,194	2,817	2,123	1,673	2,167	1,818	3,907	3,019	20,574	16	105	3	20,697	42	20,739	0	20,739

1 (i) Annexes G, H and I show analyses of the department's spending by country and region, and by function. The data presented in these tables are consistent with the country and regional analyses (CRA) published by HM Treasury in Chapter 9 of *Public Expenditure Statistical Analyses (PESA) 2007*. The figures were taken from the HM Treasury public spending database in December 2006 and the regional distributions were completed in January and February 2007. Therefore the tables may not show the latest position and are not consistent with other tables in this Departmental Report.

(ii) The analyses are set within the overall framework of Total Expenditure on Services (TES). TES broadly represents the current and capital expenditure of the public sector, with some differences from the national accounts measure Total Managed Expenditure. The tables show the central government and public corporation elements of TES. They include current and capital spending by the Department and its non-departmental public bodies, and public corporations' capital expenditure, but do not include capital finance to public corporations. They do not include payments to local authorities or local authorities own expenditure.

(iii) TES is a near-cash measure of public spending. The tables do not include depreciation, cost of capital charges, or movements in provisions that are in departmental budgets. They do include pay, procurement, capital expenditure, and grants and subsidies to individuals and private sector enterprises. Further information on TES can be found in Appendix E of *PESA 2007*.

(iv) 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.

(v) 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 department's area of responsibility, usually England, compare. So the analyses show the regional outcome of spending decisions that on the whole have not been made primarily on a regional basis.

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

In the period 1 December 2005 to 1 December 2006, five Treasury Minutes were published replying to PAC reports 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 and the 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

Improving school attendance in England

- NAO report published: 4 February 2005 – HC 212 Session 2004-05
- PAC hearing: 28 February 2005
- PAC 18th report published: 16 January 2006 – HC 789 Session 2004-05
- Treasury Minute published: 22 March 2006 – Cm 6766

Parents are responsible under the *Education Act 1996* for ensuring that their children of compulsory school age receive a full-time education. The Department for Education and Skills, local authorities and schools share responsibility for managing and improving school attendance in England.

Whenever a pupil does not attend school, their parent or carer must provide an explanation to the school which then decides whether to authorise the absence. Most absence is authorised, occurring for understandable reasons such as illness. Unauthorised absence is often known as truancy, but it also includes instances such as term-time holidays that are not authorised by the head teacher. Unauthorised absence is the form of absence with which government, education workers and schools have been most concerned.

The PAC report listed 10 key practices to help schools manage attendance more effectively:

- Head teacher to give attendance management a high priority
- Clear policy on attendance communicated to parents, pupils and teachers
- Electronic registration at each lesson
- Early contact with parents of absent pupils
- Regular analysis of attendance data
- Schemes to reward attendance
- Provision of alternative curricula
- Learning from the practices in other schools
- Effective working with education welfare services
- Threat of legal sanctions

Main Points in PAC Report

Progress reported
in Treasury MinuteAction since publication
of Treasury Minute

- 1 and 2. Schools and local authorities should apply the 10 key practices to improve attendance. The Department and Ofsted should assist head teachers to build and sustain a strong ethos that values the regular attendance of all pupils

The Department and Ofsted agree that having a strong attendance ethos is very important. Through its regional field-force the Department has put greater challenge and support in place. Advice to schools incorporating the 10 practices has been circulated to local authorities, schools and governors. In its inspections Ofsted identifies curricular organisation and teaching strategies that motivate pupils to want to attend. It will specifically be carrying out a survey on attendance in summer 2006 and the results will be published in Ofsted Direct.

Ofsted published guidance on inspecting attendance in May 2006 which is available on its website and sets the standard expected of schools and local authorities. This standard includes: re-configuring the curriculum to re-engage pupils; strong ethos and systems; building relationships with parents; and using the key practices. The Department's field force of advisers promotes the 10 key practices as part of the support and challenge they provide schools and local authorities. Data analysis was used to identify those schools in greatest need for that intervention.

- 3 and 4. Building a good relationship with parents and adopting a more vocationally based curriculum can motivated those pupils who are at risk of disaffection

The February 2005 White Paper *14-19 Education and Skills* introduced new opportunities for young people to participate in practical and applied learning within a different more adult environment. Specialised Diplomas in 14 broad sector areas will be introduced from September 2008. Employers, through Sector Skills Councils will lead in their design. DfES is encouraging schools and other providers to make the most of the flexibilities they already have to make alternative provision for pupils at risk of disengagement.

Every Parent Matters, launched by the Secretary of State on 15 March 2007, set out for the first time in one place what the Department is doing to promote the development of services for parents as well as parents' involvement in shaping services for themselves and their children. In paragraph 4.11, it commits the Department to be clearer about what good engagement between home and school can look like. It also sets out ways that schools are addressing this, such as offering web-based updates to parents on their child's attainment, progress, homework, behaviour or attendance, and providing guidance on how parents can use this information to best support their child. The importance of engaging parents is also highlighted in the recent 2020 Vision report.

The 14-19 Reform Programme is on track, and we will introduce the new Diplomas from September 2008 with the full entitlement available in 2013. Employers are leading their design through the Sector Skills Councils.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>■ 5. With the increased information on absences becoming available DfES should review the differences in the way that absence is classified</p>	<p>Although there is some discretion about the classification of authorised and unauthorised absence in schools, the combined total is a fairly robust measure of overall pupil absence, and the national PSA target is framed in these terms. The termly data collection system starting in September 2006 will enable prompt identification of schools and local authorities needing additional expert assistance.</p>	<p>The introduction of termly attendance data collections included a universal set of codes to record the reasons for absence and what educational activity the pupils are undertaking. The School Census system imposes the correct statistical classification of each type of activity and absence.</p>
<p>■ 6. DfES should point out to schools the advantages of adopting electronic registration systems</p>	<p>Electronic registration can permit 'lesson-by-lesson' monitoring of attendance and the pilot scheme is being evaluated and the conclusions will be sent to schools. Ultimately it is for schools to decide the solution which fits its need.</p>	<p>The evaluation of the £11.25 million capital modernisation fund project to provide 538 schools with electronic registration systems was published in February 2006. We estimate that over 90% of schools have electronic registration systems.</p>
<p>■ 7. DfES should give more guidance on the reintegration of pupils returning after a long period of absence</p>	<p>There is already guidance on the DfES websites on this subject.</p>	<p>Our effective practice guidance on school attendance includes pupils' reintegration after absence. We have published guidance on responsibility for educating pupils out of school and re-integrating them into school. Guidance on re-integration was included in the Exclusions guidance published in September 2006. The <i>Education and Inspections Act 2006</i> introduces a requirement from September 2007 for all schools to offer reintegration interviews to parents after all fixed period exclusions in primary schools and of more than 5 days in secondary schools.</p>
<p>■ 8. The Department should give clearer guidance on authorising term-time holidays</p>	<p>Too many pupils are absent from school due to holidays in term-time. Guidance on allowing up to 10 days authorised absence for family holidays was circulated in September 2003. Ultimately the decision is a matter for the school but DfES expects that schools should grant term-time holidays sparingly.</p>	<p>New guidance <i>Keeping Pupil Registers</i> was published in September 2006 when the 2006 Pupil Registration Regulations came into force. This guidance sets out the issues that schools should take into account when considering any application for leave of absence and the law in relation to authorising term-time holidays.</p>

Skills for life: improving adult literacy and numeracy

- NAO report published: 15 December 2004 – HC 20 Session 2004-05
- PAC hearing: 6 April 2005
- PAC 21st report published: 23 January 2006 – HC 792 Session 2005-06
- Treasury Minute published: 22 March 2006 – Cm 6766
- Contribution expected shortly

Extending access to learning through technology: Ufi and learndirect

- NAO report published: 4 November 2005 – HC 460 Session 2005-06
- PAC hearing: 21 November 2005
- PAC 28th report published: 7 March 2006 – HC 706 Session 2005-06
- Treasury Minute published: 26 April 2006 – Cm 6775

Seven million adults in the UK have no formal qualifications and in 2003 an estimated 26 million people of working age did not meet one or both standards of literacy and numeracy considered necessary for school leavers in today’s economy.

Many adults with low levels of skills who failed to learn at school are reluctant to engage with formal learning, for example at further education colleges. Ufi was created in 1998 to develop people’s skills and work with employers to increase employees’ capabilities. It has grown from an idea to an organisation providing 500,000 learners a year with the opportunity to improve their skills at either one of the 2,400 learndirect centres, or at work, or from their home computer.

Main Points in PAC Report

Progress reported in Treasury Minute

Action since publication of Treasury Minute

- **1 and 2. Around 60% of learners enrolling in 2004-05 were low skilled learners (pre level 2 qualified) Ufi should support low skilled people to take up and achieve level 2 qualifications**

Ufi was set up originally to widen participation and get people back into learning.
 Since 2004 Ufi has been qualification-led and has targets to increase the proportion of learners who achieve a level 2 qualification.

In August 2006, Ufi re-tendered its network of learning providers selecting those providers most successful at engaging with low-skilled learners. Work is continuing to collect and disseminate best practice through a Network Development Good Practice guide which is published on the Providers Portal and is available to all learning providers in the network. Future steps involve consideration of publishing successful case studies externally.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>■ 3. Ufi should develop a strategy to increase its work with employers</p>	<p>Ufi is developing a strategy with the aim of generating £44 million revenue from employers by 2011.</p>	<p>A strategic plan has been developed and presented to the Ufi Board to generate significant commercial income by 2011. Ufi is continuing to develop its e-learning offer to employers to meet the aims of the strategic plan.</p>
<p>■ 4. Some 40% of employers provide no skills training for their employees. Skills brokers should work with learndirect providers to make e-learning more appealing to employers.</p>	<p>The new Train to Gain skill brokers will work closely with Ufi and learndirect providers to ensure that employers (especially small and medium sized enterprises – SMEs) are aware of the wide range of opportunities available through e-learning.</p>	<p>Ufi was successful in securing contracts in five of the nine Learning and Skills Council's (LSC's) regions under the first Train to Gain tendering exercise. Marketing materials have been produced and a project has been agreed with the LSC to ensure that brokers are briefed on the features and benefits of learning on-line.</p>
<p>■ 5. There is potential for online learning in rural areas</p>	<p>In the re-tendering exercise for the period to August 2008 Ufi expects to make greater use of mobile units, remote tutoring and partnership delivery to ensure that learndirect can continue to be accessed by those in rural areas. Learning could be delivered in children's centres, extended schools and other community facilities.</p>	<p>The re-tendering exercise prioritised the need to ensure rural provision within the network and this was contracted for with the providers selected. Subsequently, UFI Charitable Trust has supported the network by issuing ten grants to support work in rural areas of England and Wales. Progress from these grants will be reviewed in April 2007.</p>
<p>■ 6. Ufi should publish a business plan showing how it will increase its commercial income to £40 million a year</p>	<p>Ufi's dependence on Government funding will fall as it increasingly generates income but it will continue to need public subsidy. Ufi will publish its Strategic Plan 2006-2011 following Board approval.</p>	<p>A strategic plan including the objective to generate commercial income for the period to 2011 has been endorsed by the Ufi Board and published on www.ufi.com</p>
<p>■ 7. Ufi should spend less on administration, by for example reducing the number of organisational tiers</p>	<p>Since 2004 Ufi has reduced its overheads. Its budget for management and marketing has been reduced to £44 million in 2005-06. One tier of the delivery chain would be removed in July 2006 which will further reduce the central costs.</p>	<p>In July 2006 Ufi reduced the tiers in its delivery chain with the move to contracting directly with the learning providers. This resulted in further savings in administration in excess of £10m, reducing management and marketing to £34m per annum.</p>

Main Points in PAC Report

Progress reported in Treasury Minute

Action since publication of Treasury Minute

■ 8. If hard to reach learners are using the National Advice line less than expected, Ufi should ensure that there is a alternative satisfactory source of information for those learners such as the website

Since the launch of the on-line advice service in 2000 there has been a fall in calls to the telephone helpline and an increase in web sessions. Ufi is planning to refresh the **learndirect** advice website in summer 2006 to make it more engaging for those without a level 2 qualification, and to improve links for those wanting personalised support from the helpline.

With the relaunch of the **learndirect** website in summer 2006, the adult learning section of the DirectGov site (which Ufi manages) has become the main mechanism for communicating with all adults. The **learndirect** website is aimed for those without a level 2 qualification.

In agreement with the LSC, it has been determined that the decline in calls to the Advice service is due to changes in behaviour, with increasing numbers of people now seeking information via websites. Accordingly, we have agreed revised contractual targets which include engagement by both telephone and the use of the website. In 2005/06 including telephone and web Ufi delivered over 10m advice sessions. In addition, Ufi has begun a website refresh which is due to be released in summer 2007.

■ 9. Ufi contractors should keep accurate, relevant records of learner achievement so that it can be ascertained whether learners are meeting their objectives

Ufi will be clarifying the difference between the individual completing the course and the individual achieving their own outcome.

Ufi has made the collection of 'achievement' as part of the mandatory pieces of information collected in the 2006/07 operating year.

The definition of 'achievement' and 'success' as been agreed with the Adult Learning Inspectorate, and the Ufi Performance Managers manage and track centre performance accordingly.

■ 10. Ufi should invite users to review its products and help to adapt its business beyond core areas and into areas such as training for offenders

Ufi has been managing a pioneering initiative which aims to introduce **learndirect** to offenders in custody and in the community but expansion depends on funds being available.

Ufi has proactively sought to demonstrate the benefits of e-learning in the wider context, for example by piloting activities in Prisons. Furthermore, Ufi is about to initiate work with the British Educational Communications and Technology Agency (Becta) to see if there is a link to schools. Greater clarity on the extent to Ufi's work in this area is to be defined in a revised remit letter with the Department.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<ul style="list-style-type: none"> 11. To counter fraud occurring in learnirect centres, Ufi should publicise the results of the current investigation together with a thorough assessment of lessons learnt 	<p>Ufi will publish the results of the current investigation. Ufi introduced a new enhanced methodology for learnirect centres which uses a risk scoring system for the funding audit. This system will improve safeguards against inappropriate use of public funding.</p>	<p>A lessons learnt paper on the results of the investigations has been shared with the LSC and for wider dissemination has been made available on www.ufi.com</p>

Employers' perspectives on improving skills for employment

- NAO report published: 14 December 2005 – HC 461 Session 2005-06
- PAC hearing: 25 January 2006
- PAC 45th report published: 25 May 2006 – HC 862 Session 2005-06
- Treasury Minute published: 24 July 2006 – Cm 6900

The National Employer Skills Survey, undertaken by the Learning and Skills Council, identified skills gaps in England costing an estimated £10 billion a year in lost revenue. Skills training is required both to fill skills gaps and to keep up with the standards in skills that our international competitors achieve. Some 16% of employers in England report skills gaps and 4% report skill shortage vacancies.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<ul style="list-style-type: none"> 1. Sector Skills Councils (SSCs), working with employers in Sector Skills Agreements, should act to provide more good quality training in key areas of skill shortage such as communication, customer handling, and technical and practical skills 	<p>The Department sees Sector Skills Agreements (SSAs) as an opportunity for employers' to shape training provision and progression routes which are relevant to industry needs. Each SSA is specific to the needs of its own sector. Four SSAs have been agreed and a further 21 SSAs are in development.</p>	<p>All Sector Skills Councils (SSCs) are expected to complete a Sector Skills Agreement by March 2008. Currently nine Sector Skills Agreements have been published, and a further six will have been produced during spring 2007.</p>
<ul style="list-style-type: none"> 2. More than a third of employers have not trained their staff in the last year 	<p>Through the new Train to Gain service, Skills Brokers will identify and source training which will best suit the business needs of individual employer.</p>	<p>Train to Gain brokers provide an impartial skills diagnostic service to employers. In 2006/07 brokers are targeted to engage 33,000 employers in skills development activity and were on target to achieve this at the end of February 2007. 68% of employers engaged at the end of February 2007 are from the 'Hard to Reach' target group which have not engaged in substantial training of their workforce in the past year.</p>

Main Points in PAC Report

Progress reported
in Treasury MinuteAction since publication
of Treasury Minute

<p>■ 3. Learning and Skills Councils (LSCs) should encourage colleges to co-operate with other colleges and training providers to bring together the specialist skills required to meet employers' needs</p>	<p>The Department will build on and strengthen the Centres of Vocational Excellence (CoVEs) programme.</p>	<p>The new standard for employer responsiveness builds on the CoVE programme. SSCs are developing the criteria for the CoVE reassessment, ensuring that CoVEs will be linked into SSC networks, and aligned with employer needs. The new standard is due to begin roll out in May 2007.</p>
<p>■ 4. Schools should work with further education (FE) colleges to make learning more attractive to hard to engage teenagers, for example by combining vocational and life skills with literacy and numeracy qualifications</p>	<p>The Department aims to develop an education system where all young people have opportunities to learn in ways that motivate and stretch them. The Key Stage 4 Engagement Programme and the introduction of specialised Diplomas, are both examples of policies designed to keep young people engaged in learning, through a work-focused programme which also develops the basic skills of literacy and numeracy.</p>	<p>SSCs have worked closely with employers and the FE sector to develop the Diplomas, and make them a strong route of mixed theoretical and practical learning for young people of all abilities. Development is on track and the first five will be available from September 2008.</p>
<p>■ 5. Local LSCs should secure training for people with learning difficulties and disabilities in their area by identifying good quality providers. The viability of courses can be sustained by sharing costs and pooling resources</p>	<p>The Department has confirmed the priority it places on the provision for people with learning difficulties and disabilities in the 2006-07 Grant Letter to LSC and reflected in the LSC's Annual statement of Priorities.</p>	<p>The LSC's Annual Statement of Priorities published in October 2006 describes the high priority the LSC gives to this duty and its plans to ensure providers maintain their level of support for learners with these needs. LSC has also published a strategy <i>Learning for living and work</i> that will improve the quality of provision in FE and specialist independent colleges. Investment in specialist independent colleges rose by 14% in 2006/07 and will grow by another 15% in 2007/08.</p>
<p>■ 6. LSC should co-ordinate the efforts of public sector organisations so that employers are clearer about where they can get advice</p>	<p>The skills brokerage service which is a core part of Train to Gain will from April 2006 through its website provide employers with a seamless service for their training business development needs. The LSC's Employers Guide to Training is being enhanced to be more user-friendly. The LSC is developing a Quality Mark for training provision which will be launched in February 2007.</p>	<p>The Train to Gain website, launched in April 2006, does provide clear advice for employers and direct contacts for the brokerage service in their area. Working with regional partners such as Regional Development Agencies, LSC regions are promoting Train to Gain directly to priority sectors including the public sector.</p>

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>■ 7. Part of the success of Skill Brokers will be expected to report the extent that they have secured participation by employers who have previously not provided much training for their employees</p>	<p>The LSC will regularly be evaluating employer satisfaction with the Train to Gain Skill Brokers. Brokers will be assessed on their ability to work with hard to reach employers.</p>	<p>The Train to Gain programme has a target to ensure at least 51% of employers engaged are 'Hard to Reach'. To the end of February 2007, 68% of employers engaged are 'Hard to Reach' and the vast majority are small and medium sized enterprises (SMEs).</p>
<p>■ 8. Public funds should not be provided for courses that employers would otherwise have paid for</p>	<p>Government funds are already targeted on learning which is additional and Skills Brokers, as their first priority, will be engaging with small, hard to reach employers. The Train to Gain programme has been designed for Skills for Life and First Full Level 2 qualifications.</p>	<p>Government funding is focused on areas of market failure e.g. Level 2 qualifications.</p>
<p>■ 9. To prevent IT failures, risk management strategies should be employed when rolling out the National Skill Broker Service</p>	<p>The entire Train to Gain implementation programme has a robust risk management process which was further strengthened in the Gateway review process.</p>	<p>The Office of Government Commerce review of Train to Gain in spring 2006 awarded it amber status indicating the programme was fit to be implemented. Subsequent implementation has been achieved very successfully with all aspects of the service and supporting IT systems implemented on time.</p>

Securing strategic leadership for the learning and skills sector in England

- NAO report published: 18 May 2005 – HC 29 Session 2005-06
- PAC hearing: 24 October 2005
- PAC 25th report published: 16 February 2006 – HC 602 Session 2005-06
- Treasury Minute published: 26 April 2006 – Cm 6775

The learning and skills sector is central to delivering the Government's objectives of combating social exclusion and improving the skills of the workforce as a means of driving up economic performance. Of the learning and Skill Council's £8.8 billion budget in 2003-04 more than half (4.8 billion) went to the 397 further education colleges.

The commitment to restructure the Learning and Skills Council was set out in the March 2006 White Paper *Further education: Raising Skills, Improving Life Chances* and this is being taken forward in the Further Education and Training Bill.

Main Points in PAC Report

Progress reported in Treasury Minute

Action since publication of Treasury Minute

<p>■ 1 and 2. With some 400 colleges, 47 local Learning and Skills Councils (LSCs), 9 Regional Development Agencies and 25 Sector Skills Councils the sector is too complex. There is scope to rationalise responsibilities and simplify structures</p>	<p>As part of Agenda for Change the LSC is reducing staff numbers by 1,100 and streamlining the activities its delivers by strengthening its regional presence.</p>	<p>The Further Education and Training Bill presently before Parliament would replace the 47 local learning and skills councils by regional councils and establish a body for Greater London under the authority of the Greater London Authority and chaired by the Mayor of London.</p>
<p>■ 3. There are too many bodies involved in audit and inspection and there is scope for rationalisation</p>	<p>Although alternatives have been considered, as autonomous bodies the selection and appointment of auditors is an important function for the colleges and should remain with them.</p>	<p>The Education and Inspections Act 2006 provided for Ofsted’s remit to be expanded to include, amongst others, the remit of the Adult Learning Inspectorate (the ALI). The enlarged Ofsted (Office for Standards in Education, Children’s Services and Skills) became operational on 1 April 2007.</p>
<p>■ 4. Self inspections works well in some colleges but in 2003-04 some 29% of colleges were unsatisfactory. Peer assessment and the development of a self assessment tool would help to address weaknesses</p>	<p>As part of agenda for change peer-referencing pilot projects were operated in 2006 which reviewed the robustness of judgements in self-assessment reports, disseminated good practice in quality assessment and developed quality benchmarks.</p>	<p>The Quality Improvement Agency (QIA) commissioned IES to evaluate the pilots. The report will be available shortly and will be disseminated. QIA will launch a programme in August 2007 to help colleges to improve self-assessment, to work in peer groups and in time implement the Framework for Excellence. This will support the move towards self-regulation.</p> <p>QIA has also commissioned a ‘toolkit’ to provide practical advice on peer referencing.</p>
<p>■ 5. 35 further education colleges are underperforming. Funding for these colleges could be reduced or a merger with a well managed college encouraged</p>	<p>At April 2006, the situation had improved and just 9 colleges (2% of the total number) were judged to be inadequate performing at an unsatisfactory level.</p>	<p>We expect that the Further Education and Training Bill presently before Parliament will support an LSC intervention strategy to tackle inadequate and underperforming provision. This will enable the LSC to intervene more quickly and robustly to address problems of mismanagement and poor provision.</p>

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>■ 6. LSC should produce customised communications for governors describing its policies and development so that governors are kept up-to-date</p>	<p>A new area on the LSC website for college governors was launched in November 2005.</p>	<p>The first phase of the Governance Good Practice website was launched on 10 March 2007. The guide has been developed by the sector and currently provides information, advice and case studies for the sector on FE developments, roles and responsibilities and self assessment. The guide will develop over time to cover the key issues facing the sector.</p>
<p>■ 7. Colleges' 3 year plans need to set out how courses for vulnerable and socially excluded people are being developed</p>	<p>The report Through Inclusion to Excellence published in November 2005 reviewed the provision for learners with learning difficulties and disabilities and its recommendations are being considered.</p>	<p>The Department for Education and Skills, Department of Health and Department for Work and Pensions are working closely together to develop a joint strategy focussing on helping adults with learning difficulties and/or disabilities achieve the education they want and need to be able to live fulfilling lives in their local communities and enter the world of work.</p> <p>The Strategy, to be launched in summer 2007, will set out a shared vision of how the three Departments and their delivery agents can work more closely to ensure that provision is personalised, challenging, and leads to clear progression. A holistic approach is adopted to enacting change and a number of commitments are made across the three Departments, focusing on personalised learning, curriculum and funding issues.</p>

Main Points in PAC Report

Progress reported in Treasury Minute

Action since publication of Treasury Minute

■ **8. Colleges should consult more with local businesses to identify their training needs**

A system of accreditation of Colleges will be developed and excellence in working with local employers will be a key criterion.

The new standard for employer responsiveness will enable employers to identify high quality providers that will be consistently able to meet their needs and provide high quality vocational provision. The new standard entered its testing phase in November 2006 and is due to begin roll out in 2007, subject to agreement.

The consultation document *Framework for Excellence: A Comprehensive Performance Assessment Framework for the Further Education System* was published in July 2006 with responsiveness to employers being one of the seven key performance indicators. The Responses to the consultation were published in December 2006 and further details of the development of the Framework were published in March. Once the Framework is fully operational this will identify the quality of available provision, helping to inform employer and learner choice. The next stage in development of the Framework is intensive piloting in 2007/08

■ **9. As employers and learners contribute more to the cost of their training, colleges will need to be more financially astute and develop good business plans.**

Recognising the shift in the balance of responsibilities DfES published *Fee Income – Good Practice Guidance*

The LSC has commissioned research into the impact of college fee policies on recruitment to LSC funded provision. The research, explored college fee policies, fee levels and fee concessions. The research also explored full cost recovery work and the extent to which this has been increasing in recent years. The research is due to be published in May 2007.

Skills for life: improving adult literacy and numeracy

- NAO report published: 15 December 2004 – HC 20 Session 2004-05
- PAC hearing: 6 April 2005
- PAC 21st report published: 23 January 2006 – HC 792 Session 2005-06
- Treasury Minute published: 22 March 2006 – Cm 6766

Twenty-six million people of working age have levels of literacy or numeracy below those expected of school leavers.

Poor skills mean that millions of adults in England, along with their families, are disadvantaged. Adults with poor literacy and numeracy skills earn an average of £50,000 less over their working lives, are more likely to have health problems and, in a world where there is so much emphasis on information and communication, to feel isolated from wider society. Insufficient funding and poor quality provision meant that for many years, adults had limited opportunities to improve their skills and take opportunities in the knowledge based economy.

With the launch of the Skills for Life Strategy in 2001, however, we began to build the solid foundations to increase the numbers of adults accessing good quality provision and achieving their first literacy or numeracy qualification. Many people have gone further and undertaken further study achieving two or more qualifications. We have raised awareness of the important of improving skills for individuals who want to improve their life chances and those of their families. We have also now succeeded in encouraging employers to support their employees in improving their basic skills and are for the first time have evidence from companies such as SERCO, DHL and First Bus about the bottom line business benefits from improving employees' basic skills.

This work has been underpinned by significant progress on the quality of learning and on teacher qualifications. The recommendation to ensure a fully qualified teaching workforce by 2010 has been adopted and we are well underway in working with partners such as Lifelong Learning UK and the Quality Improvement Agency to achieve this.

Among the priority learners for Skills for Life are those people for whom poor skills is a barrier to any kind of employment and we are working closely with the Department for Work and Pensions and Jobcentre Plus on a new Basic Skills and Employability programme to help people improve their skills and give them a better chance of entering sustainable employment. Progress is also being made in the field of Offender Learning to improve the quality of learning and to ensure that there is an improved service for learners transferring between the support of different institutions.

The Government's response to Lord Leitch's report will be published in summer 2007. The Leitch report raises the game on skills and if accepted, will set a threshold for the number of adults with functional literacy and numeracy skills of 95%. This is a significant increase in ambition and will require not just more of the same, but more of what works most effectively to enable people to become engaged, achieve and progress through the system and into employment. Embedded learning, use of technology, flexible delivery and – even more critically – qualified teachers and support staff will be key to achievement of this new ambition.

Main Points in PAC Report

Progress reported in Treasury Minute

Action since publication of Treasury Minute

■ **1. 2.4 million people have participated in learning and the first milestone of 750,000 adults achieving qualifications in literacy or numeracy by July 2004 was achieved**

The Department agrees that good progress has been made towards the PSA target of improving the basic skills of 2.25 million adults by 2010.

The Department and the Learning and Skills Council (LSC) have continued to make steady progress on engaging learners and supporting them in improving their skills. This was evidenced by achievement of the 2007 second interim target of improving the basic skills of 1.5 million adults. The Department and LSC will work more closely with the voluntary and community sector.

The LSC is actively engaged in addressing this issue through the Home Office action plan for supporting voluntary and community sector organisations. Since the launch of the Strategy in 2001, 4.7 million adults have taken up 10.5 million Skills for Life learning opportunities with 1,619,000 learners achieving their first Skills for Life qualification in literacy, language or numeracy.

Targets to enable 95% of all adults to achieve a threshold level of functional literacy and numeracy were set out in Lord Leitch’s review and if accepted formally by the Department, will extend the ambition of the strategy.

Main Points in PAC Report

Progress reported
in Treasury MinuteAction since publication
of Treasury Minute

- 2. If progress is to be maintained and affordable, the Department should develop unit cost data and use it to establish reliable estimates of future resource needs

The Department will work with LSC to improve our knowledge of unit costs. We will use this information, along with other evidence, in the spending review negotiations.

The Department has worked closely with the LSC, particularly in the contexts of the Comprehensive Spending Review and the Leitch report to improve understanding of unit costs.

We can extract from LSC data the average cost of improving skills by one level in each of literacy/numeracy/English for Speaker of Other Languages (ESOL) and we also have figures for costs at Entry level and Level 1/2. This knowledge has been supported by evidence from partners, including research evidence from the National Research and Development Centre for adult literacy and numeracy (NRDC). However, unit costings need to be better understood for applied contexts for the next phase of the strategy – eg unit cost (and savings) for embedded provision, unit cost of progression to threshold (rather than next qualification). Work is continuing on this issue.

- 3. Achieving the milestones of 1,500,000 adults achieving qualifications in literacy or numeracy by 2007 and 2,250,000 adults by 2010 will become increasingly difficult but DfES should guard against the standards being diluted to achieve the targets

The Department will work with agencies such as Jobcentre Plus (JCP) to target adults with low literacy, language and numeracy skills and will continue to work with the Qualifications and Curriculum Authority (QCA) to ensure the rigour of the qualification is maintained.

To engage the harder to reach we are doing the following:

- New Basic skills and employability programme for JCP clients – now in pilot phase.
- Work with National Institute of Adults Continuing Education (NIACE) to reach disadvantaged adults through the voluntary and community sector.
- Work with Her Majesty's Prison Service and the National Probation Service to support offenders
- The Training and Development Agency for Schools (TDA) 'whole organisational approach' with schools now in place.

Main Points in PAC Report



Progress reported in Treasury Minute

Action since publication of Treasury Minute

- Family Learning programmes (Family Literacy, Language and Numeracy – FLLN) within schools, nurseries, children’s centres and extended schools has now reached the position where 70,000 parents/carers per academic year are participating in FLLN programmes and, of those, a target of 25% on intensive courses are set to achieve a national qualification annually. In a number of local authority areas the success rates are 87%. We have also commissioned further work to improve data analysis and to look at the feasibility of a national success rate for FLLN.
- We have commissioned work through the Experience Corps to report on best practice in engaging and delivering learning to faith communities.

To ensure standards:

- The Skills for Life Strategy Unit (SfLSU) commissioned Tribal to produce a major paper on benchmarking Skills for Life against other UK countries and selected other countries. The research shows that England's Skills for Life strategy is well ahead of the activities in other Countries and that from an international perspective, the UK as a whole has a good record.
- Continued development of the bank of National tests has been included in the Qualifications and Curriculum Authority (QCA) Remit Letter and contractual arrangements between the National Assessment Agency (NAA), EDEXCEL and Awarding Bodies have been put in place to ensure availability of National Tests until at least 2010.

Main Points in PAC Report

Progress reported
in Treasury MinuteAction since publication
of Treasury Minute

- 4. A skilled teaching workforce is the key to improving the quality of learning. The LSC should set a date by which all providers it funds use only qualified teachers

The Department intends that all teachers should be qualified by 2010. In 2006, and in 2009, Lifelong Learning UK (LLUK) will assess the number of non-qualified staff to demonstrate progress.

A survey of the Skills for Life workforce in 2006, has been completed by LLUK. The workforce survey indicates the size of the Skills for Life workforce as 20,782 (headcount), or 10,421 FTE (Full time equivalents).

We have now agreed a definition of the term 'fully qualified' and what this means for Skills for Life teachers. Fully qualified relates to those teachers, tutors and trainers with both a generic teaching qualification and a Skills for life specialist subject qualification, at level 4, introduced in 2002 (literacy and numeracy, 2003 for ESOL).

A similar survey will be undertaken in 2009 to monitor progress in achieving a fully qualified workforce. The Department and LSC will work more closely with the voluntary and community sector to achieve this objective.

The LSC is actively engaged in addressing this issue through the Home Office action plan for supporting voluntary and community sector organisations. The QIA are taking forward a substantial programme of work to evaluate and further improve the teaching and learning infrastructure which includes:

- new assessment tools to support teachers and learners in a variety of settings including Jobcentre plus, offender learning, family learning, work based learning and community settings;
- a review of the core curricula for literacy and numeracy;
- support for personalised learning and delivery of Skills for Life;
- developing new models of delivery e.g. embedded Sfl; and
- looking at innovative teaching and learning arrangements.

The LSC will continue to use teaching qualifications as one of the indicators of provider minimum levels of performance, working towards the headline improvement target.

Main Points in PAC Report

Progress reported in Treasury Minute

Action since publication of Treasury Minute

■ **5. A large proportion of the strategy are taken up by recent school leavers who might have been expected to have gained the qualifications at school**

The strategy is intended for individuals over 16 who have left compulsory education. In 2004-05, 32% of achievements were gained by learners aged 16-18 and we expect this to proportion to reduce as more emphasis is given to attaining basic skills in schools.

The proportion of target bearing qualifications achieved by adult learners aged 19+ has increased from 61% in 2003/04 to 68% in 2005/06. This indicates that we are beginning to make progress among adult learners. We will continue to focus our promotional and engagement efforts on potential learners aged 19+.

Recent consultations on changes to the National Curriculum have proposed a change in focus which will give extra chances for pupils falling behind in English and maths to catch up.

In the 2006 School Performance and Attainment tables the five good grades at GCSE must now include English and maths. The planned introduction of functional skills in GCSEs from 2009 (English and ICT) and Maths (2010) is aimed at further improving the basic skills of school-leavers.

■ **6. 80% of courses are provided by Further Education (FE) colleges. But voluntary or community groups may be better placed to help 'hard to reach' learners and a diversity of suppliers should be encouraged**

The LSC is actively engaged in developing ways to work more closely with the voluntary and community sector. In fact a high proportion of activity by FE colleges is undertaken on behalf of voluntary and community sector, particularly in 'outreach' work.

The Department and LSC will work more closely with the voluntary and community sector. One significant example of progress in this area is in the Family Literacy, Language and Numeracy (FLLN) programme where a wider mix of providers are delivering learning in non-traditional adult learning settings.

The LSC is actively engaged in addressing 'hard to reach' learners through the Home Office action plan for supporting voluntary and community sector organisations.

■ **7. Training providers who can work flexibly with employers in low-skilled sectors should be encouraged**

The engagement of small and medium sized employers is a particular priority in the 'Train to Gain' programme. Work with larger employers, government departments and the Armed Forces is well established and will continue.

We have had some success in establishing with the LSC new models of delivery to employers eg SERCO who are now supported by the National Employer Service at LSC.

However, we need to make more progress. Our work with Sector Skills Councils such as Assetskills will help to build models of good practice.

Main Points in PAC Report

Progress reported
in Treasury MinuteAction since publication
of Treasury Minute

- 8. The Learning and Skills Council and Jobcentre Plus should work together to ensure that those starting work are able to continue with learning by providing courses at the employers premises during the lunch hour or at the end of the day

The reforms in the February 2005 White Paper *Skills: Getting on in Business, Getting on at Work*, envisage greater local joint working between the LSC and JCP to ensure that those starting work are able to continue Skills for Life training.

Closer links have already been established between the Department, DWP and JCP and in responding to the National Employment Panel's recommendation that Basic skills provision for JCP customers should be purchased by the LSC.

A new £23 million Basis Skills and Employability programme is being trialled at the moment and will roll out from August 2007. As part of the programme, consideration is being given to employment outcomes and how learners can be supported in continuing learning in their new jobs for example through referrals into posts where Train to Gain is an option.

The Leitch report has recommended closer working as a fundamental strand of work in the future under the new Integrated Employment and Skills Board and we expect to make further progress in this context.

Main Points in PAC Report

Progress reported in Treasury Minute

Action since publication of Treasury Minute

■ **9. People whose first language is not English should be encouraged to learn so that they can participate in work and in society**

ESOL accounts for 29% of all Skills for Life enrolments. LSC will continue to work with the QIA to ensure that provision improves and that good practice is disseminated.

Changes to arrangements for support for ESOL to be introduced from August 2007 are aimed at refocusing of public funding on those learners who most need English to enter into any kind of employment at all and to enable those people in settled communities at risk of isolation to gain the language skills they need to support themselves and their families in UK society.

These changes will help to limit the impact of increased demand for ESOL on other priority adult learning areas, including literacy and numeracy. However the changes are part of a package of measures that are aimed at increasing the amount of ESOL delivered overall. New ESOL for Work qualifications, based on ESOL standards, will be introduced from September 2007.

Public funding will be boosted with additional fees from individuals who can afford to pay and employers who meet their staffing needs by recruiting from overseas. In addition, DWP is taking steps to actively encourage those who view poor English skills as a barrier to employment to take up learning opportunities and improve skills.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>■ 10. There are problems of continuity of learning when prisoners move between prisons or are discharged into the community. Contracts let by the LSC with training providers should address this gap in provision</p>	<p>The Offender Learning and Skills Service (OLASS) will be fully rolled out by August 2006. <i>The Offenders Learning Journey</i> sets out the importance of continuing learning after transfers. The new Framework for Achievement will introduce unitised, accredited learning which will enable better quality and integrated learning to be introduced. Trials will begin in August 2006.</p>	<p>OLASS, already implemented in three development regions since 1 August 2005, was rolled out across the remaining six English regions on 31 July 2006.</p> <p>Action research assessing the impact of the service in the three development regions one year on from its implementation in relation to continuity of learning found that nearly 60% of respondents regarded the integration of services for offenders (across custody, community and mainstream) to have improved since the start of OLASS.</p> <p>Greater integration was associated with the development of relationships, links and partnerships (which facilitated continuity of provision after release) and improvements in monitoring.</p> <p>One of the first trials of the Qualifications and Credit Framework in 2006/07 is with offender learners in London region. The trial, called Skillstrain, builds on the previous offender learning prototype to offer credit-based provision to offender learners. The aim is to involve 500 offender learners by July 2008 and certificates have been awarded to the first learners.</p> <p>A learner management system, Maytas, has been implemented in the three development regions and email systems are in place in other English regions to transfer learner records between prison, community and mainstream settings. The LSC will introduce a new Offender Learning Database during 2007, rolling it out progressively over the lifetime of the initial OLASS contracts.</p>

ANNEX K – House of Commons Education and Skills Select Committee, Reports Select Committee Reports

During 2006-07, 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 www.publications.parliament.uk/pa/cm/cmeduski.htm

Listed below are the reports and the subsequent government responses published by TSO since April 2006.

Title	Published	Price	ISBN
■ Fourth Special Report. <i>Public Expenditure on Education and Skills: Government Response to the Committee's Second Report of Session 2005-06 HC 1132 Session 2005-06</i>	25 May 2006	£4.50	0-215-02901-1
■ Third Report. <i>Special Educational Needs Volume I Report HC 478-I Session 2005-06</i>	5 July 2006	£17.50	0-215-02961-5
■ Third Report. <i>Special Educational Needs Volume II Report HC 478-II Session 2005-06</i>	5 July 2006	£32.00	0-215-02964-X
■ Third Report. <i>Special Educational Needs Volume III Report HC 478-III Session 2005-06</i>	5 July 2006	£21.50	0-215-02963-1
■ Fourth Report. <i>Further Education HC 649 Session 2005-06</i>	12 September 2006	£22.50	0-215-03060-5
■ <i>The Government's Response to the Education and Skills Committee's Third Report of Session 2005-06 Special Educational Needs Cm 6940</i>	11 October 2006	£12.50	0-101-69402-4
■ Fifth Report. <i>Public Expenditure HC 1201 Session 2005-06</i>	26 October 2006	£15.50	0-215-03089-3
■ Fifth Special Report. <i>Further Education: Government Response to the Committee's Fourth Report of Session 2005-06 HC 1712 Session 2005-06</i>	9 November 2006	£6.00	0-215-03135-0
■ First Special Report. <i>Public Expenditure: Government Response to the Committee's Fifth Report of Session 2005-06 HC211 Session 2006-07</i>	16 January 2007	£4.50	978-0-215-03196-9
■ First Report. <i>The Work of the Committee in 2005-06 HC 294 Session 2006-07</i>	8 February 2007	£4.50	978-0-215-03247-8
■ Second Report. <i>Citizenship Education HC 147 Session 2006-07</i>	8 March 2007	£29.00	978-0-215-03278-2
■ Third Report. <i>Bullying HC 85 Session 2006-07</i>	27 March 2007	£24.50	978-0-215-03328-4
■ Fourth Report. <i>The Bologna Process HC 205 Session 2006-07</i>	30 April 2007	£22.00	978-0-215-03372-8

Annex L – Non-Departmental Public Bodies

Name		Contact
<p>■ Adult Learning Inspectorate (ALI)¹</p>	<p>Working with employers and training providers across the public and private sector, ALI are a key part of the government's drive to increase skills and productivity and help adults and young people reach their full potential.</p>	<p>Spring Place Coventry Business Park Herald Avenue Coventry CV5 6UB Tel: 024 7671 6600 www.ali.gov.uk</p>
<p>■ British Educational Communications and Technology Agency (Becta)</p>	<p>Becta leads the national drive to improve learning through technology. Becta does this by working with industry to ensure they have the right technology for education in place. Becta also works to support the education workforce to make the best use of technology to improve learning.</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>CAFCASS looks after the interests of children involved in family proceedings. It works with children and their families, and then advises the courts on what it considers to be in the children's best interests. CAFCASS only works in the family courts.</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>CITB-ConstructionSkills is helping to provide the fully trained and skilled workforce that the UK construction industry needs if it is to thrive now and in the future.</p>	<p>Bircham Newton Kings Lynn Norfolk PE31 6RH Phone: 01485 577577 www.citb-constructionskills.co.uk</p>
<p>■ Engineering Construction Industry Training Board (ECITB)</p>	<p>The ECITB provides training opportunities and grants for training to new entrants and experienced people across a wide range of disciplines.</p>	<p>Blue Court Church Lane Kings Langley Hertfordshire WD4 8JP Tel: 01923 260000 www.ecitb.org.uk</p>
<p>■ Higher Education Funding Council for England (HEFCE)</p>	<p>Working in partnership, the HEFCE promotes and funds high-quality, cost-effective teaching and research, meeting the diverse needs of students, the economy and society.</p>	<p>Bristol Office Northavon House Coldharbour Lane Bristol BS16 1QD Tel: 0117 931 7317 London Office 28th Floor Centre Point 103 New Oxford Street London WC1A 1DD Tel: 020 7420 2200 www.hefce.ac.uk</p>

1. ALI was abolished and its functions were absorbed into the new Ofsted (Office for Standards in Education, Children's Services and Skills) on 1 April 2007.

Name		Contact
■ Investors in People (UK)	IIP (UK) was formed in 1993 to take national ownership of the Standard, protect its integrity and ensure its successful promotion and development.	7-10 Chandos Street London W1G 9DQ Tel: 020 7467 1900 www.investorsinpeople.co.uk
■ Learning and Skills Council (LSC)	The LSC is responsible for planning and funding high quality education and training for everyone in England other than those in universities.	National Office Cheylesmore House Quinton Road Coventry CV1 2WT Tel: 0845 019 4170 www.lsc.gov.uk
■ National College for School Leadership (NCSL)	The NCSL works to make a difference to children's lives through excellent school leadership – growing and supporting current and future school leaders so that they can have a positive impact within and beyond their schools.	Triumph Road Nottingham NG8 1DH Tel: 0870 001 1155 www.ncsl.org.uk
■ Office of the Children's Commissioner	The Office of the Children's Commissioner is an independent organisation that was set up by parliament as part of the <i>Children Act 2004</i> . It looks after the interests and act as the voice of children and young people.	1 London Bridge London SE1 9BG Tel: 0844 8009113. www.childrenscommissioner.org/
■ Office for Fair Access (OFFA)	OFFA 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.	Northavon House Coldharbour Lane Bristol BS16 1QD Tel: 0117 931 7171 www.offa.org.uk/
■ Partnership for Schools (Pfs)	Partnership for Schools (Pfs) works with local authorities and the private sector to rebuild or renew every one of England's 3,500 state secondary schools during the 15-year lifetime of the £45 billion programme.	Fifth Floor 8-10 Great George Street London SW1P 3AE Tel: 020 7273 0001 www.p4s.org.uk/
■ Qualifications and Curriculum Authority (QCA)	The QCA is committed to building a world-class education and training framework by regulating, developing and modernising the curriculum, assessments, examinations and qualifications.	83 Piccadilly London W1J 8QA Tel: 020 7509 5555 www.qca.org.uk
■ Quality Improvement Agency for Life Long Learning	The Quality Improvement Agency (QIA) was established as an executive NDPB on 1 April 2006. Its core mission is to help colleges and other post-16 education and training providers to improve responsiveness to government priorities on skills and 14-19 education and training. QIA is leading the implementation of the three-year National Improvement Strategy, to support the further education system in its drive for excellence.	Friars House Manor House Drive Coventry CV1 2TE Tel: 0870 1620 632 www.qia.org.uk

Name		Contact
■ School Food Trust (SFT)	The SFT was established in September 2005. Its remit is to transform school food and food skills, promote the education and health of children and young people and improve the quality of food in schools.	N904 Moorfoot Sheffield S1 4PQ Tel: 0844 800 9048 www.schoolfoodtrust.org.uk
■ Sector Skills Development Agency (SSDA)	The SSDA is responsible for funding, supporting and monitoring the network of Sector Skills Councils (SSCs).	3 Callflex Business Park Golden Smithies Lane Wath-upon-Deerne South Yorkshire S63 7ER 01709 765444 http://www.ssda.org.uk/
■ Student Loans Company (SLC)	The SLC administers student financial support to eligible students in higher education in the United Kingdom.	100 Bothwell Street, Glasgow G2 7JD Tel: 0141 306 2000 www.slc.co.uk
■ Training and Development Agency for Schools	The Training and Development Agency for Schools works with schools to develop the workforce and ensure that schools can recruit good-quality, well-trained people. Supporting schools to provide extended services for parents, children and young people.	151 Buckingham Palace Road London SW1W 9SZ Tel: 020 7023 8001 http://www.tda.gov.uk/

Annex M – Public Appointments¹ to Non-Departmental Public Bodies from 1 January 2006 to 31 December 2006

Name	Post	Remuneration	Term	M/F
Adult Learning Inspectorate				
Richard Handover*	Chair	£9,444	2 years	M
British Educational Communications and Technology Agency				
Andrew Pinder	Chair	£30,000	3 years	M
John Roberts*	Board Member	Nil	2 years	M
Anthony Lilley	Board Member	Nil	2 years	M
Graham Badman	Board Member	Nil	2 years	M
Children and Family Court Advisory and Support Service				
Erica De'Ath*	Board Member	£275.70 (per day)	3 years	F
Mark Eldridge*	Board Member	£275.70 (per day)	3 years	M
Professor Jane Tunstall*	Board Member	£275.70 (per day)	3 years	F
Construction Industry Training Board				
Peter Rogerson*	Deputy Chair	£20,667	2 years	M
Geoffrey Lister*	Board Member	Nil	5 years	M
Iain Miller	Board Member	Nil	5 years	M
Geoffrey Holt	Board Member	Nil	5 years	M
Martyn Price	Board Member	Nil	5 years	M
Harold Rackham	Board Member	Nil	5 years	M
Engineering Construction Industry Training Board				
David Billington	Board Member	Nil	5 years	M
Mike Beaumont*	Board Member	Nil	3 years	M
Neil Davis*	Board Member	Nil	3 years	M
Stephen Scrimshaw	Board Member	Nil	To end of post	M
Higher Education Funding Council for England				
Professor Paul Wellings	Board Member	£5,000	3 years	M
Professor Diane Willcocks	Board Member	£5,000	3 years	F
Alastair Balls	Board Member	£5,000	3 years	M
Ann Tate*	Board Member	£5,000	3 years	F
Professor Peter Rubin*	Board Member	£5,000	3 years	M
Independent Advisory Group on Teenage Pregnancy				
Gill Frances	Chair	£15,000	3 years	F
Rhoda Thomas	Board Member	£114 per day	2 years	F
Rhiannon Holder	Board Member	£114 per day	3 years	F
Dr Roger Ingham	Board Member	£114 per day	3 years	M
Hansa Patel-Kanwai	Board Member	£114 per day	3 years	F
Investors in People UK				
Philip Williamson	Chair	Nil	3 years	M
Jennifer Ibison	Board Member	Nil	3 years	F
Peter Ayliffe*	Board Member	Nil	3 years	M
Robert Fryer*	Board Member	Nil	3 years	M
Learning and Skills Council				
Giles Clarke*	Board Member	£4,000	1 year	M
Shirley Cramer*	Board Member	£4,000	1 year	F

Name	Post	Remuneration	Term	M/F
Learning and Skills Council –				
Local Council Chairs				
David Melville	Local Chair, Kent/Medway	£5,000	4 years	M
John Bull*	Local Chair, Hertfordshire	£5,000	2 years	M
Rachel Mann	Local Chair, North Yorkshire	£5,000	4 years	F
Richard Dimbleby	Local Chair, Bournemouth, Dorset and Poole	£5,000	1 year	M
Mike Moran	Local Chair, Hereford and Worcester	£5,000	1 year	M
Robert Hartley	Local Chair	£5,000	6 months	M
Terry Scriven*	Local Chair	£5,000	4 years	M
Brian Kemp*	Local Chair (Gloucestershire)	£5,000	1 year	M
Clive Leach*	Local Chair	£5,000	1 year	M
Tony Preston*	Local Chair	£5,000	1 year	M
Yvonne Thompson*	Local Chair	£5,000	1 year	F
Peter Lyne*	Local Chair	£5,000	2 years	M
National College for School Leadership				
Dianne Nightingale*	Board Member	Nil	3 years	F
Linda Neal*	Board Member	Nil	6 months	F
Matthew Britt*	Board Member	Nil	8 months	M
Himanshu Raja	Board Member	Nil	8 months	M
Jill Pullen	Board Member	Nil	3 years	F
Joan McVittie	Board Member	Nil	3 years	F
Pamela Jervis	Board Member	Nil	3 years	F
Diana Ross	Board Member	Nil	2 years	F
Helen Baker	Board Member	Nil	3 years	F
Andrew Seber	Board Member	Nil	3 years	M
Martin Callaghan	Board Member	Nil	3 years	M
Qualifications and Curriculum Authority				
Mike Beasley*	Board Member	Nil	3 years	M
Ian Ferguson*	Board Member	Nil	2 years	M
Richard Greenhalgh*	Board Member	Nil	3 years	M
Sue Kirkham*	Board Member	Nil	3 years	F
Jim Rose*	Board Member	Nil	2 years	M
David Watson*	Board Member	Nil	1 year	M
Ioan Morgan	Board Member	Nil	3 years	M
David Sherlock	Board Member	Nil	3 years	M
Quality Improvement Agency				
Sir Geoffrey Holland	Chair	£25,000	1 year	M
Richard Bolsin	Board Member	Nil	2 years	M
Christine Braddock	Board Member	Nil	3 years	F
Kat Fletcher	Board Member	Nil	2 years	F
Maggie Galliers	Board Member	Nil	2 years	F
Sunita Grigg	Board Member	Nil	3 years	F
Ioan Morgan	Board Member	Nil	3 years	M
Ann Hodgson	Board Member	Nil	1 year	F
Martin Dunford	Board Member	Nil	1 year	M
John Taylor	Board Member	Nil	1 year	M
Sandy Hewitt	Board Member	Nil	1 year	M
Gill Whitty-Collins	Board Member	Nil	1 year	F
Paul Butler	Board Member	Nil	1 year	M
School Food Trust				
Andrew Gillard*	Board Member	Nil	2 years	M
Carmel McConnell*	Board Member	Nil	2 years	F
Chris Tweedale	Board Member	Nil	2 years	M
School Teachers Review Body				
Elizabeth Kidd	Board Member	£300	3 years	F
Dewi Jones	Board Member	£300	3 years	M
Jennifer Board	Board Member	£300	3 years	F

Name	Post	Remuneration	Term	M/F
Sector Skills Development Agency				
Clive Jones	Board Member	£300 per day	2 years	M
Paul Wilkinson	Board Member	£300 per day	2 years	M
Paul Murray-Smith	Board Member	£300 per day	3 years	M
Professor Maggie Pearson	Board Member	Unpaid	3 years	F
Josh Layish*	Board Member	£300 per day	3 years	M
TTV – Teacher’s TV				
Richard Ayre	Board Member	£10,000	2 years	M
Training and Development Agency for Schools				
Sir Brian Follett*	Chair	£28,840	3 years	M
Susan Tranter	Board Member	£300 per day	3 years	F
Richard Thornhill	Board Member	£300 per day	3 years	M
Professor Deborah Eyre	Board Member	£300 per day	3 years	F
Ian Ferguson	Board Member	£300 per day	3 years	M
Professor David Green	Board Member	£300 per day	3 years	M
Professor Christopher Husbands	Board Member	£300 per day	3 years	M
Andrew Buck*	Board Member	£300 per day	3 years	M
Dr Nick Johnson	Board Member	£300 per day	3 years	M
Brenda Bigland	Board Member	£300 per day	3 years	F

1. *denotes reappointments.

Glossary

Administration costs	The day-to-day costs incurred in administering the Department's business.
Aggregate External Finance	Aggregate External Finance (AEF) is central government support for expenditure on local authority core services. It comprises Formula Grant (Revenue Support Grant, distribution of national non-domestic rate receipts and police grant) and various other specific grants which fund part of the current expenditure on a specific service or activity.
Annually Managed Expenditure	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	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 Sure Start centre offering integrated early education, childcare and health and parental support to children under five and their families.
Dedicated Schools Grant	The ring-fenced grant from the Department for Education and Skills to local authorities covering funding delegated to schools, and other provision for pupils such as Pupil Referral Units and early years education in private, voluntary and independent settings.
Departmental Expenditure Limits	Expenditure which departments can control overall, though some elements may be demand-led.
Early Years Foundation Stage	The Government's new single framework for learning, development and care for children under five, operational from September 2008.
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 study support, childcare, 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	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 and 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 and 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.
Outturn	Annual cash expenditure.
Private Finance Initiative	An initiative to attract private sector funding for major public sector projects.
Public-Private Partnership	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	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

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.

Setting

A place where educational or early years services are provided.

Special Educational Needs

A child is defined as having special educational needs 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

This sets Departmental Expenditure Limits and plans Annually Managed Expenditure for the following three years. It replaced 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. The fifth will be in 2007.

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 young children and their families.

Technical Notes

Technical Notes set out exactly how a PSA 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.

Vote

The amount of money approved by Parliament to cover departmental expenditure.

White Paper

A paper produced by the Government setting out details of future policy on a particular subject. It will often be the basis for a Bill to be put before Parliament.

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