

Department for Education and Skills

# Departmental Report 2005



This is part of a series of Departmental Reports (Cm 6521 to 6548) which, along with the Main Estimates, the document Public Expenditure: Statistical Analyses 2005, and the Supply Estimates 2005-06: Supplementary Budgetary Information, present the Government's expenditure plans for 2005-2008.

## Conventions

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

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

Calendar years are shown as 2004 or 2005.

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

The report relates to England, unless otherwise indicated.

## Further Information

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# Department for Education and Skills

## Departmental Report 2005

Presented to Parliament  
by the Secretary of State for Education and Skills  
and the Chief Secretary to the Treasury  
by Command of Her Majesty

June 2005

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## Foreword by the Secretary of State



Rt Hon  
Ruth Kelly MP

I am pleased to present my first Departmental Report which sets out what we have achieved during 2004-05, progress against our Public Service Agreement (PSA) targets and our expenditure plans based on resources allocated in the Spending Review 2004 settlement.

Through the **implementation of our strategies**, standards will continue to rise and opportunities created for everyone to reach their full potential.

- In February 2005, we published our White Paper 14-19 *Education and Skills* which sets out our proposals to strengthen the place of essential skills for life, learning and employment within 14-19. We want to ensure that we get the basics right, especially numeracy and literacy; and that all learners are stretched and challenged. We also want to tackle the quality and relevance of vocational learning and tackle disengagement, dropout and low achievement.
- The White Paper *Skills: Getting on in business, getting on at work* published in March 2005, builds on the Skills Strategy White Paper; *21st Century Skills – Releasing our Potential* published in July 2003. It develops our strategy for ensuring that employers

have the right skills to support the success of their businesses and helps individuals gain the skills they need to be employable and personally fulfilled.

This has been **another year of significant achievement and progress** due to the dedication and hard work of front line professionals and all those who support them.

We have continued to make major progress across a range of areas:

- Free, part time early education for all three- and four-year-olds has been introduced for those parents who want it.
- 1,279 Neighbourhood Nurseries have now opened in the most disadvantaged areas.
- Over 250 children's centres have been established.
- Following a period in which primary school results plateaued, the 2004 results show the first increases at Level 4 or above in both English and mathematics for four years.
- Further improvements in the basics of English and mathematics were secured at Key Stage 3 with pupils achieving the best results we have seen.

- The 2004 results represent the seventh year of sustained year on year improvement in those achieving five GCSEs at grades A\*-C.
- Behaviour and attendance has improved and the number of permanent exclusions is 25 per cent lower than in 1997 and attendance is at record levels and we will continue to build on these achievements.
- The interim target of 750,000 learners with Skills for Life qualifications by 2004 has been met.

Progress towards delivery of these stretching targets will continue as we take forward the *Five Year Strategy for Children and Learners* which set out a far-reaching reform agenda based on principles of personalisation and choice for the user, more diversity of provision and autonomy for front-line services.

But we are not complacent. There is a range of areas where we still **need to press forward and make sustained progress.**

We want to ensure that parents are fully involved in their child's education: parental support is essential if every child is to reach their potential. We will continue our focus on behaviour in schools, with zero tolerance for unacceptable behaviour; and our investment to improve school meals will have a major impact on our children's health. We have a range of catch up programmes to target primary children who are at risk of not achieving their potential. Over time, stretch and challenge for students will be increased by incorporating more demanding, Advanced Extension

Award type questions into A levels and other level 3 programmes.

We will also be investing heavily in the buildings, equipment and facilities needed to deliver our ambitious programme of reform. Through Building Schools for the Future we already have in place a long-term commitment to rebuild secondary schools and we have put in place the resources to underpin that commitment. Earlier this year additional resources were committed to transform the primary sector, so that schools will be able to offer a wide range of services to children and families over extended hours and become the hub of their local communities. On Further Education we will be investing an extra £1.5 billion over the next five years so that colleges can be renovated and renewed to deliver the massive increase in training that my Department is overseeing.

Throughout all this, we are striving to improve value for money and efficiency by ensuring that as much money as possible gets through to the frontline for the delivery of services and also that this money has the maximum impact possible.

We have set out our strategic direction and recognise and welcome the challenges we face, and with the help of our partners in children's services, education and training we will succeed in meeting them.



Ruth Kelly  
Secretary of State for Education and Skills

# Ministerial Team



**Rt Hon Ruth Kelly MP**  
Secretary of State for Education  
and Skills



**Rt Hon Beverley Hughes MP**  
Minister of State for Children, Young  
People and Families



**Rt Hon Jacqui Smith MP**  
Minister of State for Schools and  
14-19 Learners



**Bill Rammell MP**  
Minister of State for Lifelong Learning,  
Further and Higher Education



**Maria Eagle MP**  
Parliamentary Under Secretary of State  
for Children, Young People  
and Families



**Lord Andrew Adonis**  
Parliamentary Under Secretary of State  
for Schools



**Phil Hope MP**  
Parliamentary Under Secretary of  
State for Skills

# Executive Summary

## Introduction

This report sets out the Government's Expenditure Plans for the Department for Education and Skills based on the resources allocated in the Spending Review 2004. It also reports performance against Public Service Agreement (PSA) targets and provides a summary of significant developments in 2004-05 including progress towards the achievement of the commitments for 2008 set out in *Department for Education and Skills: Five Year Strategy for Children and Learners* which was published in July 2004.

## Section A

### Better Public Services – Performance against Targets (Chapter 1)

This chapter sets out the Spending Review 2004 Public Service Agreement (PSA) targets for the Department for Education and Skills, including targets shared with the Department for Work and Pensions and those previously owned or shared with the Department of Health. It is generally too early to begin reporting against these targets but baseline data and/or interim assessments have been included where appropriate.

Each of the latter chapters includes more details of these targets and what we are doing to achieve them.

Final or interim assessments against Spending Review 2002 and Spending Review 2000 targets were included in the Department's *2004 Autumn Performance Report*. This chapter also includes final or interim assessments on those targets for which no final assessment was shown in the *2004 Autumn Performance Report*.

## Section B

### Key Policies and Programmes (Chapters 2 to 10)

#### Children, Young People and Families (Chapter 2)

The machinery of government changes in June 2003 and the creation of the appointment of the Minister for Children, Young People and Families established the Department for Education and Skills as the lead department for children, young people and family policy.

The Government's vision for the reform of services to deliver better outcomes for children, young people and families was set out in the Green Paper *Every child matters* and its subsequent plans for reform were published in *Every child matters: next steps* at the same time as the Children Bill was

introduced into Parliament. The *Children Act 2004* enshrines in legislation the five positive outcomes for children and young people: Be Healthy; Stay Safe; Enjoy and Achieve; Make a Positive Contribution; and Achieve Economic Well-Being. Every Child Matters: Change for Children is a cross government programme driven by the shared departmental priorities of these five positive outcomes.

How these outcomes will be pursued by government, local authorities and their partner organisation is set out in the Outcome Framework included in Every Child Matters: Change for Children. The Outcomes Framework breaks down the five outcomes into more detailed aims. All but one of the Department's PSA targets are included in the Outcomes Framework and demonstrates the relevance of the framework to the Department's overarching agenda.

### Early Years and Childcare (Chapter 3)

The Government published *Choice for parents, the best start for children: a ten year strategy for childcare*, alongside the *Pre Budget Report* in December 2004, including a wide range of commitments to expand and strengthen further early years and childcare services. This strategy extended the proposals for young children and families outlined in the Department's *Five year Strategy for Children and Learners*.

### Primary Schools (Chapter 4)

*Excellence and Enjoyment: A Strategy for Primary Schools*, published in May 2003 set out how the fusion of excellence and enjoyment is the key to excellent primary education. Although impressive strides have been made in raising standards, there still

remains too much variability in performance between schools in similar contexts. Raising standards of reading, writing and mathematics in schools, which could and should do better is an absolute priority.

### Independent Specialist Schools (Chapter 5)

The *Five year Strategy for Children and Learners* set out the Government's continued commitment to the development of a national network of independent specialist schools. We will build on our achievement so far to: increase freedoms and independence for schools; accelerate the pace of reform in teaching and learning; extend choice and flexibility in the curriculum; and encourage strong partnerships that drive improvement.

### Personalisation and Choice in the Secondary Years (Chapter 6)

We want to ensure that young people have excellent teaching that suits them. The conditions for learning must be right in every school, with good behaviour, regular attendance and excellent partnerships between schools, parents and the community. The *Five Year Strategy for Children and Learners* signalled the intention to extend the Key Stage 3 Strategy to cover the whole of the 11-16 age range, becoming over time one coherent secondary strategy for school improvement. The Strategy has already provided support for schools to help pupils attain higher standards in their GCSEs. Work will continue in 2005 and beyond to develop a fully integrated programme for raising standards at both key stage 3 and 4.

### 14-19 Education and Skills (Chapter 7)

The White Paper: *14-19 Education and Skills*, published in February 2005, proposes reform of the curriculum and qualifications available to this age group. It sets out proposals to strengthen the place of essential skills for life, learning and employment within 14-19 learning. We are addressing the key priorities of: getting the basics right, especially literacy and numeracy; ensuring that all learners are stretched and challenged; improving the quality and relevance of vocational learning; and tackling disengagement, drop-out and low achievement.

### Adult Skills (Chapter 8)

The world is changing and for most people there will not be a job for life. Skills are at the heart of this, enabling people to adjust to new roles and adapt to new circumstances.

We have put in place a range of initiatives to support the skills agenda. The White Paper: *Skills: Getting on in business, getting on at work* published in March 2005, announced plans to create a network of Skills Academies. They will be established in partnership with employers as sector based national centres of excellence. They will link with the existing network of Centres of Vocational excellence and specialist schools to provide national, regional and local networks delivering vocational learning to young people and better skills training for adults.

### Higher Education (Chapter 9)

Our universities are world leaders in research, second only to the USA and are making an ever more important contribution to the economy as we move towards a more

highly skilled labour market. Quality is high which also attracts many international students.

The higher education agenda is extremely demanding. Implementation of the *Higher Education Act 2004* will mean:

- Introducing in 2006, variable undergraduate tuition fees, together with the associated package of student financial aid and loans for fees.
- Continuing to promote participation and fair access for students from poor backgrounds.
- Using funding and external review to improve teaching quality.
- Stimulating university involvement with employers and the wider community, in order to improve the contribution higher education makes to lifelong learning.

### The People to Deliver (Chapter 10)

The diverse workforce in children's services, education and training contains an estimated 4.4 million people. It includes, for example, childminders, nursery nurses, teaching assistants, social-care workers, teachers and further education and university lecturers.

It is a workforce dedicated to the people it serves, but it is also a workforce feeling the pressure of growing public expectation and increasing demands for accountability. The emphasis on personalisation and choice in *The Five Year Strategy for Children and Learners*, coupled with the rapidly changing pressures of society and the economy will raise public expectations further and put an even greater premium on well-trained, committed staff, recognised and valued for the work they do.

## Section C

### The Department (Chapter 11)

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

The Board leads the work of the Department by charting the overall strategic direction, and providing direction on major operational and management issues. They also create a culture of learning within which all staff can develop to their full potential and actively promote the Department's Behaviours.

There are also two non-executive board members.

## Section D

### Expenditure and Investment – Expenditure Plans and Investment (Chapters 12 and 13)

These chapters set out key points from the Department's expenditure and investment plans.

The Government's aim is to achieve excellence in standards of education and levels of skills, and to give everyone the opportunity to develop their learning and realise their potential.

The new spending plans provide for spending on education in England to grow by an average of 5.0 per cent a year in real terms over the three Spending Review years to 2007-08. The Departmental Expenditure Limit (DEL) spending will grow by an

average of 4.7 per cent a year in real terms over the three Spending Review years to 2007-08. Capital investment in education will rise from £5 billion a year in 2004-05 to £7 billion by 2007-08.

Total spending on education in the UK will be £13.3 billion higher in 2007-08 than in 2004-05: by 2007-08, UK education spending will rise to 5.6 per cent of gross domestic product (GDP) compared with 5.4 per cent in 2004-05.

The current Departmental Investment Strategy (DIS), covering the period 2005-06 to 2007-08, has a number of themes which will run through our 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 the needs of individual pupils and learners.
- Multiple use, where buildings and their facilities will be designed to support different types of provision and services to local communities.



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Section A

# Better Public Services



## Chapter 1

# Performance Against Targets

This chapter sets out the Spending Review 2004 Public Service Agreement (PSA) targets for the Department for Education and Skills, including targets shared with the Department for Work and Pensions and those previously owned or shared with the Department of Health. It is generally too early to begin reporting against these

targets but baseline data and/or interim assessments have been included where appropriate. More details have been included in the appropriate chapters.

The following standard terminology has been used for reporting progress against targets.

For final assessments, the terms used are:

Term	Definition
Met	Target achieved by the target date.
Met-ongoing	For older targets where no end date was set, but the target level has been met and a decision has been taken to make a final assessment.
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 will only be used where it is not possible to assess progress against the target during its lifetime or subsequently. In these cases an explanation will be given as to why, and reference made to any subsequent targets covering the same area.

For interim assessments of those targets yet to reach their completion date, the terms used are:

Term	Definition
Met early	Target has been met ahead of schedule.
Ahead	Progress is exceeding plans and expectations.
On course	Progress is in line with plans and expectations.
Slippage	Progress is slower than expected.
Not yet assessed	A new target for which data is not yet available.



Table 1.1 Spending Review 2004 PSA Targets – Summary Table

Objective I: Safeguard children and young people, improve their life outcomes and general well-being, and break cycles of deprivation	Baseline/ Target	Latest Information
<p>1. Improve children's communication, social and emotional development so that by 2008 50% of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the level of development achieved by children in the 20% most disadvantaged areas and the rest of England. (Sure Start Unit target, joint with the Department for Work and Pensions).</p> <p>Contact: Paul Long Tel: 020 7273 1125 Email: Paul.Long@dfes.gsi.gov.uk</p>	<p>The baseline and target level will be confirmed after analysing the 2005 results.</p>	<p>Progress will be measured annually from 2005. See chapter 3</p>
<p>2. As a contribution to reducing the proportion of children living in households where no one is working, by 2008:</p> <ul style="list-style-type: none"> <li>● increase the stock of Ofsted-registered childcare by 10%;</li> <li>● increase the take-up of formal childcare by low income working families by 50%; and</li> <li>● introduce by April 2005, a successful light-touch childcare approval scheme. (Sure Start Unit target, joint with the Department for Work and Pensions).</li> </ul> <p>Contact: Paul Long Tel: 020 7273 1125 Email: Paul.Long@dfes.gsi.gov.uk</p>	<p>The baseline is 1,103,000 places at March 2004 and the target will be 1,213,000 places by 2008.</p> <p>The baseline will be an average of 2003-04 data and 2004-05 data.</p>	<p><b>March 2005</b> Ahead – Over 1.17 million places. Progress will be assessed annually at 31 March.</p> <p>Partly Met – The childcare approval scheme was introduced on 6 April 2005. See chapter 3.</p>
<p>3. Reduce the under-18 conception rate by 50%, by 2010, as part of a broader strategy to improve sexual health. (Joint target with the Department of Health).</p> <p>Contact: Rob MacPherson Tel: 020 7273 4824 Email: Rob.Macpherson@dfes.gsi.gov.uk</p>	<p>The 1998 baseline is 46.6 per 1,000 females aged 15-17.</p>	<p>Slippage – The 2003 under-18 conception rate was 42.1 per 1,000 females aged 15-17. See chapter 2.</p>

Objective I: Safeguard children and young people, improve their life outcomes and general well-being, and break cycles of deprivation	Baseline/ Target	Latest Information
<p>4. Halt the year-on-year rise in obesity among children under 11 by 2010 in the context of a broader strategy to tackle obesity in the population as a whole. (Joint target with the Department of Health and the Department for Culture, Media and Sport).</p> <p>Contact: John Hubbard Tel: 020 7925 6176 Email: John.Hubbard@dfes.gsi.gov.uk</p>	<p>Between 1995 and 2002, obesity in 2- to 10-year-olds rose on average, by 0.8 per cent per year. Due to the sample size the baseline will be the weighted average for the three-year period 2002 to 2004.</p> <p>Halting this increase would mean no significant change in prevalence between the two three year periods 2005/06/07 and 2008/09/10.</p>	<p>Not yet assessed. Too early to make an assessment. See chapter 2.</p>
<p>5. Narrow the gap in educational achievement between looked after children and their peers, and improve their educational support and the stability of their lives so that by 2008, 80% of children under 16 who have been looked after for 2.5 or more years will have been living in the same placement for at least 2 years, or are placed for adoption.</p> <p>Contact: Becky Benwell Tel: 020 7273 5110 Email: Becky.Benwell@dfes.gsi.gov.uk</p>	<p>The baseline year is 2003 – 65%.</p>	<p>2004 – 66% Not yet assessed. Too early to make an assessment. See chapter 2.</p>
Objective II: Raise standards and tackle the attainment gap in schools	Baseline/ Target	Latest Information
<p>6. Raise standards in English and maths so that:</p> <ul style="list-style-type: none"> <li>● by 2006, 85% of 11-year-olds achieve level 4 or above, with this level of performance sustained to 2008; and</li> <li>● by 2008, the proportion of schools in which fewer than 65% of pupils achieve level 4 or above is reduced by 40%.</li> </ul> <p>Contacts: Nina Curley Tel: 020 7925 5691 Email: Nina.Curley@dfes.gsi.gov.uk</p>	<p>The baselines for this target are the 2004 results.</p> <p>The baseline is schools achieving below 65% in 2003 – English – 2,849 schools (21%), mathematics – 3,570 schools (26%)</p>	<p><b>2004 results</b> English – 78% Maths – 74%</p> <p>On course – 2004 results – 2,235 schools (17%) below 65% in English; 3,108 schools (23%) below 65% in maths</p> <p>Provisional results are first published in a Statistical First Release (SFR) in August each year. Final results are published in an SFR in the following June See chapter 5</p>

Objective II: Raise standards and tackle the attainment gap in schools	Baseline/ Target	Latest Information
<p>7. Raise standards in English, maths, ICT and science in secondary education so that:</p> <ul style="list-style-type: none"> <li>● by 2007, 85% of 14-year-olds achieve level 5 or above in English, maths and ICT (80% in science) nationally, with this level of performance sustained to 2008; and</li> <li>● by 2008, in all schools at least 50% of pupils achieve level 5 or above in each of English, maths and science.</li> </ul> <p>Contacts: Jo Ware Tel: 020 7925 6977 Email: Jo.Ware@dfes.gsi.gov.uk</p>	<p>The baselines for these targets are the 2004 results</p> <p>601 schools (19%) failed to reach the floor target</p>	<p><b>2004 results</b> English – 71% Maths – 73% ICT – 67% Science – 66%</p> <p>601 schools (19%) Provisional results are published in a Statistical First Release (SFR) in the autumn each year. Final results are published in an SFR in the following June/July See chapter 6</p>
<p>8. Improve levels of school attendance so that by 2008, school absence is reduced by 8% compared to 2003.</p> <p>Contact: Antony Thompson Tel: 020 7925 5556 Email: Antony.Thompson@dfes.gsi.gov.uk</p>	<p>The baseline for school absence is 6.83% for 2002/3</p> <p>The target is to reduce this by 8% to 6.28% for 2007/08.</p>	<p>Ahead – 2003/04 School Absence was 6.57%.</p> <p>From 2002, provisional data is released in an SFR in the autumn. See chapter 6</p>
<p>9. Enhance the take-up of sporting opportunities by 5 to 16-year-olds so that the percentage of school children in England who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum increases from 25% in 2002 to 75% by 2006 and to 85% by 2008, and to at least 75% in each School Sport Partnership by 2008. (Joint target with the Department for Culture, Media and Sport)</p> <p>Contact: Mike Diaper Tel: 020 7925 5837 Email: Mike.Diaper@dfes.gsi.gov.uk</p>	<p>2002 baseline was 25% of pupils</p>	<p>On course – 62% of pupils (2003/04 survey) See chapter 4</p>
Objective III: All young people to reach 19 ready for skilled employment or higher education	Baseline/ Target	Latest Information
<p>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. (This target may be reviewed in the light of recommendations in the Tomlinson report.)</p> <p>Contact: Jo Ware Tel: 020 7925 6977 Email: Jo.Ware@dfes.gsi.gov.uk</p>	<p>The baseline for this target is the 2004 results</p> <p>In 2004, there were 71 schools below the 20% floor target</p>	<p><b>2004 results</b> 53.7%</p> <p>Slippage – 71 schools below 20% floor target Progress is published in SFRs in October and the following January and June. See chapter 6</p>

Objective III: All young people to reach 19 ready for skilled employment or higher education	Baseline/ Target	Latest Information
<p>11. Increase the proportion of 19-year-olds who achieve at least level 2 by 3 percentage points between 2004 and 2006, and a further 2 percentage points between 2006 and 2008, and increase the proportion of young people who achieve level 3.</p> <p>Contact: Brian Teahan Tel: 0114 259 4112 Email: Brian.Teahan@dfes.gsi.gov.uk</p>	<p>These targets will be measured using matched administrative data.</p> <p>67.0% of 19-year-olds in 2004 had achieved level 2 or higher: this baseline was set in February 2005.</p> <p>The first measurement of level 3 attainment will be made in February 2007.</p>	<p>Not yet assessed. Too early to make an assessment. See chapter 7</p>
<p>12. Reduce the proportion of young people not in education, employment or training (NEET) by 2 percentage points by 2010.</p> <p>Contact: Matthew Hopkinson Tel: 0114 259 3781 Email: Matthew.Hopkinson@dfes.gsi.gov.uk</p>	<p>The baseline will be the number of young people (NEET) in 2004/05 which will be available at end June 2005.</p>	<p>Not yet assessed. Too early to make an assessment. See chapter 7</p>
Objective IV: Tackle the adult skills gap	Baseline/ Target	Latest Information
<p>13. Increase the number of adults with the skills required for employability and progression to higher levels of training through:</p> <ul style="list-style-type: none"> <li>● improving the basic skill levels of 2.25 million adults between the launch of <i>Skills for Life</i> in 2001 and 2010, with a milestone of 1.5 million in 2007; and</li> <li>● 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.</li> </ul> <p><b>Basic Skills</b></p> <p>Contact: Elizabeth Smith Tel: 020 7273 5447 Email: Elizabeth.Smith@dfes.gsi.gov.uk</p> <p><b>NVQ2</b></p> <p>Contact: Eric Yates Tel: 0114 259 1623 Email: Eric.Yaters@dfes.gsi.gov.uk</p>		<p>On course – Between September 2001 and July 2004, 839,000 learners have achieved a qualification which counts towards this target.</p> <p>On course to achieve the 2006 interim target. Achieved 6.4% of the 40% reduction</p> <p>See chapter 8</p>

Objective V: Raise and widen participation in higher education	Baseline/ Target	Latest Information
<p>14. By 2010, increase participation in higher education towards 50% of those aged 18 to 30 and also make significant progress year on year towards fair access and bear down on rates of non-completion.</p> <p>Contact: Andrew Battarbee Tel: 0114 259 3952 Email: Andrew.Battarbee@dfes.gsi.gov.uk</p>		<p>On course – 2002/03 Higher Education Initial Participation Rate (HEIPR) is 43% and provisional figures for 2003/04 HEIPR suggest 43%. See chapter 9</p>

## Spending Review 2002 PSA Targets

Final or interim assessments against Spending Review 2002 and Spending Review 2000 targets were included in the Department's *2004 Autumn Performance Report*. These tables include targets which

were not carried forward as Spending Review 2004 targets and where no final assessment was shown in the *2004 Autumn Performance Report*.

1. Raise standards in English and maths so that by 2004, 35% of 11-year-olds achieve level 5 or above with this level of performance sustained until 2006.

2004 target – Not met

At level 5 or above the results in 2004 were unchanged for English at 27 per cent and increased by two percentage points to 31 per cent in maths.

Contact: Lorna Serieux Tel: 020 7925 6703

Email: Lorna.Serieux@dfes.gsi.gov.uk

2. Raise standards in English, maths, ICT and science in secondary education so that:
  - by 2007, the number of schools where fewer than 60% of 14-year-olds achieve level 5 or above is significantly reduced; and
  - by 2007, 90% of pupils reach level 4 in English and maths by age 12.

### 60% target – level 5 or above

#### 2004 test results

English, maths and ICT – On course

Science – Slippage

With the exception of science where there has been an unexpected increase following earlier improvements, improvements in maths and English continue.

- English – 23 per cent of schools failed to reach the floor target.
- Maths – 17 per cent of schools failed to reach the floor target.
- Science – 33 per cent of schools failed to reach the floor target.

### Percentage of schools where fewer than 60% of 14 year olds achieve level 5 or above at Key Stage 3

	2001/02	2002/03	2003/04
English	33%	28%	23%
Maths	31%	23%	17%
Science	33%	29%	33%

**90% target – level 4****2004 test results**

Slippage – 82 per cent of pupils aged 12 achieved level 4 and above in English, and 78 per cent of pupils aged 12 achieved level 4 and above in maths. This is an estimate of performance based on results drawn from a sample of pupils attaining level 4 and above at key stage 2 and the subsequent progression of any remaining level 3 pupils to level 4 in the first year of secondary education.

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## 5. Raise standards in schools and colleges so that:

- between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to five GCSEs at grades A\*-C rises by 2 percentage points each year on average;
- and, in all schools at least 20% of pupils achieve this standard by 2004 rising to 25% by 2006; and
- the proportion of 19-year-olds who achieve qualifications equivalent to five GCSEs at grades A\*-C rises by 3 percentage points between 2002 and 2004, with a further increase of 3 percentage points by 2006.

**16-year-olds**

Slippage – The 2004 results show a rise of 0.8 percentage points to 53.7 per cent of pupils achieving five or more good GCSEs or equivalent. See SR 2004 target 10 and table 6.2.

Not met – The 2004 floor target was not met, 71 schools were below the target of 20% of pupils achieving five or more GCSEs at grades A\*-C.

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**19-year-olds**

Not met – *LFS Level of Highest Qualification Held by Young People and Adults England 2004* published 24 February 2005 shows attainment at 74.4 per cent, a decrease of 0.8 per cent over the 2002 baseline of 75.2 per cent.

We are improving the system used to monitor and measure the target to greatly improve accuracy, tracking and our capacity to target underperforming areas. This result illustrates the importance of the further radical proposals for 14-19 education announce in the White Paper *14-19 Education and Skills*.

A correction has been applied to previously published LFS figures to ensure that all qualifications reported by respondents are taken into account in allocating the individual to a qualification level.

The corrected LFS figures are:

**Proportion of 19- to 21-year-olds in England achieving five GCSE grades A\* to C or the equivalent vocational qualification (percentage)**

19- to 21-year-olds	1998	1999	2000	2001	2002	2003	2004
5 GCSE grades A* to C or equivalent vocational qualification	74.1	75.2	75.6	75.0	75.2	76.0	74.4
Change from previous year		+1.1	+0.4	-0.6	+0.2	+0.8	-1.6

Source: Labour Force Survey, Autumn Quarters

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## 6. By 2004, at least 28% of young people to start a Modern Apprenticeship by age 22.

Slippage – The 2004 target equates to 175,000 starts in 2004/05 and the 2003/04 milestone of 152,000 starts was achieved. Slippage against recruitment profile earlier this year was partly caused by higher than expected costs affecting provider contracts. The release of extra funds, along with sustained promotional activity, increasing engagement of large employers and a number of other measures have started to address the shortfall and should put us back on track.

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

**Increase participation**

On course – See SR 2004 target 14 and chapter 9.

**Increase fair access and bear down on rates of non-completion**

On course – See SR 2004 target 14 and chapter 9.

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10. Improve the basic skill levels of 1.5 million adults between the launch of Skills for Life in 2001 and 2007, with a milestone of 750,000 by 2004.

Met – The interim target for 2004 has been met. Between September 2001 and July 2004, 839,000 learners have achieved a qualification which counts towards this target. Also see SR 2004 target 13.

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11. Reduce by at least 40% the number of adults in the UK 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.

On course – See SR2004 target 13 and chapter 8.

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## Sure Start Targets

### The targets are to achieve in areas covered by Sure Start Local Programmes and children's centres by 2005-06:

1. An increase in the proportion of children aged five with normal levels of personal, social and emotional development for their age.

Not known – Sure Start has two PSA targets from SR2002 to measure outcomes for children in Sure Start Local Programme areas using results from the Foundation Stage Profile (FSP), the other being PSA 3. PSA 1 measures personal, social and emotional development, whilst the first part of PSA 3 measures communication, language and literacy. The second part of PSA 3 measures speech and language development at age two.

It will not be possible to set a realistic baseline within the SR2002 period, and it has been agreed with HM Treasury that progress on personal, social and emotional development will be measured under SR2004 PSA 1, for which the baseline will be set when 2005 results are available. The new PSA is a stronger measure and will monitor these outcomes more effectively.

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

Slippage – Between March 2003 and March 2004, there was a reduction of 1.4 per cent in the proportion of mothers in Sure Start Local Programme areas whose smoking status was known and who continued to smoke during pregnancy. This represents slight slippage from the desired rate of two per cent per annum required to meet the target reduction of six percent by 2006.

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

As noted with PSA 1, it has been agreed with HM Treasury that progress on communication, language and literacy will now be measured under SR2004 PSA 1, for which the baseline will be set when 2005 results are available.

On course – The second part of this target on speech and language development is measured by the Sure Start Language Measure (SSLM) which assesses the change in the language skills of two-year-old children in Sure Start communities.

Between the baseline in 2002/03 and the year 2003/04 there was a small positive change in the average word count score of children from 25.7 out of 50 in 2003 to 26.2 out of 50 in 2004. The proportion of children both with high word count scores (children whose word count score exceeded 13 out of 50), and whose parents were free of concerns about their language development has risen from 73 per cent to 76 per cent.

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

Slippage – Between April 2003 and April 2004 there was a reduction of 3.2 percentage points in the proportion of children aged 0-4 in Sure Start Local Programme areas living in households where no one was working. This is less than the desired rate of four percentage points per annum required to meet the target reduction of 12 percentage points by 2006.

The reduction in Sure Start Local Programme areas was considerably greater than in England as a whole where the percentage of children aged 0-4 living in households where no one was working fell by 0.7 percentage points from 22.4 per cent to 21.7 per cent.

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## Targets transferred from the Department of Health

DH target 9: Improve life chances for children including by:

- Improving the level of education, training and employment outcomes for care leavers aged 19, so that levels for this group are at least 75% of those achieved by all young people in the same area by 2004.
- Substantially narrowing the gap between the educational attainment and participation of children in care and that of their peers by 2006. Target achieved if:
  - (a) outcomes for 11-year-olds in English and maths are at least 60% as good as those of their peers;
  - (b) the proportion who become disengaged from education is reduced, so that no more than 10% reach school leaving age without having sat a GCSE equivalent exam; and
  - (c) the proportion of those aged 16 who get qualifications equivalent to five GCSEs graded A\*-C has risen on average by 4 percentage points each year since 2002; and in all authorities at least 15% of young people in care achieve this level of qualification.
- Narrowing the gap between the proportions of children in care and their peers who are cautioned or convicted in the year to 30 September is reduced by a third i.e. from 10.8% to 7.2% by 2004

### Level of education by care leavers aged 19

Not met – There has been progress in each year since the target was set.

In 2004/05 28 per cent of councils reported that the rate of employment, training and education amongst former care leavers aged 19 was at least 75 per cent of the general level for their authority. This is an improvement of 12 percentage points in one year, but falls short of the target.

### Educational attainment

Slippage – Whilst progress towards education targets (b) and (c) has been made it has been slow and rapid rises in performance would need to be seen in the next three years in order to meet them. However, if the recent rates of progress seen for the outcomes of 11-year-olds are sustained it is likely that target (a) will be met.

### Narrowing the gap – cautions and convictions

Not met – Progress has been made towards this target, although it has not been met. The percentage of looked after children aged ten or over convicted or subject to a final warning or reprimand over the three years to 2004 was 9.7 per cent, 9.5 per cent and 9 per cent. The target level for 2004 is 7.2 per cent.

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## Spending Review 2000 PSA Targets that were not subsumed as SR2002 targets and remain live

Increase the percentage of 14-year-olds at or above the standard of literacy, numeracy, science and information and communications technology (ICT) for their age. Subject to consultation:

- by 2004, no more than 15% of pupils will fail to attain at least one level 5.

Not met – In 2004, 19 per cent of pupils failed to attain at least one level 5.

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## Sure Start Targets

### Objective 1 Improving children's social and emotional development.

- Reduce the proportion of children aged zero to three in the 500 Sure Start areas who are re-registered within the space of twelve months on the child protection register by 20 per cent by 2004.

Ahead – Final data will be drawn from Sure Start Local Programmes' annual returns, which were due for submission in autumn 2004. Analysis of this data is not yet complete.

It has proved more difficult to gather information for, and monitor this target than was originally envisaged as the incidence of children re-registered is very small, with typically one or no child per programme area. Those programmes reporting saw a reduction of 23 per cent in re-registrations on the child protection register between 2000-01 and 2002-03, but on very small numbers of children.

It has proved more difficult to gather information for, and monitor this target than was originally envisaged as the incidence of children re-registered is very small, with typically one or no child per programme area. Those programmes reporting saw a reduction of 23 per cent in re-registrations on the child protection register between 2000-01 and 2002-03, but on very small numbers of children.

### Objective 2 Improving children's health.

Achieve by 2004 in the 500 Sure Start areas, a 10 per cent reduction in mothers who smoke in pregnancy.

Met – Between April 2001 and March 2004, the proportion of mothers in Sure Start areas whose smoking status was known who continued to smoke in pregnancy fell from 37.5 per cent to 27.4 per cent.

### Objective 3 Improve children's ability to learn.

- Achieve by 2004 for children aged zero to three in the 500 Sure Start areas, a reduction of 5 percentage points in the number of children with speech and language problems requiring specialist intervention by the age of four.

Not known – This target cannot be assessed. The absence of comparable national data from schools' baseline assessments of pupils means that we cannot make an assessment against this target.

Our nearest available proxy is the Sure Start Language Measure (SSLM) which measures the change in the language skills of two-year-old children in Sure start communities. Between the baseline in November 2001 and the repeat survey in February/March 2004, the percentage of children with higher word count scores and parents free of concerns about their language has risen six percentage points from 70 per cent to 76 per cent.

### Objective 4 Strengthening families and communities.

- Reduce the number of zero to three-year-old children in Sure Start areas living in households where no-one is working by 12 per cent by 2004.

Not met – Between April 2001 and April 2004 the proportion of children aged 0-3 in Sure Start areas living in households where no one was working fell by 4.6 percentage points from 44.7 per cent to 40.1 per cent. Throughout the same period, the corresponding figure for the whole of England fell by 1.6 percentage points from 23.6 per cent to 22 per cent.

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## Targets transferred from the Department of Health

As amended in SR2002

Maintain current levels of adoption placement stability (as measured by the proportion of placements for adoption ending with the making of an adoption order) so that quality is not compromised whilst increasing the use of adoption as follows:

- by 2004-05 increase by 40% the number of looked after children who are adopted, and aim to exceed this by achieving, if possible, a 50% increase by 2006, up from 2,700 in 1999-00. All councils will bring their practice up to the current level of the best performers (band 4 and 5 on PSS indicator C23)
- by 2004-05 increase to 95% the proportion of looked after children placed for adoption within 12 months of the decision that adoption is in the child's best interests, up from 81% in 2000-01 and maintain this level (95%) up to 2006, by locally applying the timescales in the National Adoption Standards, taking account of the individual child's needs.

### **40% increase**

On course – 3,700 looked after children were adopted during the year ending 31 March 2004, an increase of 37 per cent over 1999-00.

In 2003-04, 81 (54 per cent) authorities achieved adoption rates of between 7 per cent and 25 per cent of all children looked after. In 2002-03 this figure was 72 (48 per cent). These figures are not directly comparable because of a change in indicator definition between these two years.

### **95% increase**

Slippage – 79 per cent of looked after children adopted during the year 2003-04 were placed for adoption within 12 months of the best interest decision. From 2001-02 this figure has remained stable at around 80 per cent.

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Section B

# Key Policies and Programmes



## Chapter 2

# Children, Young People and Families

### Our Goal:

Working together to make sure that every child and young person is able to fulfil their full potential and those facing particular obstacles are supported to overcome them.

The machinery of government changes in June 2003 and the appointment of the Minister for Children, Young People and Families established the Department for Education and Skills as the lead department for children, young people and family policy.

The Government's vision for the reform of services to deliver better outcomes for children, young people and families was set out in the Green Paper *Every child matters*. The Government's analysis of responses to the Green Paper and its subsequent plans for reform were published in *Every child matters: next steps* at the same time as the Children Bill was introduced into Parliament in March 2004. The *Children Act 2004* enshrines in legislation the five positive outcomes that children and young people have told us they want and provides the legislative spine for the national framework for 150 local change programmes which will reform local services for children, young people and families. The reform programme foreshadowed in the *Five Year Strategy for Children and Learners* is being developed subsequently through a range of initiatives

including the roll out of children's centres, *Choice for parents, the best start for children: a ten year strategy for children*, the development of extended schools, the bringing together of services for children, including social care and education, in Children's Trusts and the Youth Green Paper. The details of the national Every Child Matters: Change for Children programme were published in *Every Child Matters: Change for Children* in December 2004.

Every Child Matters: Change for Children is a cross-government programme driven by the shared departmental priorities of the five positive outcomes for children and young people:

- Be Healthy.
- Stay Safe.
- Enjoy and Achieve.
- Make a Positive Contribution.
- Achieve Economic Well-Being.

How these outcomes will be pursued by government, local authorities and



their partner organisations is set out in the Outcomes Framework included in *Every Child Matters: Change for Children*. The Outcomes Framework breaks down the five outcomes into more detailed aims, shows how these are supported by 26 PSA targets and 13 other key indicators across government, and links the outcomes, aims and targets to the work of the children's services inspectorates. All but one of the Department's PSA targets are included in the Outcomes Framework. Progress against the PSA targets relevant to *Every Child Matters: Change for Children* is recorded throughout this report where they are relevant to the early years and other education chapters.

**Table 2.1 Outcomes Framework<sup>1</sup>**

PSA Target	Positive Outcome	More Information
1	Enjoy and Achieve	Chapter 3
2	Achieve Economic Well – being	Chapter 3
3	Be Healthy	Chapter 2
4	Be Healthy	Chapter 2
5	Stay Safe/Enjoy and Achieve	Chapter 2
6	Enjoy and Achieve	Chapter 4
7	Enjoy and Achieve	Chapter 6
8	Enjoy and Achieve	Chapter 6
9	Enjoy and Achieve	Chapter 4
10	Enjoy and Achieve	Chapter 6
11	Achieve Economic Well-being	Chapter 7
12	Achieve Economic Well-being	Chapter 7
14	Achieve Economic Well-being	Chapter 9

1. PSA Target 13 is for adult skills and does not contribute to the *Every Child Matters: Change for Children* framework.



### Children's Commissioner

Professor Al Aynsley-Green was appointed on 1 March 2005 as the Children's Commissioner. He will champion the views and interests of children and young people and will be independent of government. He will comment on government policies and programmes and report annually to Parliament through the Secretary of State.

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### Children Act 2004

The *Children Act 2004*, backed up by a new integrated inspection framework and joint area reviews, placed a number of duties on local authorities. These include:

- Appointment of Directors and Lead Members of Children's Services. The Director and Lead Member for children's services will establish a clear line of accountability for local authority services for children, providing local leadership to drive local change, and ensuring that services cohere around the needs of children. They will forge partnerships with a range of key partners, including local health services and police, leading arrangements for inter-agency co-operation and the integration of front-line

services through children's trust arrangements. This will create more coherent and efficient services for children and young people. The Government expects most authorities to have a Director of Children's Services and Lead Member by 2006, and all by 2008.

- Establishing a duty to co-operate to improve the well-being of children. Children's trust arrangements and partnership working will be underpinned by the provisions which require local authorities and their relevant partners to co-operate to improve children's well-being as defined under the five positive outcomes. Local authorities must take a lead in making arrangements to promote co-operation between local agencies whose work impacts on children within the authority's area; for example to improve information sharing and assessment for children with additional needs. A children's trust in action will be built on a set of local arrangements operating at every level largely under this duty.
- Establishing Local Safeguarding Children Boards (LSCBs). Each children's service authority in England must set up an LSCB by April 2006. The LSCB will co-ordinate local arrangements for safeguarding and promoting the welfare of children, monitor the work of individual agencies and raise awareness of safeguarding issues in the community. The *Children Act 2004* also requires key agencies which have contact with children, including the police, prisons and health

bodies, to ensure that they have arrangements in place to safeguard and promote the welfare of children.

- Introducing a duty to prepare and publish a Children and Young People's Plan (CYPP). The CYPP will be a single, strategic overarching plan for all local services for all children and young people. It will support local authorities and their partners to work together to agree clear targets and priorities, identify the actions and activities to achieve them, and ensure delivery. The plan replaces requirements for seven statutory and ten non-statutory plans.

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### Integrated Inspection of Children's Services

*Every Child Matters: Change for Children* and the *Children Act 2004* have established a unified approach to inspection to capture how well services work together to improve the lives of children and young people. These new inspection arrangements will through an overall inspection framework:

- Target inspection activity explicitly around clear outcomes for children and be focused on the user, unconstrained by service boundaries.
- Guide inspection and assessment of all universal, targeted and specialist services in as far as they relate to children.
- Make arrangements for the effective co-ordination of inspection activity to prevent duplication and to rationalise burdens and pressures on those inspected.

Joint area reviews (JARs) will draw together for the first time a range of inspection findings determined by a common approach through the framework and evaluate the way local services taken together contribute to children's well-being. They will assess what it is like to be a child in a local authority area and evaluate the way local services taken together, contribute to their well-being. JARs will start in September 2005.

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## Spending Review 2004 PSA Targets

### SR 2004 PSA Target 3

Reduce the under-18 conception rate by 50%, by 2010, as part of a broader strategy to improve sexual health. (Joint target with the Department of Health).

The under-18 conception rate for England in 2003 was 42.1 per 1,000 females aged 15-17. This represents an improvement of 9.8 per cent from the 1998 baseline rate of 46.6 per 1,000. Between 1998 and 2002, the under-16 conception rate fell by 11.2 per cent.

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### SR 2004 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 target with the Department of Health and the Department for Culture, Media and Sport).

The Department will support the delivery of this target through a range of initiatives, the key ones being:

- Making healthy eating and physical activity compulsory elements of the National Healthy Schools programme, and making progress towards the target that all schools will be working towards being Healthy Schools by 2009.
- Delivery of the PE, School Sport and Club Links Strategy.
- Revision of school meals standards and extending them to cover the whole school day (not just lunch); and guidance and training to schools to support provision of healthier food.

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**SR 2004 PSA Target 5**

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

Recent performance is: 2002 – 63 per cent; 2003 (baseline year) – 65 per cent; and 2004 – 66 per cent.

The Department is supporting this target through:

- Work to improve the consistency and quality of care planning.
- Targeted work with local authorities to help support and spread good practice.
- Improving the support for foster carers.
- Working with the Department of Constitutional Affairs to reduce delays in public law cases.
- Implementing the new duty on local authorities to promote educational achievement of looked after children (Section 52 *Children Act 2004*).
- Establishing a new duty on school admissions authorities to prioritise looked after children (Section 106 *Education Act 2005*).

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## Chapter 3

# Early Years and Childcare

### Our Goal:

**Giving every child the best possible start in life and maximising parents' choice about how they balance work and family commitments.**

Giving all children the best possible foundation for their learning and development is vital. High quality early years services have been shown to lead to better:

- Health.
- Cognitive development.
- Relationships between parents and children.
- Emotional and social development linked to higher earnings in later life and a lower risk of dependence on welfare, unemployment or involvement in crime.

These benefits are most marked for children living in poverty.

Sure Start programmes deliver better outcomes for all children, families and communities by working with local authorities and local partners to deliver high quality early learning and integrated health and parental services at neighbourhood level.

These services:

- Increase the availability of childcare.

- Improve the health, education and emotional development of children.
- Support parents as parents and in their aspiration towards employment.

Sure Start is part of the Government's Change for Children programme and makes a major contribution to the five outcomes.

### A Ten Year Strategy for Childcare

The Government published *Choice for parents, the best start for children: a ten year strategy for childcare*, alongside the *Pre Budget Report* in December 2004, including a wide range of commitments to expand and strengthen further early years and childcare services.

This Strategy extended the proposals for young children and families outlined in the Department's *Five Year Strategy for Children and Learners*. It featured the delivery of universally affordable childcare for three- to 14-year-olds, and a Sure Start children's centre for every community, so that early years and childcare services become a permanent, mainstream part of the modern welfare state.



Its key themes are:

- Choice and Flexibility – greater choice for parents in how they balance their work commitments and family life through enhanced parental leave and access to Sure Start children's centres.
- Availability – flexible childcare for all families with children aged up to 14 who need it, and 15 hours a week free early education for all three- and four-year-olds for 38 weeks a year, with 20 hours as a goal.
- Quality – high quality provision delivered by a skilled early years and childcare workforce, with full daycare providers professionally led and a strengthened qualification and career structure.
- Affordability – affordable provision appropriate to the needs of families with substantial increases in tax credit support.

Free, part-time early education for all three- and four-year-olds has been introduced for those parents who want it. Currently, virtually all four-year-olds enjoy some form of free, part-time, early education, and 93 per cent of three-year-olds do so. Three-year-olds have been guaranteed a free place since April 2004, six months earlier than originally promised.

Strong growth has continued in childcare provision. In terms of net growth in provision, taking into account turnover, at March 2005, 537,000 new places had been created since 1997, benefiting around 950,000 children.

At March 2005, the stock of registered childcare places (full daycare, childminders and out of school provision) stood at over 1.17 million (over 80 per cent higher than the 1997 level), benefiting 1.6 million children. There is now a registered childcare place for one in four children under eight. *Choice for parents, the best start for children: a ten year strategy for childcare* includes a commitment to have in place by 2008 a new legislative duty on local authorities to provide sufficient childcare.

As part of the biggest ever single investment to expand childcare provision, 1,279 Neighbourhood Nurseries have now opened in the most disadvantaged areas and the target of creating up to 45,000 new places by 2004 through this initiative has been met.

The network of Sure Start children's centres is building on existing successful initiatives like Sure Start Local Programmes, Neighbourhood Nurseries and Early Excellence Centres, and brings high quality integrated early years services to the heart of communities.

The 2004 Spending Review announced the establishment of 2,500 centres by 2008, with all young children and their families in the most disadvantaged areas having access to one. *Choice for parents, the best start for children: a ten year strategy for childcare* took this further with a commitment to establish 3,500 centres by 2010, so that every family has access to high quality integrated services in their community and the benefits of Sure Start are felt nationwide. At May 2005, over 250 centres had been established.

### Extended Schools (also see chapters 4 and 6)

Another key feature of the Strategy is a commitment that all families with children from three up to 14 who need it will have access to an affordable, flexible and high quality out-of-school childcare place from 8am to 6pm throughout the year. To complement the childcare offer, parents of three- and four-year-olds will be offered extended free early education for their children in stages from 2006, through a guarantee of more hours a week and more weeks (as a first step, 15 hours a week for 38 weeks a year, by 2010), if they want them.

Schools are central to our vision of guaranteed childcare for children over five. They are an extremely valuable resource for the whole community which parents know and trust, and the provision of extended services such as childcare will help pupils, families and the wider community get the best out of their local school.

Many primary and secondary schools already offer breakfast clubs, after-school clubs and other out-of-hours services and we are now pushing ahead with the development of extended schools offering a wide range of

services, including childcare and a range of family learning and parental support, on-site; and an increase in the number of schools providing integrated education and day care.

By 2010, all parents with children aged five to eleven will be offered the guarantee of affordable childcare between 8am and 6pm, all year round. By 2008, half of all parents of primary aged children will be able to access this offer. Provision could be available in a local school, in a neighbouring school or on a different site, provided by the school or in partnership with voluntary and private sector providers, including local childminders.

All secondary schools will offer extended services over time. By 2008, at least a third of all secondary schools will be open from 8am to 6pm on weekdays all year round, offering a range of interesting activities for young people. All schools will be doing so by 2010.

Our drive to improve the quality of early education and childcare has continued and Ofsted's latest annual report, published in February 2005, confirmed that:

- Early education is good or better in a large majority of settings and in over a third it is very good. Children learn successfully with a variety of providers particularly in terms of their personal and social development.
- Almost all childcare is at least satisfactory, with more than half of all daycare being of good quality.

Substantial help continues to be provided to working families with their childcare costs through the tax credit system. At April 2005, over 337,000 lower and middle income families were benefiting from the childcare element of Working Tax Credit (WTC).

*Choice for parents, the best start for children: a ten year strategy for childcare* includes commitments to extend the thresholds for childcare costs support from 2005, and 2006.

## Spending Review 2004 PSA Targets

### SR 2004 PSA Target 1

Improve children's communication, social and emotional development so that by 2008 50% of children reach a good level of development at the end of the Foundation Stage and reduce inequalities between the level of development achieved by children in the 20% most disadvantaged areas and the rest of England. (Sure Start Unit target, joint with the Department for Work and Pensions)

The baseline will be the July 2005 results, when area level data first becomes available. The level of increase required over the period 2005 to 2008 will be apparent following analysis of the 2005 results.

### SR 2004 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%;
- increase the take-up of formal childcare by low income working families by 50%; and
- introduce by April 2005, a successful light-touch childcare approval scheme. (Sure Start Unit target, joint with the Department for Work and Pensions).

### Increasing stock

The baseline will be the stock of registered childcare places at 31st March 2004 (1,103,000). Therefore, the target will be a stock of 1,213,000 places by 2008. The latest stock figure at March 2005 is over 1.17 million places.

### Increasing take-up by lower income families

The baseline will be an average of the 2003-04 data and the 2004-05 data, whilst the final year will be an average of the 2006-07 and the 2007-08 data. The target level will be confirmed when the baseline data becomes available in 2004-05.

### Childcare approval scheme

As this is a completely new scheme, no baseline can be quoted.

The scheme was launched in December 2004 and began operating in April 2005, incorporating criminal records checks, first aid certification and a minimum training requirement. It will enable thousands of parents, for the first time, to be able to receive financial support to help pay for childcare in their own home, including nannies.

The criteria for successful introduction are outlined in the technical note for this target.

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## Chapter 4

# Primary Schools

**Our Goal:**  
**Excellence and enjoyment for every primary child.**

Primary education is already a success story with many schools delivering very high quality education as part of a rich and fulfilling curriculum.

*Excellence and Enjoyment: A Strategy for Primary Schools*, published in May 2003 set out how the fusion of excellence and enjoyment makes good primary education great. Children learn better when they are excited and engaged, and excellent teaching challenges them and shows them of what they are capable.

Impressive strides have been made in recent years towards the achievement of Key Stage 2 PSA targets for English and mathematics. However there still remains too much variability in performance between schools in similar contexts. Raising standards of reading, writing and mathematics in schools which could and should do better is an absolute priority. Reaching level 4 at the end of primary schooling is an essential platform for achievement at later stages. 68 per cent of those who reach the expected level at eleven go on to get five good GCSEs A\*-C compared with only ten per cent of those who do not.

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### Standards of Teaching

In 2004, Ofsted reported that in just under three quarters of primary schools the quality of teaching is good or better. This compares favourably with the position in 1997, when Ofsted found that teaching was good or better in only half of primary schools. The quality of teaching in English and mathematics remains highest overall, though other subjects such as science, art and design and music are all strong, with over two thirds of teaching judged to be good or better. There is most scope for improvement in the teaching of geography and religious education.

As a result the Department has set aside £200,000 for the Geography Development Fund, contracted to the Royal Geographical Society and the Geographical Association, mainly to develop new Continuing Professional Development for non-specialist primary teachers. In October 2004, the Department issued a non-statutory national framework for teaching religious education



to guide local authorities (LAs) in setting their syllabus.

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### Modern Foreign Languages

The Government's National Languages Strategy (2002) outlined the commitment that by 2010 all children throughout Key Stage 2 will have the opportunity to learn a language in class time. We have already made good progress towards meeting that target with almost half of all primary schools offering language learning opportunities.

In March 2005 the Department announced a financial Boost for Modern Foreign Languages totalling £115 million over the next three years. £60 million of that funding will be allocated specifically for the development of primary languages including initial teacher training with a languages specialism, continuous professional development for teachers, and building local and regional support networks.

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### Music

In the White Paper *Schools Achieving Success*, the Government pledged to provide opportunities for every primary school child who wanted to do so to learn a musical instrument. In September 2002, 12 local authorities (LAs) began piloting models of delivery for this pledge; these are known as the Wider Opportunities Pilots. Ofsted published a positive evaluation report on these pilots in March 2004.

The Department is supporting all LAs to introduce this successful teaching model into their primary schools. In 2003/04 and 2005/06, all local authorities (LAs) music services received an additional grant of £10,000 to enable them all to develop and pilot their own wider opportunities models. This additional funding will continue in 2006-07, with funding of up to £30 million for wider roll-out coming on stream in 2006-07 and 2007-08.

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### ICT

The Government's aim for information and communications technology (ICT) in schools is to raise standards and reduce teacher

burden through the effective use of ICT.

Targets are:

- A computer to pupil ratio of 1:8 in primary schools.
- All schools connected to the Internet by Broadband by 2006.

Computer to pupil ratios have improved to 1:7.5 in primary schools with 69 per cent of primary schools in England connected to broadband.

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### Extended Schools

Schools recognise that working in partnership with pupils, parents and the local community can help raise pupils' motivation, expectations and achievement. This leads to higher standards and improved behaviour.

The Department has set out a core set of extended services which it would like to see available in or through all primary schools. Services can be school, home or community based and provided independently, as part of a cluster of schools or working in partnership with other providers.

*Choice for parents, the best start for children: a ten year strategy for childcare*, set out specific targets for school age childcare as part of the offer. The expectation is that by 2010 all parents with children aged five to eleven will be offered the guarantee of affordable childcare between 8am and 6pm, all year round.

In some locations, the school is the main, or even only, place that has capacity to provide

the local community with a range of activities that can help meet their needs. In addition to the core offer, schools could provide community access to a wide range of activities, e.g. sport and information and communications technology facilities, or hiring out premises to local organisations. Schools should provide accessible services that local people want, which is especially important where there is a specific need, such as adult basic skills. Adult and community learning on school sites help to create a learning culture and children see adults learning because they want to, which helps them value learning for themselves. The Public Health White Paper: *Choosing Health*, sets out how extended schools, working in partnership with the primary care trust and others are a key delivery agent, improving the health and well-being of pupils, parents and the wider community. This might be through pastoral care but also in other activities for parents.

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### Spending Review 2004 PSA Targets

#### SR 2004 PSA Target 6

Raise standards in English and maths 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%.

**Table 4.1 The attainment of 11-year-olds: percentage of pupils achieving level 4 or above<sup>1</sup>**

Test	1998	1999	2000	2001	2002	2003	2004 <sup>2</sup>
English	65	71	75	75	75	75	78
change from previous year		+6	+4	0	0	0	+3
Mathematics	59	69	72	71	73	73	74
change from previous year		+10	+3	-1	+2	0	+1

Source of 2004 data: Statistical First Release 46/2004, National Curriculum Assessments at Key Stage 2 (revised) and Key Stage 1 to Key Stage 2 value added measures for 11-year-olds in England, 2004; 1 December 2004.

1. Includes results from all maintained schools (including special schools) and the results for independent schools that made a return.
2. Figures for 2004 are revised.

### 2006 target – 85% level 4 or above

Following a period in which primary school results plateaued, the 2004 results showed the first combined increases in the percentage of 11-year-olds gaining level 4 or above in English and mathematics for four years. In English there was an increase of three percentage points to 78 per cent and in mathematics a one percentage point increase to 74 per cent. Compared with 1998, about 90,000 more 11-year-olds are achieving the expected level for their age in mathematics and around 78,000 more are doing so in English. The rebuilding of momentum in 2004 is illustrated by the performance of individual local authorities (LAs) in England; with 128 increasing the percentage of pupils gaining level 4 or above in English and 117 doing so in mathematics. Some of the most deprived or low attaining areas are represented by those LAs achieving the greatest increases last year.

### 2008 target – 65% level 4 or above

There has already been a significant reduction in the number of schools in which fewer than 65 per cent of pupils achieve level 4 or above. In English there are now 17 per cent of schools below the floor target and 23 per cent in mathematics.

Compared with 2003, this means a reduction of 22 per cent (617 schools) in English and 13 per cent (462 schools) in mathematics towards the floor target of a 40 per cent reduction (2,568 fewer schools achieving below 65%) by 2008.

The priority now is to build on the momentum achieved this year to deliver further progress in 2005 and beyond through: greater precision in teaching and learning; better support for under achieving groups of pupils; and a strong focus on low attaining and under performing schools and LAs.

There is a range of comprehensive programmes in place through the Primary National Strategy to bear down on underperformance and provide the challenge and support that will lift attainment in these schools. At the same time support is being given to teachers to tailor teaching and learning to the needs of individual pupils – focusing on assessment for learning, early identification of barriers to achievement, and the successful planning and delivery of catch-up and intervention programmes that will help pupils at risk of falling behind achieve their potential.

Not only have primary schools made impressive progress in literacy and numeracy but teaching has improved in every single curriculum subject since 1997.

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### **SR 2004 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 school sport within and beyond the curriculum increases from 25% in 2002 to 75% by 2006 and to 85% by 2008, and to at least 75% in each School Sport Partnership by 2008. (Joint target with the Department for Culture, Media and Sport)

Progress towards this target is measured by the annual PE, School Sport and Club Links survey. The 2003-04 survey results showed that, overall, 62 per cent of pupils in schools within a school sport partnership spend at least two hours in a typical week on high quality PE and school sport, within and beyond the curriculum.

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## Chapter 5

# Independent Specialist Schools

**Our Goal:**  
**More choice for parents and pupils; independence for schools.**

Our purpose is to raise the quality of education, teaching and learning, and to widen the range of real choices which are available to every pupil and to ensure that every parent can choose an excellent secondary school for their child. We will build on our achievements so far to:

- increase freedoms and independence for schools;
- accelerate the pace of reform in teaching and learning (see chapter 6); and
- extend choice and flexibility in the curriculum, particularly at 14-19 (see chapter 7).

Underpinning each of these is sustained and rising investment in schools (see chapters 10 and 11).

The Department's *Five Year Strategy for Children and Learners* sets out the Government's continued commitment to the development of a national network of independent specialist schools – a decisive system-wide advance.

### Specialist schools

Nearly 70 per cent of all maintained secondary schools are now specialist: 509 became operational in September 2004 and a further 221 will become operational in September 2005. It is anticipated that around 80 per cent of all secondary schools will be specialist by September 2006.

There are currently 2,176 designated specialist schools (including 24 special schools), covering ten specialisms across all curriculum subject areas (arts, business and enterprise, engineering, humanities, languages, mathematics and computing, music, science, sports and technology).

Specialist schools continue to deliver higher performance on average than non-specialist schools as measured in key stage 3 test results, GCSE average point score and the number of pupils achieving five or more GCSEs at grades A\*-C.

In 2004, 57.4 per cent of pupils in specialist schools achieved five or more GCSEs at grades A\*-C compared to 48.2 per cent in non-specialist schools.



### Leading Specialists

Under proposals in the *Five Year Strategy for Children and Learners* high performing specialist schools will have the opportunity to take on other additional roles, either through second specialism, training schools status or participating in leading edge style partnerships. This will create opportunities for the leading specialist schools to take on extra funded roles, in return for sharing best practice with partner schools.

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### Building Schools for the Future

The aim of Building Schools for the Future, which was launched in February 2003 is to deliver a fully modernised and well maintained secondary school estate in England, which provides an attractive, inclusive and effective learning environment and workplace for children and learners.

The first new and refurbished schools will open at the end of 2006. From 2005-06, 36 Building Schools for the Future projects are in progress.

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### Academies

The *Five Year Strategy for Children and Learners* commits us to provide for 200 independently managed Academies to be open or in the pipeline by 2010 in areas with inadequate existing secondary schools, including 60 in London. Academies are an integral part of the Government's strategy for raising standards in the most disadvantaged and challenging areas. The programme provides entirely new, independently managed schools in areas of low educational standards and disadvantage where there are insufficient good school places, either replacing existing schools where other measures have not helped them improve, or creating wholly new schools.

There are currently 17 Academies open, another 11 are due to open in September 2005 and 33 more are in development. A further 30 to 40 projects have firm sponsorship and will go into development shortly. We are on course to meet our target.

The early indications are that Academies are making progress on educational standards. Of the eleven Academies reporting GCSE results in 2004, the majority showed increases – in some cases significant – on the percentage of pupils

achieving five or more A\*-C GCSEs compared with the predecessor school.

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### New Relationship with Schools

The New Relationship with Schools (NRwS) applies equally to primary and secondary schools. The aims of NRwS are to reduce bureaucracy, sharpen challenge and improve support to schools. It will strip away clutter and red tape and align national and local priorities, to further raise standards through a more intelligent accountability regime that includes:

- A shorter, sharper Ofsted inspection process, based on school self evaluation and a single plan.
- A School Improvement Partner (SIP) accredited to national standards, operating as a conduit between central government, local authorities and schools to ensure opportunities to raise levels of pupil achievement are being effectively identified, prioritised and acted upon.
- An improved data collection system.
- Streamlined and more user-friendly communications between schools and the Department and between schools and parents.

The ultimate aim is to have a school system in which every child matters; in which attention is paid to their individual needs for education and well-being; and in which schools can develop a distinct ethos and approaches that maximise the potential of their pupils.

During 2004/05, the Department has been trialling NRwS with a small number of local authorities (LAs) and schools. These structured trials will continue until July 2005. NRwS will then be extended to all schools on a phased basis from September 2005.

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### Education Improvement Partnerships

Education improvement partnerships (EIPs) are intended to allow schools to capitalise on the partnership dividend which is apparent when schools and other institutions work collaboratively to deliver shared functions. There are many existing successful partnerships which could extend their activities into new aspects of collaboration, and other schools which could use partnership to support them in delivering their objectives. EIPs will enable groups of schools and other providers to raise standards and to work together to take on wider responsibilities for the children and young people within their local community. It is expected that most partnerships will operate on a geographic basis and evolve to deliver a range of local authority responsibilities. A prospectus has set out the purpose and principles behind EIPs, but does not seek to prescribe a particular model or make particular collaborative activities compulsory. Groups of schools should develop a form of partnership according to local need.

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## Chapter 6

# Personalisation and Choice in the Secondary Years

**Our Goal:**  
**Every young person achieving their full potential.**

We want to ensure that young people can have excellent teaching that suits them. This is as relevant to pupils with special educational needs (SEN) as it is to gifted and talented pupils. A good secondary school has effective teaching at its core where teaching is tailored to the individual needs of pupils, with progress regularly assessed. The conditions for learning must be right in every school – with good behaviour, regular attendance and excellent partnerships between schools, parents and the community.

### Secondary National Strategy for School Improvement

The Secondary National Strategy for School Improvement (formerly the Key Stage 3 National Strategy) is designed to raise standards for all pupils aged 11 to 16 by introducing excellent teaching and learning practices into every classroom.

The Strategy began by focusing on improving attainment for 11 to 14-year-olds as pupils were not making sufficient progress by the end of Key Stage 3 (age 14), and the high standards being achieved by primary schools were not being

maintained and built upon. The Government introduced the Key Stage 3 National Strategy in 2001 to address this. Since then, standards have been rising at Key Stage 3, and teachers have responded positively to the Strategy. In 2004, the English and mathematics Key Stage 3 results were at their highest ever (see table 6.1).

Following the commitments in the Department's Five Year Strategy, the extension of the Key Stage 3 National Strategy into the Secondary National Strategy for School Improvement began in 2005. The Secondary Strategy offers support for schools and local authorities (LAs) to implement one coherent programme for raising standards through the whole 11-16 phase, so impacting on pupils' attainment at both Key Stages 3 and 4.

The Strategy offers teachers professional development, teaching materials, plus local experts to offer training and support. The Strategy comprises of six strands: English, Mathematics, Science, ICT, the Foundation Subjects, and additionally Behaviour and Attendance which applies across the whole curriculum. Other cross-curricular programmes, such as Assessment for



Learning, have been introduced to further strengthen the impact of the Strategy on raising standards in all curriculum subjects.

We want to make greater gains in 2005 and beyond, towards achievement of the Spending Review 2004 targets, and ensuring low-attaining pupils progress during Key Stages 3 and 4, particularly in the core subjects, is a priority. To reinforce this, a new floor target for 2008 for all schools to have at least half of their pupils achieving national expectations or above in the Key Stage 3 tests has been introduced; and there are also stretching targets for attainment at age 16.

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### **Behaviour and Attendance**

To learn effectively pupils must attend school regularly and behave well when they are there. So promoting responsible behaviour and regular attendance must be a high priority for parents and schools.

Ofsted report, based on judgements from inspections in 2003/04, that behaviour is



satisfactory or better in just over 90 per cent of schools, the number of permanent exclusions is 25 per cent lower than in 1997 and attendance is at record levels, but professional and public concerns remain. The Department is therefore implementing a wide-ranging national programme to improve standards of behaviour and attendance. This includes training available to staff in every school and additional support for schools and pupils facing the greatest challenges.

The programme has recently been enhanced to include the introduction of protocols between schools for the admission of most hard-to-place pupils by September 2005, supported by an expectation that all secondary schools will be working together in collaboration by September 2007 to improve behaviour and attendance. Schools which do not consider themselves ready to take in previously excluded pupils will have until September 2007 to include these pupils in their protocols, working with other local schools. Schools will be encouraged to work together on identifying and dealing with pupils at risk of exclusion or persistent truancy, with devolved budgets, and to work with local authorities to provide for those who are excluded.

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## Extended Schools

Extended schools play a particularly important role in overcoming the barriers faced by pupils, their parents and others from deprived communities. There is evidence that engaging communities with schools can raise levels of achievement, e.g. through study support, enrichment activities and family learning. Drawing on the learning from existing extended schools, a core set of services has been developed which we would like to see available in or through schools. As in primary schools the core offer includes a range of study support activities to support the personalised learning agenda, parenting support opportunities to help promote all family members learning together and swift referral from every school to a wide range of specialised support services. In the secondary phase we also see more scope for multi-agency teams based on site working with feeder primary schools.

*Choice for parents, the best start for children: a ten year strategy for childcare* sets out specific targets for secondary schools to open between 8am and 6pm all year, with at least a third making this offer on their own or in partnership with the private and voluntary sector. Work will begin with a group of secondary schools to test demand with a view to further informing the secondary offer. We want all secondary schools to develop a range of before- and after-school activities that will engage young people.

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## Spending Review 2004 PSA Targets

### SR 2004 PSA Target 7

Raise standards in English, maths, ICT and science in secondary education so that:

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

The 2004 results which will form the baseline show a two percentage point improvement from 2003 for mathematics and English to 73 per cent and 71 per cent respectively. In science there has been a two percentage point fall from 2003 to 66 per cent with the provisional ICT results at the same level as 2003. Since 1998, results in mathematics have improved by 14 percentage points from 59 per cent. The unexpected fall in national science results in 2004 followed earlier steady improvements in this subject (from 56 per cent) in 1998.

### 2008 target – 50% level 5 or above

The 2004 results will form the baseline for this new floor target, which are that: 601 schools (19 per cent) failed to reach the floor target in English, maths and science.

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**Table 6.1 The attainment of 14-year-olds: percentage of pupils achieving level 5 or above<sup>1</sup>**

Test	1998	1999	2000	2001	2002	2003	2004
English	65	64	64	65	67	69	71
change from previous year		-1	0	+1	+2	+2	+2
Mathematics	59	62	65	66	67	71	73
change from previous year		+3	+3	+1	+1	+4	+2
Science	56	55	59	66	67	68	66
change from previous year		-1	+4	+7	+1	+1	-2
ICT (teacher assessment)	56	58	62	65	66	67	67 <sup>2</sup>
change from previous year		+2	+4	+3	+1	+1	0

Source of 2004 data: Statistical First Release 09/2005, National Curriculum Assessments at Key Stage 3 and Key Stage 2 to Key Stage 3 Value Added for Young People in England 2003/04 (Revised) 16 March 2005 and 45/2004, National Curriculum Assessments of 14-year-olds in England (provisional): Part Two: 17 November 2004.

1. Includes results from all maintained schools (including special schools) and the results for independent schools that made a return.
2. Figures for 2004 are provisional for ICT.

#### SR 2004 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. (This target may be reviewed in the light of recommendations in the Tomlinson report.)

In 2004, 53.7 per cent of pupils achieved five or more good GCSEs or equivalent, a rise of 0.8 percentage points since 2003. This represents the seventh year of sustained year-on-year improvement since

1997. Some of the most deprived areas have shown the fastest improvements. In London, the percentage of students achieving five or more A\*-C grades has risen from 45.5 per cent in 2000 to 52.9 per cent in 2004.

There has been a further significant drop in the number of schools with less than 20 per cent of pupils achieving five or more A\*-C at GCSE. In 2004 there were 71 schools compared with 112 in 2003 and 361 in 1997. Improvement among these highly challenging schools has been encouraging and targeted support to Schools facing Challenging Circumstances has resulted in a year-on-year narrowing of the attainment

**Table 6.2 GCSE Examinations, 1997/98 to 2003/04<sup>1,2</sup>**

Percentage of 15-year-olds achieving GCSE	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Any pass	93.4	94.0	94.4	94.5	94.6	94.8	95.9
change from previous year		+0.6	+0.4	+0.1	+0.1	+0.2	+1.1
5 or more C or better	46.3	47.9	49.2	50.0	51.6	52.9	53.7
change from previous year		+1.6	+1.3	+0.8	+1.6	+1.3	+0.8
5 or more G or better (inc English and mathematics)	83.8	85.8	86.8	86.9	87.1	86.6	86.7
change from previous year		+2.0	+1.0	+0.1	+0.2	-0.5	+0.1

Source: Percentages are taken from the DfES database on School Performance Tables (now School Achievement & Attainment Tables) and are based on 15-year-old pupils in all schools.

1. Percentages from 1997/98 to 2002/03 include GCSE and GNVQ equivalents.
2. Percentages for 2003/04 include GCSE and a wider range of qualifications approved pre-16.

gap between these and other schools. There has, however, been slippage against a very demanding target.

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### **SR 2004 PSA Target 8**

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

Reducing the level of school absence by 8 per cent by 2008 will mean on average an additional 36,000 pupils back in school each day compared with the 2002/03 baseline – equivalent to seven million extra school days.

In 2003/04 school absence was at 6.57 per cent down from the baseline figure of 6.83 per cent in 2002/03. This is ahead of trajectory to meet the 2008 target of 6.28 per cent, and it represents on average around 17,000 more pupils back in school each day.

The School Attendance Strategy focuses on schools which have higher levels of absence than schools in similar circumstances (as defined by levels of free school meals). It requires schools and LAs to set themselves targets for improvement and supports progress through the provision of additional resources and materials on effective practice. The Strategy also reminds parents of their responsibilities and offers support to those families who need it and sanctions for those who refuse to engage.

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## Chapter 7

# 14-19 Education and Skills

### Our Goal:

Every young person to be well-equipped for adulthood, skilled work and further learning.

There has been significant progress in recent years in raising standards across the school system. International comparisons show that our primary schools are now world-class on any measure. Secondary education is also significantly improved. GCSE results have risen consistently and should rise further as pupils who have benefited from the key stage 3 reforms reach the age of 16.

The demands of the knowledge economy and modern society and requirements for higher level skill continue to grow. We need more young people to stay in learning after age 16 and to achieve more and the offer to young people must provide them with motivating, relevant, high quality routes to success.

The Government's White Paper: *14-19 Education and Skills*, published in February 2005, proposes reform of the curriculum and qualifications available to this age group, identifying and addressing the following priorities:

- Getting the basics right, especially numeracy and literacy.
- Ensuring that all learners are stretched and challenged.
- Improving the quality and relevance of vocational learning.
- Tackling disengagement, drop out and low achievement.

These priorities should be underpinned by high quality, responsive teaching and learning and institutional and accountability frameworks which support effective delivery.

### Getting the Basics Right

The White Paper: *14-19 Education and Skills* sets out proposals to strengthen the place of essential skills for life, learning and employment within 14-19 learning.

Upgraded GCSEs in mathematics and English will mean that no-one will get the higher grades in these subjects without having mastered functional skills in numeracy and literacy. A new General (GCSE) Diploma will be awarded to learners who achieve five A\*-C grades at GCSE



including English and mathematics. Functional mathematics and English will be an integral element of new specialised diplomas available at levels 1, 2 and 3. Changes to GCSE mathematics will happen within the context of work already underway in response to Professor Adrian Smith's report *Making Mathematics Count* and the adult numeracy work of the Skills for Life Strategy. The aim is to raise achievement in mathematics and lead to more students taking mathematics at advanced level and beyond.

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### Stretch and Challenge

Over time, stretch and challenge for students will be increased by incorporating more demanding, Advanced Extension Award (AEA) type questions into A levels and other level 3 programmes, introducing an extended project, and enabling some students to take higher education modules. In the short term to ensure that universities have more information on which to make judgements about candidates, moves to provide higher education institutions with A level unit grades to aid greater differentiation will be supported.



### Improving Vocational Learning

Working with employers through Sector Skills Councils and universities, we will develop a range of specialised diplomas that have currency in the labour market and meet the aspirations of young people. These lines will lead to diplomas in 14 broad subject areas, reflecting key sectors of the economy, at levels 1, 2 and 3. These clear pathways and routes of progression will end the current confusion around the number of vocational qualifications and leading specialist schools across the country will be invited to develop additional vocational specialisms.

The first four diplomas will be introduced in 2008, with a further four by 2010 and the remainder by 2015.

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### Tackling Disengagement and Drop-Out

Those at risk of disengagement need to be brought back into the system, and young people with significant barriers to learning must be appropriately supported to enable them to remain in learning and to achieve. This group is highly diverse, not consisting solely of low attainers. The White Paper: *14-19 Education and Skills* emphasises the first

priority is to intervene as soon as problems start to emerge (in many cases much earlier than 14-19). Securing the basics is central to ensuring that young people can access the rest of the curriculum. The White Paper: *14-19 Education and Skills* also proposes new opportunities for different styles of learning in different settings. Skills for Life is piloting new forms of e-assessment which perform both formative and summative functions within a programme of teaching and learning and which can be available to learners on demand. The new level 1 Diploma will provide opportunities for those who struggle with GCSEs to get on a pathway leading to further success and the emphasis will increasingly be on the stage of learning reached by individual students, not their age – accommodating those young people who need more time to succeed.

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### Young People not in Education, Employment or Training (also see SR2004 PSA Target 4)

The Connexions Service achieved its target to reduce the proportion of 16 to 18-year-olds not in education, employment or training (NEET) by ten per cent between November 2002 and 2004.

Nonetheless, 182,000 16 to 18-year-olds remain NEET and reducing this will be a key priority over the next five years. To achieve this, we need to:

- ensure that young people leave school with the skills and motivation to continue in work and learning;

- have in place a network of key workers who will advise and advocate on behalf of the young person;
- ensure that appropriate post-16 provision is available for all young people who wish to continue in learning; and
- further develop the links between youth support services through the establishment of Children's Trust arrangements in each local authority area.

Budget 2005 announced an additional £140 million over two years to pilot schemes in at least eight areas of England from April 2006 targeted at 16- and 17-year-olds not in education, employment or training and those in jobs without training. These pilots will test the effectiveness of increased support and guidance and a range of financial incentives in encouraging young people to take up education or training opportunities, or to progress towards formal learning.

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### Positive Activities for Young People

The Positive Activities for Young People programme (PAYP) provides diversionary activities for young people across the country aged eight to 19, at risk of social exclusion and community crime.

The programme is targeted to reach those young people most at risk. Connexions partnerships, Youth Offending Teams, schools and other agencies are responsible for identifying the target group of young people in the referral process.

In 2004-05, 113,000 young people have taken part, 104,000 of those deemed to be at risk.

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### Young People Leaving Care

The *Children (Leaving Care) Act 2000* commenced in 2001 and introduced new duties on councils to provide continuing support to young people who had been in their care. The trend to discharge young people from care prematurely around the age of 16 has generally been reversed. In 2003-04, councils were in touch with 85 per cent of care leavers on their 19th birthday. Since the Act, there has been an increase in the availability of transitional accommodation for care leavers.

In 2003-04, 55 per cent of 19-year-old care leavers were in education, training or employment, compared to 46 per cent in 2001-02. 28 per cent of councils had already reached the target that the level of education, training and employment amongst care leavers should be 75 per cent of the level amongst all young people of the same age in their area. Trends in service provision are positive but much more work will be needed to attain the target everywhere. General improvements in the quality of care noted in chapter 2 will also lead to better outcomes for care leavers.

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### Accountability Framework

An accountability framework which supports and encourages the development of the new 14-19 phase will be needed. It will:

- Ensure that, as the new vocational arrangements are put in place, these are included in the performance tables.
- Focus on the basics by continuing to measure performance in English, mathematics and science at Key Stage 3; and introducing a new English and mathematics measure at Key stage 4.
- Encourage stretch by giving credit in the performance tables for qualifications before the usual age; and through NRwS making schools more accountable for this.
- Encourage a culture of staying on – introducing a progression target and giving credit for completing Key Stage 4 after 16.

This major package of reform will help to ensure the choice of provision available in each locality meets the needs of all its learners.

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### Inspection

Inspection evidence shows that much of the post-16 provision is good, but quality is variable, so too is the success of the learner. Since inspections began in 2001, 90 per cent of the provision in colleges and 61 per cent in work-based learning providers have been judged as satisfactory or better. Measures are being put in place

through the Success for All reforms that will accelerate the improvements in quality over the next few years.

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### Information, Advice and Guidance

In 2004, the Department reviewed the delivery of careers education and guidance (CEG) by schools, colleges, work-based learning providers and the Connexions Service. The decision to review CEG was based on a number of reports that have both identified the importance of good CEG, and raised questions about the adequacy of the current provision. The findings of the review are being used to inform the development of the Green Paper on Youth which will be published in due course.

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### Spending Review 2004 PSA Targets

#### SR 2004 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.

The baseline for the 2006 target has been set based on matched administrative data for the cohort 19 in 2004. This shows 67 per cent of 19-year-olds qualified to level 2 or above.

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#### SR 2004 PSA Target 12

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

The baseline for this target will be young people not in education, employment or training (NEET) in the 2004/05 academic year. The estimate will not be available until end June 2005.

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## Chapter 8

# Adult Skills

### Our Goal:

Employers able to recruit people with the right skills, and individuals able to get the training and skills they need for employment and development.

The world is changing and for most people there will not be a job for life. Careers will range widely and the ability to change and be flexible will be crucial for success. People need to be equipped to be employable for life, and skills are at the heart of this, enabling them to adjust to new roles and adapt to new circumstances.

To improve our productivity, the skills gap must be closed. If businesses are to move up the value chain, become more profitable and pay higher wages they must be able to recruit people with the appropriate skills and qualifications.

### Employer Training Pilots

Employer training pilots (ETPs) were introduced in September 2002 to test out a package of financial support measures to improve access to training and enable employees to attain basic and NVQ level 2 skills. By April 2005, nearly 21,000 employers and over 163,000 learners had signed up. Important lessons are being learnt from the pilots about the key factors motivating employers and learners to

engage in training, and the best ways to adapt training provision to the needs and pressures of the workplace.

The new National Employer Training Programme to be rolled out from 2006/07 will apply the lessons learned from the successful Employer Training Pilots and give employers the opportunity to access publicly funded support to train their low skilled workers.

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### Centres of Vocational Excellence

The network of Centres of Vocational Excellence (CoVEs) delivered through the Learning and Skills Council (LSC) plays a key role in enabling further education colleges and work-based learning providers across England to be more sharply focused on meeting the skills needs of employers at level 3 (equivalent to technician/craft/supervisory/skilled).



CoVEs invest in the development of excellent, specialist, vocational provision that meets employers' skills needs across a range of sectors. Over £240 million is available to support the development of a network of CoVEs. There are now over 300 centres across the country.

The White Paper *14-19 Education and Skills* sets out a key role for CoVEs in the delivery of leading edge vocational opportunities to young people.

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### Skills Academies

The White Paper *Skills: Getting on in business, getting on at work* published in March 2005 announced plans to create a network of Skills Academies. They will be established by employers, in partnership with their Sector Skills Council and education providers, as sector-based national centres of excellence. Skills Academies will link with a re-focused network of Centres of Vocational Excellence (CoVEs) and specialist schools to provide national, regional and local networks delivering sector-specific vocational learning to young people and adults.



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### Apprenticeships

Apprenticeships are supported by government and industry as a high quality, coherent work-based learning programme, which provides a foundation for sustainable employability and helps to increase the technical skills base in the workforce.

Approximately 160 Apprenticeship frameworks cover over 80 occupations, from IT to animal care, from construction to business administration. Each framework includes National Vocational Qualification (NVQ) at level 2 or 3; a technical certificate (to ensure in-depth specialised knowledge); a key skills qualification; and other qualifications or requirements specific to the particular framework (e.g. health and safety training).

In May 2004 we introduced a new Apprenticeships structure comprising:

- Young Apprenticeships for 14- to 16-year-olds.
- Pre- Apprenticeships based on the popular entry to employment programme (at level 1).
- Apprenticeships (at level 2).

- Advanced Apprenticeships (at level 3).
- Apprenticeships for adult entry – lifting the age limit of 25.

The 2004 target equates to 175,000 starts in 2004/05 and the 2003/04 milestone of 152,000 starts was achieved. Slippage against recruitment profile earlier this year was partly caused by higher than expected costs affecting provider contracts. The release of extra funds, along with sustained promotional activity, increasing engagement of large employers and a number of other measures have started to address the shortfall and should put us back on track.

A programme of reform has also been set in train, which will:

- continue to increase the number of employers offering apprenticeships and demand from young people;
- ensure there are apprenticeship options and clear progression opportunities at all levels;
- ensure that training is of the highest quality; and
- increase by three quarters the number of young people completing their apprenticeship by 2008.

The White Paper *14-19 Education and Skills* confirmed that the Apprenticeship programme remains the main route to high-quality work-based learning for young people. We will continue to broaden the reach of Apprenticeships, which will, in due course, come with a planned Diploma framework set out in the White Paper.

In addition, the White Paper *Skills: Getting on in business, getting on at work* confirmed

that we are trialling Apprenticeships for adult entry focused on level 3 in the engineering, construction and health sectors. Funding has also been secured for 1,300 learners up to March 2006 and we are also exploring options around level 4.

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### Entry to Employment (E2E)

Entry to Employment (E2E) the work-based learning programme for 16- to 18-year-olds, had over 60,000 young people taking part in 2003/04, its first year of national establishment. This was 10,000 more than originally planned. Positive progression is increasing, with 46 per cent achieving positive outcomes in November 2004.

E2E has been developed as an entry/level 1 programme on the work-based learning route, intended to support young people in working towards positive destinations at level 2, such as Apprenticeships, employment with training or full-time further education programmes. E2E is a flexible and individually tailored programme. Attendance depends on individual learning needs typically varying from 30 hours per week building up to 40 hours. Wherever possible, young people work towards some form of qualification. While on E2E, learners receive a training allowance of £40 per week, provided that they are attending for a minimum of 16 hours per week, and travel expenses.

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### Adult Learning Grant

Pilots began in September 2003 in ten Learning and Skills Council (LSC) areas to assess the impact of an Adult Learning Grant of up to £30 per week towards the costs of learning for adults studying full time for a first full level 2 qualification, and young adults aged 19-30 studying full time for a first full level 3 qualification. In 2005-06 the pilot programme was expanded to make the grant available in 19 areas, including both of the regions which are trialling the Level 2 entitlement (North East and South East). By the end of April 2005 nearly 5,000 learners had successfully applied for the grant in 2004/05, with over 80 per cent of current grant holders studying at Level 3.

Initial evaluation evidence for the grant suggests that it is filling a valuable role in helping young adults particularly gain highly marketable technician, advanced craft, skilled trade and associated professional skills. Subject to the evaluation evidence continuing to show that it is successful in achieving its objectives, the grant will be extended to two further regions in each of 2006-07 and 2007-08, and to the remaining three regions in 2008-09. On that schedule, the grant would be nationally available from 2008-09.

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### Entitlement to a Platform of Employability Skills

In September 2004 trials began in the North East and South East regions to provide free tuition to any adult who has not previously achieved a full qualification at level 2, (equivalent to five good GCSEs) and who

now wants to do so. This is the first stage of meeting the commitment first set out in the Skills Strategy White Paper *21st Century Skills: Realising our Potential* to give all adults an entitlement to a platform of employability skills on which they and their employers can build. Following the successful trialling of the entitlement, the LSC intends to extend it to all other regions during 2005/06 and for it to be fully available nationally from 2006/07.

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### Quality in the Learning and Skills Sector

Quality in the Learning and Skills sector is a priority for the Department and we are committed to ensuring that every learner experiences high quality learning and achieves their learning goals.

We are now seeing the very real impact of Success for All, our joint programme of reform with the Learning and Skills Council (LSC). Success rates are rising in colleges and work-based learning, and the vast majority of learners and employers are declaring themselves satisfied with their experience of the sector.

Through Success for All we will establish a stronger clearer accountability framework, where good performers will be able to grow and excellence will be recognised.

All providers will be set challenging improvement targets and judgements about performance will be made on a fair and reasonable basis, with action taken to support improvement and tackle failing providers. Intervention will be in inverse proportion to success.

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### Teaching and Learning

Through Success for All, we are improving teaching, training and learning. Four frameworks covering: construction; Entry to Employment; business; and science were launched in autumn 2004. At least 1,500 staff from colleges and other providers will be trained as subject learning coaches to support these frameworks. Four more frameworks will be launched in autumn 2005, and a further four in autumn 2006. See chapter 10 for more details of the further education workforce.

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### Quality Improvement Agency for Lifelong Learning

The Quality Improvement Agency is being set up to accelerate the pace of quality improvement in the Learning and Skills sector. Fully operational by April 2006, it will secure better outcomes for learners, employers and the economy by providing a national focal point for quality improvement. We will invite the Agency to work with partners to propose a quality improvement strategy to address the Government's priorities and enable colleges and providers to improve and respond to change.

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### Sector Skills Councils

The development of the Sector Skill Councils (SSCs) network (known as Skills for Business), is key in helping to raise the demand for skills from employers. SSCs play a fundamental role in identifying the skills needs of sectors, articulating those needs to providers, individuals and the Qualifications and Curriculum Authority (QCA), and also working with Regional Skills Partnerships and national funding and planning bodies to ensure the supply of appropriate skills is created and sustained. Through Sector Skills Agreements, each SSC will be expected to assess the skill needs of their workforce and put in place action plans to address those needs, working with the Learning and Skills Council (LSC) at national and regional level. At the end of February 2005, there were 22 licensed SSCs. See chapter 10 for more details of the further education workforce.

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### Regional Skills Partnerships

Regional Skills Partnerships bring together the main funding and planning bodies with responsibility for adult skills, enterprise and employment in the region, the Local Skills Council, Jobcentre Plus, Skills for Business Networks and the Small Business Service. They are now established in all regions and they will integrate action on skills, training, business support and labour market services at regional level.

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### Offender Learning and Skills

Working closely with the Home Office, the Department has responsibility for improving the learning and skills service for offenders, in order to help reduce re-offending.

Since April 2001, over 160,000 nationally accredited qualifications from entry level to level 2 in literacy, language and numeracy have been achieved by offenders in custody and over 380,000 work skills qualifications. This is a major contribution to the Government's targets for improving basic skills, which remain a top priority for offender learning along with the provision of wider training opportunities for low skilled offenders. There is, however, a huge challenge ahead, many offenders have extremely low skills and qualifications, are reluctant learners and face significant barriers to employment.

The Offenders' Learning and Skills Service project (OLASS) will achieve an integrated learning and skills service for offenders in custody and in the community. The service will have very well developed links with that provided for mainstream post-16 learners in the community. The new service will be tested in three development regions from August 2005 and will be rolled out nationally from August 2006. The White Paper *Skills: Getting on in business, getting on at work* signalled a commitment to a joint Department for Education and Skills, Home Office and Department for Work and Pensions Green Paper later in 2005 setting out a joint reform programme to build a service that is much more effective in improving skills and qualifications and in getting more offenders into sustainable employment. Funding for learning and skills in prisons and the community will rise from

£136 million in 2004-05 to £152.5 million for each of the years from 2005-06 to 2007-08.

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### Union Learning Fund

The Union Learning Fund (ULF) is a source of funding to help trade unions use their influence with employers, employees, and others to encourage greater take-up of learning at work and boost their capacity as learning organisations. The fund has significantly boosted the take-up of training at and below level 2, and particularly of Skills for Life training in the workplace. This work has been supported by Union Learning Representatives (740 of whom have been trained in supporting Skills for Life) who mediate between employers and employees around skills needs and provide information, support and encouragement to enable employees to update and acquire the new skills necessary in the world of work.

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### Ufi

Ufi, which operates the **learndirect/UK online** network and services, is the largest government-supported e-learning organisation in the world. It was established in 1998 to take forward the concept of a University for Industry. Its services are **learndirect** – advice – the national learning advice service and **learndirect/UK online** – the national supported e-learning and e-services network.

Ufi's mission is to work with partners through the **learndirect/UK online** network to boost the employability of individuals and the productivity and competitiveness of organisations.

Responsibility for managing and funding Ufi was transferred to the Learning and Skills Council on 1 August 2004.

- **learndirect** courses offer anytime, anyplace learning for individual adults and businesses.
- The national network of **learndirect** centres provides access to nearly 600 courses including numeracy, literacy, IT, and business and management. Centres can be found on the High Street, in sports facilities, community and shopping centre locations.
- **learndirect** – advice is a free, confidential and impartial service for adults wanting information and advice on courses, careers, funding and childcare. The service can be accessed by telephone 0800 100 900 (8am to 10pm) or through the Internet at [www.learndirect-advice.co.uk](http://www.learndirect-advice.co.uk)
- **UK online centres** were established to bridge the gap between those in society who have access to ICT and are able to use it confidently and competently and those who do not. There are over 6,000 centres located in a diverse range of community venues across England – the vast majority providing free or low cost

Internet access and support. In 2003, library-based UK online centres recorded 11.7 million Internet user sessions and more than 100,000 IT training sessions. A further 500,000 people each year use centres based in the voluntary and community, college and private sectors.

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### ICT as a Skill for Life

The 2003 White Paper *21st Century Skills – Releasing Our Potential* announced that basic IT skills would be recognised within the Skills for Life strategy, alongside literacy, language and numeracy. The strategy currently being taken forward is intended to equip people, over time, with the skills they need to function effectively in ICT for both work and leisure. This will contribute to economic productivity and help reduce the social exclusion resulting from an ICT have and have not environment.

The plan is to have ICT skills established within Skills for Life and gradually rolled out, from September 2005, through a programme of pathfinders.

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## Spending Review 2004 PSA Targets

### SR 2004 PSA Target 13

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

- improving the basic skill levels of 2.25 million adults between the launch of *Skills for Life* in 2001 and 2010, with a milestone of 1.5 million in 2007; and
- 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.

### Basic Skills

Skills for Life, the National Strategy for improving adult literacy, language and numeracy skills launched in March 2001 aims to help create a society where adults have the basic skills they need to find and keep work and participate fully in society, thereby increasing the economic performance and social cohesion of the country.

Skills for Life caters for the literacy, language (English for speakers of Other Languages (ESOL)) and numeracy needs of all people of working age, including those with learning difficulties or disabilities, from pre-entry level up to and including level 2.

The interim target of 750,000 learners with Skills for Life qualifications by 2004 has been met, with 2.6 million Skills for Life learners accessing 5.5 million learning opportunities over the target period.

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### Adults in Workforce Lacking NVQ2

Achievement of a 40 per cent reduction in the numbers without a level 2 since 2001 requires an additional 3.6 million first level 2 or higher qualifications over that period. Progress towards the target is measured in terms of the increase in the number of economically active adults with a level 2 or higher qualification between 2001 and 2010.

The target is a shared ambition, whose achievement is dependent not just on publicly funded training but also on the voluntary actions of employers and individuals choosing to spend time and private resources on achieving qualifications.

Latest data from the autumn 2004 Labour Force Survey indicate that 71.7 per cent of economically active adults are qualified to at least level 2, an increase of 1.2 percentage points from autumn 2002. This represents an increase of 377,000 adults towards a target of one million more adults with a level 2 or better between 2003 and 2006. Whilst we are on course to achieve the 2006 interim target, achieving the 2010 target is challenging, and can only be achieved through a combination of public and private investment. Achieved 6.4 per cent of the 40 per cent reduction.

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## Chapter 9

# Higher Education

### Our Goal:

**Access to a world class higher education system for all those with the potential to benefit.**

Our universities are a success. They are world leaders in research, second only to the USA and are making an ever more important contribution to the economy as we move towards a more highly skilled labour market. Quality is high which also attracts many international students.

However, everyone in higher education faces tough challenges. Universities need extra funding and in the interests of the economy they must make better connections with employers. Across the world, governments are seeking to make their universities more competitive with ours.

The higher education agenda is extremely demanding and implementation of the *Higher Education Act 2004* will mean:

- introducing in 2006, variable undergraduate tuition fees, together with the associated package of student financial aid and loans for fees;
- continuing to promote participation and fair access for students from poor backgrounds. A child from a rich family is five times as likely to get into higher education as a child from a poor family;

- using funding and external review to improve teaching quality; and
- stimulating university involvement with employers and the wider community, not least so as to improve the contribution higher education makes to lifelong learning.

At the same time we are conscious of the risk of trying to do too much. It is not for the Government to run universities, or even to seek strong controls over how they run themselves. Nor should we seek to duplicate or second guess activities which are for non-departmental public bodies. Our aim is to bring about beneficial change and the Five Year Strategy set a framework for taking this forward.

Participation will have increased towards the target of 50 per cent of those aged 18-30 entering higher education by 2010, mainly through the expansion of work-related, employer-led Foundation Degrees and the drop-out rate will continue to be low.



### Office for Fair Access (OFFA)

Higher education will benefit from a new funding stream, over which institutions have control, as a result of variable fees. During 2004-05, Parliament enacted the legislation that will give rise to variable fees.

The Department has established the Office for Fair Access (OFFA), a small team under the leadership of Sir Martin Harris. OFFA is responsible for approving higher education institution's (HEIs) access agreements i.e. the proposals for promoting access for students from disadvantaged backgrounds that are required before an HEI is able to charge variable fees. Sir Martin Harris has extensive experience in higher education, and he and his team have worked closely with the sector to ensure that OFFA's scrutiny is effective, and not intrusive or bureaucratic. Institutions are able to charge variable fees from 2006/07, and at the same time, the current requirement on many undergraduates to pay up-front fees will be abolished and students from poorest backgrounds will be able to access bursaries provided by HEIs themselves, as well as loans with a zero real rate of interest.



### Foundation Degrees

The Foundation Degree is still a relatively new qualification but it is becoming increasingly popular. In 2004/05, some 38,000 students are studying for Foundation Degrees. Foundation Degrees are developed in collaboration with employers and target higher level skills shortages. They are validated by HEIs to ensure that they meet standards. Employers value them for their hands-on vocational focus that enables graduates to make an immediate contribution to their enterprises.

### Research

Our world-class position in research will be retained and strengthened with further investment and steps towards collaboration.

Guidance for the next Research Assessment Exercise that takes place in 2008 has been published, and steps have been taken to ensure the sustainability of research by announcing our timetable for research funding to reflect the full economic costs of research activities.

## Centres for Excellence in Teaching and Learning

Centres for Excellence in Teaching and Learning are being established to reward good teaching at departmental level and to promote excellence across all subjects and aspects of teacher and learning in higher education. The Higher Education Funding Council for England (HEFCE) announced in January 2005 the names of the 74 centres which will be set up from spring 2005 onwards. HEFCE is providing funding of £315 million over five years from 2005-06 to 2009-10, representing their largest ever single funding initiative in teaching and learning.

Participation is projected to continue to increase as attainment in school rises, as initiatives to promote access such as the AimHigher campaign continue to bear fruit, and as the widely welcomed Foundation Degrees become increasingly part of the basic fabric of higher education.

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## 2004 PSA Targets

### SR 2004 PSA Target 14

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

### Increase participation

Participation continues to increase. The measure used, the Higher Education Initial Participation Rate (HEIPR) has grown from around 41 per cent in 1999/00. Current projections show a figure for 2003/04 of 43 per cent, and 87.2 per cent of young entrants to full-time degree courses in 2002/03 had attended state schools, compared with 86 per cent in 2001/02. Rates of participation from neighbourhoods with historically low levels of participation are increasing.



## Chapter 10

# The People to Deliver

The more we look to the front line to lead reform, the greater the need for a highly skilled and motivated workforce. The workforce in children's services, education and training contains an estimated 4.4 million people. It is vast and diverse, and includes e.g. childminders, nursery nurses, teaching assistants, social care workers, teachers and further education and university lecturers.

It is a workforce dedicated to the people it serves, but it is also a workforce feeling the pressure of growing public expectation and increasing demands for accountability. The emphasis on personalisation and choice in *The Five Year Strategy for Children and Learners*, coupled with the rapidly changing pressures of society and the economy will raise public expectations further and put an even greater premium on well-trained, committed staff, recognised and valued for the work they do.

*The Five Year Strategy for Children and Learners* contains proposals for investing in the development of the workforce in each key sector. Underlying this is a basic offer to them all:

- clarity about expectations and minimum standards;
- investment in training and professional development;
- opportunities to learn skills and progress;
- rewards and recognition for success; and
- fewer burdens, less bureaucracy.

### Children's Workforce

For the children's workforce this means a new common core of skills and knowledge for front-line practitioners and a new framework of qualifications to boost recruitment and support career progression. A workforce strategy setting out our plans for developing a children's workforce with the capacity, flexibility, skills and motivation to help children and young people thrive was published for consultation in April 2005.

The four strategic challenges identified in the consultation paper are to:

- recruit more people into the children's workforce;
- develop and retain more people within the children's workforce;
- strengthen inter-agency and multi-disciplinary working; and
- promote stronger leadership, management and supervision.



As part of a new UK-wide Sector Skills Council, the newly established Children's Workforce Development Council (CWDC) will work with the Department and other key partners to drive forward children's workforce reform.

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### School Workforce

The White Paper: *14-19 Education and Skills* recognised that we will need the right people with the right skills to teach young people in schools, colleges and training providers. Teachers, tutors, support staff, secondees from industry and a range of other people are crucial to delivering the 14-19 phase. The skill mix in that workforce will need to change as more learners take vocational options.

Teacher numbers have grown by over 32,000 since 1997 and at over 431,000, are at their highest level since 1981. The number of support staff stands at over 266,000, including a doubling in the number of teaching assistants since 1997. Following the National Agreement on workforce reform signed by Government and the great majority of the unions as well as local authority employers, teachers are being freed to focus on their core professional



responsibilities. Furthermore, the school team is now as diverse and flexible as the best multi-disciplinary teams found in any leading profession, including medicine. In addition, *The Five Year Strategy for Children and Learners* also sets out a new commitment to the professional development of teachers.

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### Further Education Workforce

At the launch of *Success for All – Our Vision for the Future*, one of the stated aims was developing the leaders, teachers, lecturers, trainers and support staff. To help us achieve this we have developed, alongside partners, a workforce strategy for 600,000 people within the sector. The aim is to attract and retain the best people and to drive up the quality of teaching, learning and leadership in the sector. It addresses how we train and develop the workforce of the future and provide a new infrastructure for a new sector.

Progress is being made towards a fully qualified workforce by 2010, with 78 per cent of full-time college teachers and 58 per cent of part-time college teachers qualified or enrolled on appropriate courses by July 2004. A large part of this success

has been the introduction of initial training of college teachers, and a further round of pilots will be launched in spring 2005.

Plans have been published to reform initial teacher training, including a new award of Qualified Teacher Learning and Skills. By 2007, we want all new college principals to be suitably qualified. Over 1,300 managers have now taken part in the Centre for Excellence in Leadership's programme.

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### Higher Education Workforce

The Government has provided £330 million between 2001-02 and 2003-04 and will provide an additional £167 million in 2005-06 to help universities develop human resource strategies. These will address their future staffing needs, staff development, equal opportunities issues and more flexible ways to recognise and reward staff for the contribution they make.

### Leadership in the Workforce

An effective workforce needs good leadership. As more emphasis is put on those in the system leading reform, we will increasingly need leaders (and leadership teams) who can combine the ability to manage people and money with the creativity, imagination and inspiration to lead transformation.

Over the next five years we will continue to give priority to developing effective leadership at every point in the system.

For schools we will continue to develop the National College for School Leadership as a

world class centre of leadership. Our aim is that by 2009 all aspiring headteachers will be required to have the National Professional Qualification for Headship as a mark of their effective leadership.

In further education, we will continue to support the work of the new Centre for Excellence in Leadership, through which over 3,200 participants have benefited from leadership and management development.

Leadership development will also be a central element in our programme to improve the quality of children's services.

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Section C

## **About the Department**



## Chapter 11

# The Department

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

They also create a culture of learning within which all staff can develop to their full potential and actively promote the Department's Behaviours. Members of the Board (heads of the Department's Directorates) meet with the Permanent Secretary every month. In addition to the executive board members there are also two non-executive board members, Philip Augar and Lin Homer who provide external perspectives and act as critical friends.

### The Permanent Head of the Department and Management Board

The composition of the Management Board is:

Sir David Normington	Permanent Secretary
Peter Housden	Director General, Schools Directorate
Tom Jeffery	Director General, Children, Young People and Families Directorate
Sir Alan Wilson	Director General, Higher Education Directorate
Janice Shiner	Director General, Lifelong Learning Directorate

Susan Thomas	Director General, Corporate Services and Development Directorate
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Michael Stevenson	Director, Strategy and Communications Directorate
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Peter Makeham	Director General, Finance and Analytical Services Directorate
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The Permanent Head of the Department 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.

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

### Ministers' and Board Members' Remuneration

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

The Permanent Secretary's pay is set by the Prime Minister on the recommendation of



the Permanent Secretaries Remuneration Committee.

The pay of the Management Board is determined by the Permanent Secretary in accordance with the rules set out in the Civil Service Management Code.

### Aim and Objectives

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

#### Our aim is to:

Help build a competitive economy and inclusive society by:

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

#### Our objectives are:

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

To achieve these objectives, the Department is organised into seven Directorates (see table 11.1) and has in place a wide-ranging policy programme and Public Service Agreement targets against which to measure progress and achievement.

**Table 11.1 Organisation Chart by Directorate (including programme and target responsibilities)**

Permanent Secretary	Sir David Normington		
Directorate	Director/Director General	Main Programmes	SR2004 PSA Targets
Children, Young People and Families	Tom Jeffery	Every Child Matters: Change for Children	
		Sure Start and Extended Schools (both joint with DWP)	1 and 2
		Youth (joint with DH)	3 and 12
		Safeguarding	5
Schools	Peter Housden	Primary and 11-19	4,6 and 9
Lifelong Learning	Janice Shiner	11-19	7,8,10 and 11
		Success for All Adult Skills	13
Higher Education	Sir Alan Wilson	Higher Education	14
Strategy and Communications	Michael Stevenson		
Corporate Services and Development	Susan Thomas	Departmental Reform	
Finance and Analytical Services	Peter Makeham	Efficiency	
Government Office	Regional Director		
North West	Keith Barnes		
North East	Jonathan Blackie		
East of England	Caroline Bowdler		
Yorkshire and the Humber	Felicity Everiss		
West Midlands	Graham Garbutt		
South West	Bronwyn Hill		
South East	Paul Martin		
London	Liz Meek		
East Midlands	Jane Todd		

## Five Year Strategy

The *Department for Education and Skills: Five Year Strategy for Children and Learners* sets out the Government's priorities for the Department's work in all our main areas of policy and puts into context the reforms of the Department's organisation and staffing. It sets out the underlying principles of reform, personalisation and choice for the user, more diversity of provision and providers, greater freedom and autonomy for front-line services and the importance of strong partnerships.

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

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

The core role of the Department will be to support ministers in providing strategic leadership to the system, setting the overall strategic direction and the outcomes that are being sought for children, young people and adults.

The Department's role:

- Leading change in the system.
- Creating a system capable of delivery.
- Fulfilling the role of a Department of State.

The Department itself will do less direct management and direct service delivery and will be:

- More strategic.
- Smaller.
- Professional and expert.
- Strong in its partnerships.
- Making a difference for children and learners.

Good progress has been made in reforming the overall structure. Staffing in the Department will reduce to reflect its role. The Department is on course to reduce by 850 staff by March 2006 and by a further reduction of 610 staff by March 2008 – a total reduction overall of 1460 staff from the October 2003 baseline.

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

### Spending Review 2004 Efficiency Target

The Department plans to achieve over £4.3 billion in annual efficiency gains by 2007-08, contributing towards the Government's overall target of over £20 billion. Our efficiency programme covers the whole of

the Spending Review period from 2005-06 to 2007-08 with lesser targets for earlier years.

### Efficiency Gains to be Achieved

As part of our programme of efficiency we plan to:

- reduce the total number of civil servant posts by 1,960 with 1,460 in the core department and 500 in the Office for Standards in Education (Ofsted), and be on course to relocate around 800 posts from the Department and its partner organisations out of London and the South East by 2010;
- enable front-line professionals in schools, colleges and higher education institutions to use their time more productively, which is expected to generate around 30 per cent of the total efficiency gains, enabling institutions to achieve more with their resources. Benefits will be generated through workforce reform, investment in information and communications technology (ICT) and reducing administrative burdens;
- improve procurement of goods, services and new school buildings, using a new procurement centre of excellence, the Centre for Procurement Performance to strengthen procurement practice across the education and children's services sectors. This is expected to deliver around 35 per cent of the total efficiency gains;

- streamline the delivery system for each sector through improvements in policy, funding and regulation, such as the lighter touch process for Ofsted inspection, streamlined data collection and reduced reporting and monitoring requirements introduced in the New Relationship with Schools (NRwS);
- free up resources through reductions in the cost of the Department, its non-departmental public bodies (NDPBs), and Ofsted by reducing overlaps, simplifying systems, better procurement and rationalisation of corporate services functions through simplified standard processes and common systems. This is expected to reduce the total administration costs of these organisations by at least 15 per cent; and
- pursue efficiency gains by other means, including improvements in school-level financial management through the increased use of financial benchmarking information and dissemination of best practice.

### Realising the Savings

Details of the efficiency gains and how they will be measured are contained in the Department's Efficiency Technical Note <http://www.dfes.gov.uk/publications/otherdocs.shtm>. The majority of the gains will be achieved through the Department's main programmes to deliver our Public Service Agreement (PSA) targets and other objectives.

### Progress

At the end of March 2005, staff reductions of 650 posts had been achieved and we

are on course to achieve 850 staff reductions by April 2006, in line with our trajectory for achieving the full 1,460 reductions by 2008.

The new Centre for Procurement Performance is now fully functional and early in 2005-06 firm decisions will be taken on how and where the relocation programme will take place.

At the end of March 2005, around 58 posts had been relocated from DfES and partner organisations and a further 90 are on target to be relocated by April 2006. Ofsted is on target to achieve 500 post reductions and some 230 post relocations by April 2006.

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## Our People

### Behaviours

The Department's Behaviours have been and will remain central to our ways of working with our customers, partners and inside the Department. In addition to building up skills in the organisation, we also seek to improve the way in which we work with our customers, partners and inside the Department.

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

### The Department's Human Resource Strategy

Since April 2003, when it published its HR Strategy *Delivering Through People*, the Department has:

- continued to invest heavily in learning and development;
- provided HR strategic support to help manage the Department's wider Change programme through developing new ways of working and supporting departmental restructuring;
- developed a range of programmes across grades focused on identifying and developing talent;
- improved HR services by simplifying and streamlining policies and procedures;
- put in place a three year pay deal which provides stability and clarity to the Department's reward system;
- undertaken a good deal of external recruitment, particularly at senior levels which has provided the Department with additional skills and expertise helping to move us towards a more diverse workforce; and
- transformed HR and learning functions to offer a more streamlined and strategic service, with an improving quality and business focus, and set in train plans for further change.

### Management and Leadership Programme

There are three iterations of the programme: Executive Officer (EO) to Senior Executive Officer (SEO); Grades 7 to 5; and a Directors' programme.

The last two programmes both start with a development centre and psychometric tests, followed by a considerable coaching element plus learning sets and workshops linked to business objectives. The investment in people is significant, but successive evaluations of the Grades 7 to 5 programme in particular, show that it is impacting positively on people's performance. Participants report increased confidence: particularly enhanced relationship management skills with staff, partners and ministers; the use of newly acquired tools and techniques to deliver tasks and objectives more effectively; and greater motivation of teams and individuals. The programme is contributing to building a coaching culture in the Department by encouraging participants to adopt a coaching style as part of their leadership role.

The EO to SEO programme (Introduction to Leadership (ILP)) has a similar, shorter format with limited coaching and minus the development centre. At the end participants formally report on how they have implemented their learning, typically including increased managerial skill in managing others and managing meetings. We are currently investigating accrediting the ILP and it looks likely that it will form part of the Foundation for Government degree. If so, this will be a first for Whitehall.

### Core Business Skills Programme

This programme again supports all four of the goals for people: developing strategic capability; developing relationship management skills; managing change; and working flexibly, and evaluation evidence shows that it is making a real difference to the way people do their jobs. Examples include:

- increased capability in managing performance;
- managing change;
- using project and programme management to progress work;
- increased motivation of staff as a result of our induction programme;
- better quality drafting and contracting; and
- evidence of increased efficiency and effectiveness.

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### Recruitment

The Department has recruited fewer staff through external competition this year. This reflects the planned reduction in the size of the Department. Opportunities for external applicants have been predominately at the more senior grades, reflecting the Department's change in emphasis to becoming more strategic and to recruit more specialist skills. Table 11.2 shows the external recruitment undertaken in the calendar year 2004.

External job advertisements for opportunities below senior civil service (SCS) level are all posted on the Department's website and in the press. Externally advertised SCS opportunities are all posted on the Cabinet Office Recruitment Gateway, the Senior Civil Service HR website, and in the press. The facility to register and apply for jobs via the Internet continues to be very successful, with the majority of applicants choosing to

Table 11.2 External Recruitment 2004.

Grade including grade equivalents	Number of posts	Successful female applicants	Successful disabled applicants	Successful ethnic minority applicants
Executive Officer	6	3	1	1
Higher Executive Officer	1	1	0	0
Senior Executive Officer	1	1	0	0
Grade 6/7	22	4	0	3
Senior Civil Service	6	1	0	0
<b>Total</b>	<b>36</b>	<b>10</b>	<b>1</b>	<b>4</b>

obtain information and apply for jobs in this way. The Department is committed to equality of opportunity in recruitment and that is reflected in the nature of our advertisements, where they are placed and in outreach activity.

Recruitment into the Department is carried out in accordance with the Civil Service Commissioners' Recruitment Code and all recruitment exercises are managed through fair and open competition.

The Department is committed to being an Equal Opportunities employer. We value and welcome diversity. We aim to develop all our staff to enable them to make a full contribution to meeting the Department's objectives, and to fulfil their own potential on merit. We will not tolerate harassment or unfair discrimination on grounds of sex, marital status, race, colour, nationality, ethnic origin, disability, age, religion or sexual orientation. We will promote and support the use of flexible working patterns to enable staff to balance home and work responsibilities.

The Department follows the Civil Service Code of Practice on the Employment of Disabled People which aims to ensure that there is no discrimination on the grounds of disability and that access to employment and clear advancement with the

Department is based solely on ability, qualifications and suitability for the work.

Of the total number of staff recruited in 2004, 77 per cent identified their ethnic origin at the application stage, and of these, 11 per cent were from ethnic minority backgrounds. Additionally, one disabled person was recruited.

#### Exceptions to Open and Fair Competition

In addition to these figures, there were a limited number of people recruited under the permitted exceptions to open and fair competition to meet operational needs. These people had specific skills and were recruited 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 2004, the number of inward secondees, including loans from other government departments decreased from 267 to 248 and the numbers seconded to outside organisations and other government departments decreased from 549 to 379.

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Table 11.3 Analysis of Departmental Headquarters' Staffing at 1 January 2005 (Percentage)

Grade including grade equivalents	Female staff	Male staff	Ethnic minority staff	Staff with a disability	Staff aged under 24	Staff aged 50 and over
Administrative Assistant	48	52	12	8	5	44
Administrative Officer	68	32	16	4	7	21
Executive Officer	66	34	15	5	2	16
Higher Executive Officer	59	41	12	7	2	16
Senior Executive Officer	53	47	6	3	0	25
Grade 6/7	49	51	5	3	0	35
Senior Civil Service	40	60	4	2	0	43
<b>Total</b>	<b>59</b>	<b>41</b>	<b>11</b>	<b>5</b>	<b>2</b>	<b>23</b>

## Equality and Diversity

A new equality and diversity statement has been launched which sets out our commitment to the issues in both our business delivery and in our people management.

The Department believes that everyone should have an equal opportunity to meet their aspirations, realise their full potential and improve their life chances. We will work with our partners to ensure our policies and services recognise and respond to the diverse needs of all children, young people and adults, and to ensure that excellent learning experiences are universally available. We will aspire to be an exemplar equal opportunities employer, and create a workplace which values diversity and is free from any form of unfair discrimination. We will monitor our progress to ensure we are succeeding and that we are making a full contribution to building a diverse and inclusive society.

The Board has made it clear that an understanding of equality and diversity is key to the next stage of Departmental reform and work has begun on developing an equality and diversity action plan.

Table 11.3 shows the Departmental staffing at 1 January 2005.

The results of ethnic monitoring on HR policies are that of the 629 staff who left the Department between March 2004 and February 2005, 339 were white, 209 chose not to declare their ethnicity, and 81 were from ethnic minority groups.

Performance Management (appraisal) monitoring shows that:

- In 2003-04, of the 60 people who received a category marking which meant their performance was below that which is acceptable, 16 were from minority ethnic groups.
- In 2004-05, of the 61 people who received a category marking which meant their performance is below that which is acceptable, 19 were from minority ethnic groups.

The percentage of staff from an ethnic minority background that received training between April and October 2004 was 12.4 per cent.

We have a Dispute Resolution Procedure which, where appropriate, both encourages and allows people to enter into mediation at

**Table 11.4 Salaries of Senior Civil Servants as at 1 April 2004 (£s)**

Salary range	Number in range	Salary range	Number in range	Salary range	Number in range
50,000 – 54,999	0	85,000 – 89,999	0	120,000 – 124,999	0
55,000 – 59,999	22	90,000 – 94,999	8	125,000 – 129,999	2
60,000 – 64,999	22	95,000 – 99,999	7	130,000 – 134,999	0
65,000 – 69,999	25	100,000 – 104,999	1	135,000 – 139,999	0
70,000 – 74,999	19	105,000 – 109,999	4	140,000 – 144,999	2
75,000 – 79,999	9	110,000 – 114,999	1	145,000 – 149,999	0
80,000 – 84,999	7	115,000 – 119,999	1	Above this level	1

an early stage in the dispute. We monitor both the number of informal mediation cases and formal disputes (which includes grievances relating to Performance Assessment). The figures are disaggregated to identify ethnicity, disability, gender, grade and part time work. Both the aggregated and disaggregated figures for 2003-04 and 2004-05 are so small that the results hold no statistical significance.

Monitoring data for disciplinary cases is also disaggregated by ethnicity, disability, gender, grade and part-time work. Both the aggregated and disaggregated figures for 2003-04 and 2004-05 are so small that the results hold no statistical significance.

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### Senior Civil Service

All external recruitment to the Senior Civil Service (SCS) is by fair and open competition and in line with the Civil Service Commissioners' Recruitment Code.

Table 11.4 shows the salaries of senior civil servants reflecting staff numbers at 1 April 2004. It includes staff on loan from other government departments and those on secondment to other organisations who are

covered by the Department's pay arrangements. It does not include staff on loan to other government departments or those on temporary promotion into the Senior Civil Service.

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### Investors in People

The Department was one of the first in Whitehall to be awarded Investors in People status in 1998. This was successfully reviewed in June 2002 and more recently in May 2005 when it was once again confirmed that the Department continues to be an Investor in People.

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### Staff Survey

The Department conducts a full staff survey roughly every 18 months, with the last one taking place in December 2003. The survey provides reliable information on staff views on a range of topics.

We have also recently embarked on a quarterly programme of tracking research

in which a sample of staff are asked a small number of questions, some of which are taken from the main survey. This information provides a more frequent measure of our progress in making a reality of the vision of the Department set out in the *Five Year Strategy for Children and Learners*.

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## Health and Safety

The Department remains committed to providing a safe and healthy working environment for all its employees. Significant developments during this year include:

- A Health and Safety e-learning training package for line managers has been developed. All 3,500 managers will be required to complete this during 2005.
- Revised and updated Site Health and Safety Policies and national Health and Safety procedures to underpin the Departmental Policy have been developed and will be introduced in 2005.
- A Departmental Occupational Health Strategy is being developed. This will include items on healthy lifestyle, occupational health checks for all employees, healthy eating and stress prevention.

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## Environment Policies and Activities

The Department retains a firm commitment to Sustainable Development and to managing the effects of its business on the environment, and seeks to continually improve performance in this area.

The Department works in collaboration with all other central government departments on the delivery of the nine elements of the Department of the Environment, Food and Rural Affairs (DEFRA) Framework for Sustainable Development on the Government Estate. These elements include an Overarching Commitment, Travel, Water and Energy Usage, Waste, Procurement, Estates Management, Bio-diversity and Social Impacts. Targets are set by DEFRA for each individual element. The Department reports yearly on the progress made within each of the targets and the results are published on the Sustainable Development website – [www.sustainable-development.gov.uk/publications/report2004/fore.htm](http://www.sustainable-development.gov.uk/publications/report2004/fore.htm)

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## Procurement

Our Department is committed to continue to secure better delivery through commercial activities. We have continued to work more effectively with our partners across the system, to develop our purchasers and contract managers and to improve our supply markets.

We have continued the initiatives to improve our relationship with delivery partners with professional support, guidance and

improved communications. In our regular survey of our partners, 71 per cent of our commercial partners indicated that “Overall, our working relationship with the DfES is very good.”

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## Risk Management

Risk management incorporates all the activities required to identify and control the exposure to risk which may have an impact on objectives. The Department sees risk management as an integral element of good corporate governance and management, contributing to improve performance.

In line with Government best practice, the Department’s approach to effective risk management includes gaining senior management support, adopting a transparent risk management policy and framework, linking risk management directly to the achievement of objectives and fully embedding risk management into its internal control management processes and organisational culture.

Understanding and making informed decisions about risk is fundamental to deliver the Department’s policies and services effectively. Managers are therefore expected to take well-managed risks to achieve improved outcomes and make a difference.

The Department’s Risk Management Framework is broken down into five steps:

- Clarify objectives.
- Identify risk.

- Assess risk.
- Address risk
- Review and report risk.

This 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, ultimately to the Department’s Management Board. These principles apply equally to the way in which risk is managed with our partners. The Department encourages a culture of risk sharing and the building of a trusting relationship to ensure risks are well managed and objectives are met.

The Department reviews its approach to risk management on an ongoing basis to ensure continuous improvement and is implementing a plan which aims to improve risk management capability over the next 12 months. Arrangements for reporting on risk management are through current departmental programme, project and operational management structures for reporting against set objectives. Quality assuring risk management and its associated processes is undertaken primarily by the Department’s Internal Audit Service.

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## Responding to Correspondence from the Public

All Whitehall Departments and Agencies have published targets for answering letters.

The Department for Education and Skills target is to reply to 95 per cent of all correspondence within 15 working days. In 2002-03, we replied to 96.16 per cent of letters within deadline, this improved to 98.68 per cent in 2003-04. The Permanent Secretary is required to report to the Cabinet Office twice a year on the Department's performance against our target and 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 the 15 working days or if they feel their letters have not been dealt with properly. In these instances they have the right to ask their Member of Parliament (MP) to raise the matter with the independent Parliamentary Commissioner for Administration (the Ombudsman). The Ombudsman will review the complaint and how it has been handled.

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## Our Partners

At national level, we work with other government departments to join up policy thinking and to ensure the Department's agenda is strongly linked to the Government's policies to improve public health, reduce crime, promote culture and sport and develop strong communities.

### Links with Department for Work and Pensions.

#### Joint International Unit

In November 2004 the Department published its international education

strategy *Putting the World into World-Class Education – An international strategy for education, skills and children's services*.

It has three key goals:

- Equipping our children, young people and adults for life in a global society and work in a global economy.
- Engaging with our international partners to achieve their goals and ours.
- Maximising the contribution of our education and training sector, and university research to overseas trade and inward investment.

## Local Authorities

Local authorities now play a key strategic role ensuring services – education, social services, health and other agencies – are brought together through children's trusts to serve the best interests of children and young people in their areas. Top tier and unitary authorities continue to have responsibilities for the strategic management of education and children and young people's services including planning the supply of school places; making sure every child has access to a suitable school place; supporting and challenging schools; and allocating funding to schools.

## The Future of Local Government and Local Area Agreements (LAAs)

The Government is committed to a ten year strategy to look at reforming local government. Led by the Office of the Deputy Prime Minister (ODPM), the strategy sets out an overall direction for reform across four broad themes: leadership; citizen engagement; service delivery; and a new settlement between central, regional and local government.

As part of this strategy, we are working with ODPM to pilot Local Area Agreements (LAAs) in 20 local authorities which began in April 2005, and a further tranche of LAAs is expected from April 2006.

LAAs are voluntary, three-year agreements between central government and local authorities and their partners. They will deliver national outcomes in a way that reflects local priorities, giving local authorities and their partners the freedoms and flexibilities to find local solutions to local problems using a number of area-based initiative funding streams that can be pooled.

LAAs aim to secure the best possible outcomes for children, young people and their families, with children's trust arrangements and Children and Young People Strategic Partnerships serving as the main delivery vehicle.

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### **Regional Development Agencies (RDAs)**

RDAs were launched in eight English regions in 1999. The ninth, in London, was established in 2000. RDAs' statutory areas of activity in the regions cover economic development and regeneration, promoting business efficiency, investment and competitiveness, promoting employment and skills development, and contributing to the achievement of sustainable development in the UK.

*[www.consumer.gov.uk/irda/info/](http://www.consumer.gov.uk/irda/info/)*

### **The Office for Standards in Education (Ofsted)**

Ofsted is a non-ministerial government department headed by Her Majesty's Chief Inspector of Schools, which works to help improve the quality and standards of education and childcare through independent inspection and regulation, the wide dissemination of inspection findings and advice to the Secretary of State for Education and Skills.

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### **Non-Departmental Public Bodies**

During 2004-05 the Department continued to fund and work with a wide range of partner organisations to achieve its objectives. Details of our major non-departmental public bodies are shown at Annex S.

Details of public appointments to non-departmental public bodies are shown at Annex J, and the administration costs of non-departmental public bodies are shown at Annex L.

There are many other partners – the voluntary sector, trade unions, foundations and trusts, but a priority is the development of strong links at all levels with employers.

## Better Regulation

The Department is committed to carrying out a Regulatory Impact Assessment (RIA) whenever a new policy has an effect on businesses, charities or voluntary organisations. The RIA compliance measure is whether an assessment is included with a public consultation when it is appropriate to do so. The Department has maintained a compliance rate of 100 per cent.

The Department worked closely with the Film industry to develop the RIA for the Film Industry Training Board. The industry was invited to submit ideas and comments at an early stage, so that their views were taken into account. The Department considered the balance between the costs and benefits of introducing a statutory levy and the level of employer support, which ensured that alternatives to legislation were considered, leading to a clear understanding and rationale for continuing with legislation.

The Department has continued work on assessing the impact of policies that impact solely on frontline public services such as schools, colleges and universities, and has sought to use independent gatekeeping groups to inform the process.

The existing gatekeeping groups are: the Implementation Review Unit (for schools); the Bureaucracy Review Group (for further education and training); and, the Higher Education Regulation Review Group (for higher education). The Department has also set up the Local Impact Review Group to consider the impact of new policies on local authorities.

## Alternatives to Classic Regulation

During 2003, the Department conducted an extensive consultation on formal regulation of the over 7 childcare sector. Although many respondents saw advantages to having this area of provision regulated, a significant minority, including the Better Regulation Task Force (BRTF), expressed concerns that the imposition of regulation would be disproportionate to the risks.

This led the Department to consider the advantages of introducing initially a voluntary scheme which would not only allow parents access to the childcare element of the Working Tax Credit, but would also help the Department to assess how best to move forward in this area. Following further consultation with an accompanying RIA in summer 2004, the Childcare Approval Scheme was launched in December, effective from April 2005. The scheme provides recognised status for individuals who provide childcare in the child's own home (i.e. nannies), or, for children aged over 7, on other domestic premises. It also allows people using approved care access, if they meet Inland Revenue criteria, to financial support through the Working Tax Credit.

## Consultation

In 2004, the Department published a total of 40 consultations. All but one met the Cabinet Office code by allowing at least 12 weeks for stakeholders to respond. The only consultation which did not meet the 12 week response period was the *Putting Children First: Parenting Plans* consultation, which was given 11 weeks. The reason for non-compliance was due to time constraints for publishing the findings.

The consultation on *Information Sharing Databases in Children's Services* was launched in October 2004. The policy was a response to findings from the *Every child matters* Green Paper (one of the issues raised was the incompatibility of the IT systems used by the relevant agencies). The Department published a clear and precise document, with a limited number of questions, which encouraged a good response. This enabled the Department to take forward the policy in this important area of safeguarding children.

### Regulatory Reform

The Government's Regulatory Reform Action Plan (RRAP) of February 2002, included measures that government would be taking to reduce the burden of unnecessary bureaucracy on businesses, charities and voluntary organisations, the public sector, and individuals. The RRAP included 30 measures for which the Department had sole responsibility, and two measures for which it had joint responsibility. Up to February 2005, the Department has completed 27 of the sole ownership measures, of which nine were completed in 2004.

Of the three remaining sole ownership measures, the first, relating to earned autonomy in schools has been dropped; the second, relating to simplification of early years regulation is on-going; and, the third, relating to rationalising planning for children in local authorities has been merged with a new measure. One of the joint measures (with DWP) on administering the Free School Meal service was included in the *Education Act 2005*.

On earned autonomy in schools, a number of steps have been taken to extend autonomy across the school system more generally. For example, changes to the curriculum at Key Stage 4 set out in the strategy document *14-19: Opportunity and Excellence* will enable schools to respond more flexibly to the needs of their pupils. The Power to Innovate (another RRAP measure) offers all schools the chance to apply for education legislation to be suspended or amended if necessary to enable them to carry out innovative projects.

The Department identified two measures during the course of the year that could have been taken forward via Regulatory Reform Order (RRO). One of these has been taken forward through alternative means.

The first involved education plan rationalisation, and was one of the new measures noted previously. After formal consultation, the resulting policy change to introduce a single plan for all services for children and young people, rather than one limited to education services, would have meant starting afresh with a new RRO. The decision was taken to introduce the Children and Young People's Plan (CYPP) through the *Children Act 2004*. As well as introducing the CYPP, the Act also repealed legislation relating to seven statutory planning requirements. In addition, the Department is discontinuing provision for ten non-statutory plans.

The second involved child employment. In February 2004, the BRTF carried out a review of child employment legislation. The resulting report included five recommendations for future action; three

of these require amending legislation, and the BRTF suggested that these could be achieved via a RRO. The Department has recently finished a period of informal consultation with other government departments and organisations with a major interest in this area, to seek their views on the suggested changes.

### Examples of Regulatory Reform Reviews (either of individual regulations or areas of regulation that have led to recommendations for reform of regulatory, monitoring or compliance requirements)

A key aim of the New Relationship with Schools is the effective and efficient use of data. The *Protocol on Data Sharing and Rationalisation in the Schools Sector* commits the Department and key partners to make rapid and tangible progress on minimising the burdens of data collection on schools and local education authorities (LEAs), and to ensure that data is used to support individual pupil learning and school improvements.

The Learning and Skills Council (LSC) has introduced lighter touch inspection for the better-performing FE colleges, and introduced a regularity audit in place of their funding audit which will reduce the overall burden on FE colleges.

The Bureaucracy Review Group (BRG) has reviewed accountability, regulation and information systems and requirements in further education and training and made a series of recommendations in their annual report. These are now being implemented. Following on from the BRG work, the LSC has undertaken a fundamental review of its information management systems, and is now preparing to reform them radically.

The Higher Education Regulation Review Group (HERRG), established in summer 2004, has worked successfully with the Higher Education Funding Council for England (HEFCE) to develop changes to streamline funding, monitoring and data collection. HEFCE now proposes to cut the number of special funding streams requiring separate bids to only six, and to move to a 'single conversation' with higher education institutions, abolishing multiple data demands during the year, except for those institutions at risk. It is now pressing forward with work to address the overlapping demands placed on institutions by funding agencies and quality assurance and inspection bodies across government.

### Transparency of Implementation Plans for European legislation

The Department implements very little European legislation, so there is no action to report under this heading.

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### Publicity and Advertising

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

While advertising is not always the solution it has the biggest impact on a wide audience. Research tells us that few audiences will automatically accept the validity of a proposition, they require persuasion and our publicity effort has to work really hard to provide this (the Gremlins campaign illustrates this point). Advertising campaigns are developed in a way which enables us to promote the national brand strongly, while stakeholder and public relations communications concentrates on delivering that message locally.

The case for any substantive publicity campaign is based strictly on the specific marketing needs at the time, rather than by simply following the precedent of previous campaigns for the same services or issues.

Examples of key campaigns in 2004-05 include:

- Teenage pregnancy campaign – to change attitudes and behaviour toward contraception and sexually transmitted disease amongst a teenage audience.
- Get On Gremlins campaign – to tackle adult literacy and numeracy basic skills needs.
- Beat Bullying blue band campaign – a public relations-driven initiative to get young people rallying against bullying and showing support through wearing a blue band.

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## Public Accounts Committee

The Public Accounts Committee is the parliamentary committee that examines how well government has used its resources. In 2004 two Treasury Minutes were published replying to reports concerning the Department and its associated bodies (see annex K).

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## Sponsorship

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

Cabinet Office guidelines require the Department to disclose details of sponsorship valued at more than £5,000 which directly contributes to the Department's work. The Department is pleased to acknowledge the sponsorship given in cash or kind during the year by the following organisations (see table 11.5).

Table 11.5 Sponsorship

Sponsor	Nature of Sponsorship	Value (£)
Adobe	Write Here, Write Now competition 2004	14,380
Adobe	Write Here, Write Now competition 2005	14,480
Adobe and MTV	Music Manifesto	800,000
Academy of Contemporary Music	Music Manifesto	2,000,000
British Airways and PriceWaterhouseCoopers	Euro Traveller Challenge	16,940
Britannia	Number Partners	10,000
British Telecom	Citizenship	2,500,000
Caterpillar	National Academy for Gifted and Talented Children	15,870
Cisco	14-19 Working Group	155,000
Cisco	Internet Business Solutions Group	805,000
Decapo	Music Manifesto	100,000
Epson	Write Here, Write Now competition 2004	6,210
Gatsby	National Academy for Gifted and Talented Children	213,990
Granada Learning	National Network of Science Learning Centres	7,350
Granada Learning	Write Here, Write Now competition 2004	7,730
Hewlett Packard Invest	Parents On-line	30,420
Jack Petchey	London Talent – theatre summer school	15,000
John Lewis	Anne Frank publication	10,320
KPMG Microsoft GSK	14-19 Interim Report	11,670
KPMG Microsoft GSK	14-19 Reform: Final Report	16,870
McDonald's	16-19 Financial Support	5,630
Microsoft	Saffron Walden federation of schools	56,000
Morgan Stanley	Citizenship	360,000
Museum of London	London School Photography	6,360
National Grid Transco	Schools Energy Project	65,400
Oracle	IT equipment for specialist schools	3,996,600
Oxford University Press	Write Here, Write Now competition 2004	41,560
Oxford University Press	National Network of Science Learning Centres	37,260
Plato Learning	National Network of Science Learning Centres	1,709,100
Rolls Royce	National Network of Science Learning Centres	1,000,000
Royal Bank of Scotland	Assisting Aimhigher programme by operating roadshow trucks	936,950
Royal National Lifeboat Institution	Citizen pack	378,190
Scottish Executive	Junior 8 (J8) – Project work for the G8 Group of Nations	25,000
Stabilo	Write Here, Write Now competition 2004	10,730
Stabilo	Write Here, Write Now competition 2005	10,980
Sunflower learning	National Network of Science Learning Centres	12,000
Tesco/Research Machines	Parents On-line	30,230
Various Businesses <sup>1</sup>	14-19 Interim report consultations	24,120
Various Businesses <sup>1</sup>	14-19 Reform – Workshop on federations	53,000
Various Businesses <sup>1</sup>	London Business Challenge	1,830,480
Womad	Music Manifesto	19,170

1. At these events contributions were given by different businesses. Individuals attending the events were able to learn about the plans for London Business Challenge and the 14-19 reforms.

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Section D

## **Expenditure and Investment**



## Chapter 12

# Expenditure Plans

The Government's aim is to achieve excellence in standards of education and levels of skills, and to give everyone the opportunity to develop their learning and realise their potential. The 2004 Spending Review and the 2005 *Budget Report* have

delivered significant additional resources in support of this aim.

This chapter sets out key points from the Department's expenditure plans.

**Table 12.1 Summary of Resource and Capital Tables, 1999-00 to 2007-08 (£ million)**

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans	2006-07 plans	2007-08 plans
<b>Total Spending in Departmental Expenditure Limits (DEL)<sup>1,2</sup></b>									
<b>Consumption of resources:</b>									
Sure Start <sup>3</sup>	213	368	467	680	721	1,019	1,140	1,696	1,809
Schools, including Sixth Forms	2,273	4,435	5,425	8,054	9,143	10,170	11,353	11,991	12,901
Higher Education	6,250	5,898	6,049	6,368	6,809	7,411	7,911	8,535	9,112
Support for Children, Young People and Families <sup>4</sup>	366	495	880	1,300	1,600	1,251	1,290	1,359	1,449
Further Education, Adult Learning and Skills and Lifelong Learning	4,570	5,114	6,088	6,772	7,615	7,934	8,455	8,730	9,316
Activities to Support all Functions	259	274	274	250	280	343	397	369	355
<b>Total Department for Education and Skills Resource Budget</b>	<b>13,932</b>	<b>16,582</b>	<b>19,183</b>	<b>23,424</b>	<b>26,167</b>	<b>28,129</b>	<b>30,546</b>	<b>32,681</b>	<b>34,942</b>
<b>Total Central Government Spending on Education in England<sup>5</sup></b>	<b>12,192</b>	<b>14,543</b>	<b>16,945</b>	<b>20,608</b>	<b>23,195</b>	<b>25,494</b>	<b>27,135</b>	<b>29,854</b>	<b>31,973</b>
<b>Local Government Formula Spending Education<sup>6,7</sup></b>	<b>20,414</b>	<b>21,479</b>	<b>22,513</b>	<b>22,502</b>	<b>25,018</b>	<b>26,341</b>	<b>27,888</b>	<b>29,788</b>	<b>31,588</b>
<b>Children's Social Services<sup>8,9,10</sup></b>	<b>1,900</b>	<b>1,998</b>	<b>1,833</b>	<b>1,910</b>	<b>3,038</b>	<b>3,737</b>	<b>4,015</b>	<b>4,315</b>	<b>4,515</b>

1. This table only includes figures within DEL. Therefore this table is not directly comparable with annexes A, B and C, as they include figures within AME.
2. Includes both resource and capital expenditure.
3. Includes expenditure on early years and childcare.
4. Includes expenditure on the Children's Fund.
5. Total central government spending on education includes DfES spending on schools, further and higher education (including the Student Loan resource budget charge, which from 2003-04 to 2004-05 is no longer comparable to earlier years due to the effect on the resource budget charge of the drop in the HM Treasury discount rate from six per cent to 3.5 per cent, and from 3.5 per cent to 2.2 per cent from 2005-06 onwards), plus New Deal for Schools capital, the Children's Fund and Sure Start.
6. These figures are not comparable with the local authority recurrent spending in tables 12.3 and 12.4.
7. The figures from 2003-04 onwards reflect the transfer of responsibility from DfES to LAs of costs relating to pensions and nursery education.
8. In 2003-04, FSS replaced SSAs. 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.
9. The 2004-05 Children's FSS figures include £524 million funded through Quality Protects in 2003-04.
10. The formula spending share figures for 2006-07 and 2007-08 are planned figures and may therefore change.

Table 12.2 Expenditure by Function within Departmental Expenditure Limit, 1999-00 to 2007-08 (£ million)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans <sup>1</sup>	2006-07 plans	2007-08 plans
<b>Sure Start</b>	<b>213</b>	<b>368</b>	<b>467</b>	<b>680</b>	<b>721</b>	<b>1,019</b>	<b>1,140</b>	<b>1,696</b>	<b>1,809</b>
<i>of which:</i>									
Sure Start	7	56	134	216	721	1,019	1,140	1,696	1,809
Childcare <sup>2</sup>	56	65	109	158	0	0	0	0	0
Nursery Education <sup>2</sup>	150	247	224	306	0	0	0	0	0
<b>Schools</b>	<b>2,273</b>	<b>4,435</b>	<b>5,425</b>	<b>8,054</b>	<b>9,143</b>	<b>10,170</b>	<b>11,353</b>	<b>11,991</b>	<b>12,901</b>
<i>of which:</i>									
Investment in School Buildings <sup>3</sup>	960	1,711	1,713	2,123	2,689	3,112	3,524	3,848	4,293
<i>of which Voluntary Aided Schools</i>	129	116	182	306	493	564	493	588	623
<i>Capital Grants within Standards Fund</i>	19	274	622	995	1,188	1,285	1,338	1,002	1,194
<i>Credit Approvals Building Schools For the Future</i>	450	540	559	812	1,000	1,195	775	1,331	1,536
<i>New Deal for Schools</i>	0	0	0	0	0	57	918	927	940
Other Standards Funds	234	702	316	0	0	0	0	0	0
School Standard Grant	515	1,319	1,413	1,760	1,442	1,471	1,565	1,655	1,905
Schools Sixth Form Funding (through the Learning and Skills Council)	0	0	683	668	847	859	913	1,012	1,062
Information and Communications Technology Modernising the Teaching Profession	0	0	0	1,399	1,525	1,624	1,784	1,829	1,906
Academies and Specialist Schools	52	109	156	308	395	408	443	558	618
Support for School Meals	266	674	995	1,158	1,427	1,651	1,714	1,711	1,651
Other miscellaneous programmes	50	73	102	225	405	624	829	707	781
	0	0	0	0	0	0	60	80	80
	430	549	363	413	413	421	521	591	605
<b>Higher Education</b>	<b>6,250</b>	<b>5,898</b>	<b>6,049</b>	<b>6,368</b>	<b>6,809</b>	<b>7,411</b>	<b>7,911</b>	<b>8,535</b>	<b>9,112</b>
<i>of which:</i>									
Higher Education Funding Council for England, etc	4,413	4,273	4,563	4,916	5,316	5,804	6,184	6,547	6,860
Student Loans RAB Charge <sup>4</sup>	604	795	733	716	745	755	598	595	613
Student Fee Loans RAB Charge	0	0	0	0	0	0	0	150	371
Mandatory Awards and Student Loan Company Paid Grants	1,074	671	581	572	575	701	789	881	984
Access Funds and Bursaries	82	87	88	97	98	78	74	66	58
Student Support Administration	36	31	32	50	53	52	61	55	55
British Academy <sup>5</sup>	31	34	36	13	13	14	0	0	0
Other miscellaneous programmes	10	7	16	4	8	7	205	241	171

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans	2006-07 plans	2007-08 plans
<b>Support for Children, Young People and Families</b>	<b>366</b>	<b>495</b>	<b>880</b>	<b>1,300</b>	<b>1,600</b>	<b>1,251</b>	<b>1,290</b>	<b>1,359</b>	<b>1,449</b>
<i>of which:</i>									
Careers Service <sup>6</sup>	228	239	0	0	0	0	0	0	0
Connexions Service	0	12	319	428	492	505	513	555	555
Children and Family Court Advisory and Support Service (CAFCASS)	0	0	77	85	93	101	101	101	101
Children's Services Grant <sup>7</sup>	88	138	322	487	594	233	157	181	205
Neighbourhood Support Fund	10	5	19	22	14	10	10	10	10
Millennium Volunteers	4	14	19	17	16	15	15	15	15
Children's Fund	0	0	37	140	262	230	191	191	191
Other miscellaneous programmes	36	86	86	121	129	157	303	306	372
<b>Further Education, Adult Learning, Skills and Lifelong Learning</b>	<b>4,570</b>	<b>5,114</b>	<b>6,088</b>	<b>6,772</b>	<b>7,615</b>	<b>7,934</b>	<b>8,455</b>	<b>8,730</b>	<b>9,316</b>
<i>of which:</i>									
Further Education <sup>8</sup>	3,330	3,632	0	0	0	0	0	0	0
Work-Based Training for Young People <sup>9</sup>	800	837	0	0	0	0	0	0	0
Training and Enterprise Council (TEC) Strategy Budget <sup>8</sup>	117	116	0	0	0	0	0	0	0
Learning and Skills Council (except Sixth Form Funding) <sup>9</sup>	0	0	5,391	6,076	7,057	7,291	7,514	7,640	7,984
Adult Education and Skills Strategy	155	213	241	245	169	184	252	295	299
Employer Training Pilots and National Employer Training Programme <sup>10</sup>	0	0	0	0	3	1	135	118	182
Adult Learning Inspectorate <sup>11</sup>	7	10	19	25	28	28	22	22	22
Union Learning Fund	3	4	6	7	2	3	2	13	14
Career Development Loans 14-19 Development	13	16	14	14	14	16	20	19	20
Education Qualifications	0	0	0	0	11	16	36	129	242
Ufi Learndirect <sup>12</sup>	85	85	101	94	100	137	125	116	107
Prisoners' Learning and Skills	42	58	57	50	45	13	40	35	34
Other miscellaneous programmes	0	0	57	70	114	122	142	142	142
	18	143	202	191	72	123	167	201	270
<b>Activities to Support all Functions</b>	<b>259</b>	<b>274</b>	<b>274</b>	<b>250</b>	<b>280</b>	<b>343</b>	<b>397</b>	<b>369</b>	<b>355</b>
<i>of which:</i>									
Research and Publicity Reserve	21	28	25	33	37	43	41	46	36
Administration Costs	0	0	0	0	0	27	94	74	77
Other miscellaneous programmes	237	246	249	216	241	272	261	248	241
	1	0	1	4	0	0	1	1	1
<b>Total Department for Education and Skills</b>	<b>13,932</b>	<b>16,582</b>	<b>19,183</b>	<b>23,424</b>	<b>26,167</b>	<b>28,129</b>	<b>30,546</b>	<b>32,681</b>	<b>34,942</b>

Individual past years figures differ from those shown last year as a result of accounting adjustments, change of responsibility for certain functions and correction of postings to Accounts.

1. The 2005-06 figures exclude planned additional expenditure that will be funded from previous years' underspends.
2. From 2003-04 the funding for Childcare and Nursery Education has been merged with that for Sure Start.
3. Figures do not include Public Finance Initiative Credit Approvals as only DEL is shown.
4. From 2005-06 the Student Loan RAB charge is reduced as a result of the change in the discount rate from 3.5% to 2.2%.
5. From 2005-06 the funding of the British Academy becomes the responsibility of the Department for Trade and Industry.
6. From 2001-02 the activities of the Careers Service were taken over by the Connexions Service.
7. In 2004-05, the Quality Protects and Care Leavers components of the Children's Service Grant ended and amounts rolled into formula spending.
8. Funding from April 2001 became the responsibility of the Learning and Skills Council.
9. The 2005-06 planned figure excludes some £155 million which will transfer to the LSC as part of the changes in the delivery of functions agreed between the Department and the LSC. Individual amounts for the programmes concerned appear under the existing programme lines.
10. The figures for 2003-04 and 2004-05 do not include expenditure by the LSC. 2006-07 and 2007-08 figures include the additional contribution towards the costs of the National Employer Training Programme to be accommodated within the overall resources available to the FE sector.
11. The Adult Learning Inspectorate figures for 2005-06, 2006-07 and 2007-08 do not include the funding contribution from the Department for Work and Pensions/Jobcentre Plus, which for 2005-06 has been agreed at nearly £6 million.
12. The figure for 2004-05 excludes expenditure incurred by the Learning and Skills Council.

## Funding for Education and Skills in England

The new spending plans provide for spending on education in England to increase by over £12 billion, an average increase of 5.0 per cent a year in real terms over the period 2004-05 to 2007-08. The

Departmental Expenditure Limit (DEL) spending will grow by an average of 4.7 per cent a year in real terms over the three Spending Review years to 2007-08.

Capital investment in education will rise from £5 billion a year in 2004-05 to £7 billion by 2007-08.

**Table 12.3 Education Expenditure<sup>1</sup> by Central and Local Government<sup>2</sup> by Sector in Real Terms<sup>3</sup> in England, 1999-00 to 2004-05 (£ million)**

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 provisional outturn	2004-05 estimated outturn
<b>Schools</b>						
<b>Capital<sup>4</sup></b>	1,468	1,793	2,041	2,217	2,534	2,957
<b>Current<sup>5</sup></b>	<b>23,073</b>	<b>25,120</b>	<b>27,501</b>	<b>28,369</b>	<b>31,171</b>	<b>32,510</b>
<i>of which</i>						
Under Fives <sup>6</sup>	2,296	2,573	3,095	3,141	3,549	3,859
Primary	7,963	8,651	9,327	9,714	10,282	10,737
Secondary	10,114	10,883	11,942	12,409	13,651	14,199
Other <sup>7</sup>	2,700	3,013	3,137	3,105	3,689	3,716
<b>Further Education and Adult and Community Learning</b>	3,841	4,121	5,031	5,297	5,904	5,933
<b>Higher Education<sup>8</sup></b>	5,477	5,091	5,335	5,480	5,728	6,097
<b>Student Support</b>	<b>1,383</b>	<b>1,419</b>	<b>1,211</b>	<b>1,219</b>	<b>1,210</b>	<b>1,236</b>
<i>of which</i>						
Further Education <sup>9</sup>	106	204	201	274	291	224
Higher Education <sup>10</sup>	1,277	1,215	1,010	945	919	1,012
<b>Administrative, Inspection Costs and miscellaneous services</b>	1,037	1,097	1,241	1,496	1,564	1,653
<b>Total</b>						
<b>Real terms</b>	<b>36,279</b>	<b>38,640</b>	<b>42,358</b>	<b>44,077</b>	<b>48,112</b>	<b>50,386</b>
<b>Cash</b>	<b>32,860</b>	<b>35,404</b>	<b>39,800</b>	<b>42,836</b>	<b>48,112</b>	<b>51,384</b>

- 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 12.4; the footnotes to that table set out the underlying data sources. The dotted line denotes the changes arising from the review of the Section 52 categories in 2002-03 following the introduction of Consistent Financial Reporting to schools.
- All figures have been converted to 2003-04 price levels using March 2005 Gross Domestic Product (GDP) deflators.
- Excludes Private Finance Initiative (PFI) credits (£350 million in each of 1999-00 and 2000-01, £450 million in 2001-02 and £850 million in 2002-03 and in 2003-04 and £1,050 million in 2004-05).
- 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 education expenditure on Sure Start (Sure Start figures exclude current grant).
- Includes local authority services to schools, expenditure on City Academies, small remodelling programmes and on teacher training.
- The expenditure data in this table and those used in the calculation of funding per student in HE in table 12.7 are not directly comparable.
- Includes Education Maintenance Allowances (EMAs) 1999-00 to 2002-03 and other support for students in further education and school sixth forms. EMAs are not included in 2003-04 following their reclassification from DEL to AME.
- From 2004-05 includes HE Grant and Part Time Grant Support Package.

## United Kingdom Funding for Education

Total spending on education in the UK will be £13.3 billion higher in 2007-08 than in 2004-05: by 2007-08, UK education spending will rise to 5.6 per cent of GDP compared with 5.4 per cent in 2004-05.

## Country and Regional Analyses

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

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

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

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

The figures were taken from the HM Treasury Public Expenditure database in December 2004 and the regional distributions were completed in January 2005. Therefore the annexes may not show the latest position.

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 analysis shows the regional outcome of spending decisions that have on the whole not been made primarily on a regional basis.

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

## Local Authority Expenditure

In the local authority finance settlement for 2005-06 for England, the Government has set the national total of local authorities' Formula Spending Shares at £64.2 billion. Within that total, Education Formula Spending (the total of Education Formula Spending Shares) accounts for £27.9 billion.

The new system of local government finance formula grant distribution was introduced for 2003-04 and the same system is in place for 2004-05 and 2005-06. The Government introduced a package of measures for 2004-05 and 2005-06 designed to ensure confidence and stability in the school funding system. These included a guaranteed minimum increase in every school's per pupil budget backed up by a minimum increase in each authority's School Formula Spending Share of 5.5 per cent per pupil for 2005-06.

## Schools Funding

The Government is committed to ensuring that from 2006 schools will be funded through a ring-fenced grant from central government to local authorities (the Dedicated Schools Grant), ending the current confusion of responsibilities for funding schools, and ensuring that in future, increases intended for schools cannot be diverted for other purposes. Schools will also be told what their budgets will be for up to three years ahead, rather than one year at a time as now, and we are consulting on a proposal to base budgets on the academic rather than the financial year. Budgets will continue to be based on pupil numbers and subject to minimum guaranteed increases in funding each year

for every school. Existing standards-related grants will be streamlined and simplified to create a new Single Standards Grant, giving schools greater freedom to spend their budgets in line with their priorities and simplifying reporting and accounting requirements.

Since summer 2004 the Department has been working with our national partners; including representatives of headteachers, governors and local government, on proposals for implementation of these commitments. In February 2005 a consultation document was issued setting out these proposals in detail. The consultation period ended on the 13th May 2005. Ministers expect to announce their conclusions following the consultation in summer 2005 and to introduce the new arrangements with effect from April 2006.

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Table 12.4 Local Authority Expenditure<sup>1</sup> on Education, 1999-00 to 2004-05 (£ million)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 provisional outturn	2004-05 estimated outturn
<b>Current Expenditure<sup>2</sup></b>						
<b>Schools</b>						
Under Fives <sup>3</sup>	2,010	2,233	2,698	2,757	3,045	3,221
Primary Schools <sup>4</sup>	6,806	7,496	8,298	8,957	9,747	10,395
Secondary Schools <sup>4,5</sup>	8,210	8,999	10,172	10,881	12,230	12,894
Special Schools <sup>4</sup>	1,166	1,251	1,373	1,450	1,641	1,698
Meals	348	336	331	342	355	364
Transport	531	587	613	716	793	872
Non-Maintained School Fees <sup>6</sup>	273	277	312	309	342	348
Teacher Development <sup>2,7</sup>	74	106	73	17	22	23
Pupil Support	30	39	37	23	23	24
Other Support Services <sup>2,8</sup>	939	997	981	828	1,076	1,113
<b>Youth Community and Administration</b>						
Adult and Community Learning <sup>9</sup>	183	209	141	251	206	139
Youth Service	268	272	288	316	351	385
Other Community Services	51	61	62	41	27	22
Central Administration <sup>2, 10</sup>	381	366	389	563	567	586
<b>Total Current Expenditure</b>	<b>21,269</b>	<b>23,229</b>	<b>25,766</b>	<b>27,452</b>	<b>30,425</b>	<b>32,085</b>
<b>Specific Grants outside Aggregate External Finance (AEF)<sup>11</sup></b>						
Adult Education funded by LSC <sup>12</sup>	59	77	153	165	201	212
Receipts from HEFCE <sup>13</sup>	11	12	12	#	#	#
HE Student Support <sup>14</sup>	796	318	127	81	61	20
<b>Total Current Expenditure including Grants outside Aggregate External Finance (AEF)</b>	<b>22,136</b>	<b>23,635</b>	<b>26,059</b>	<b>27,698</b>	<b>30,688</b>	<b>32,317</b>
<b>Capital Spending<sup>15</sup></b>						
Gross Capital Spending on Education (excluding New Deal for Schools) <sup>16</sup>	1,184	1,016	1,746	2,287	2,780	3,309
Local Authority Receipts	-102	-119	-146	-233	-221	-290
<b>Total Net Capital Spending on Education</b>	<b>1,082</b>	<b>897</b>	<b>1,600</b>	<b>2,054</b>	<b>2,559</b>	<b>3,019</b>
New Deal for Schools	207	702	316	0	0	0
<b>Total Net Authority Capital Spending</b>	<b>1,289</b>	<b>1,599</b>	<b>1,916</b>	<b>2,054</b>	<b>2,559</b>	<b>3,019</b>
<b>Total Local Authority Expenditure on Education</b>	<b>23,425</b>	<b>25,234</b>	<b>27,975</b>	<b>27,700</b>	<b>33,247</b>	<b>35,335</b>

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

- This covers expenditure funded from revenue raised locally through the Council Tax and from central government support such as Revenue Support Grant and grants from the Department to LAs.
  - 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 2003-04 figures are provisional and include estimates for two LAs that failed to submit outturn statements on time for the Departmental Report publication. As such the figures are likely to change.
  - Includes expenditure on under-fives in nursery schools, in primary schools and in the private, voluntary and independent sectors.
  - Figures from 2003-04 onwards reflect the transfer of responsibility from the Department to LAs of costs relating to teachers' pensions.
  - Includes from 2002-03 onwards, for comparative purposes, expenditure funded by the LSC grant outside AEF to school sixth forms.
  - Mainly for pupils with special educational needs (SEN). Excludes expenditure on under-fives in the private, voluntary and independent sectors.
  - Following the introduction of CFR in 2002-03 expenditure on Teacher Development met by schools is no longer recorded separately.
  - Includes services such as the assessment of pupils with SEN, improvement in school standards, management of the LEAs capital programme, the planning and supply of school places and the Education Welfare Service.
  - Adult Education and Education Maintenance Allowances. See note 12 regarding Adult Education funded by the LSC.
  - From 2002-03 includes some expenditure previously reported under Other Support Services.
  - Grants outside AEF are funded almost wholly by central government.
  - Includes up to 2000-01 expenditure on work-related further education funded by the FEFC, and from 2001-02 Adult Education funded by the LSC.
  - Expenditure funded by receipts from the Higher Education Funding Council for England in respect of prescribed courses of higher education in local authority institutions. Expenditure data from 2002-03 onwards not available. However, expenditure is estimated to be some £20 million to £30 million each year from 2002-03 to 2004-05.
  - Includes expenditure by Welsh local authorities.
  - Includes expenditure from the education component of the Urban and Regeneration programme.
  - Gross education capital spending includes schools, youth and other education services.
- # Denotes figures not available

## Schools

Between 1999-00 and 2003-04 real terms funding has increased by £590 per pupil (19 per cent). By the end of the period to 2007-08, funding per pupil will be £1,330 higher in real terms than in 1999-00.

**Table 12.5 Revenue Funding<sup>1,2,4</sup> per School Pupil<sup>3</sup>, 1999-00 to 2007-08**

	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 plans	2005-06 plans	2006-07 plans	2007-08 plans
<b>Funding per pupil</b>									
Real Terms <sup>5,6</sup> (£)	3,070	3,290	3,400	3,530	3,660	3,800	3,990	4,190	4,400
Real-Terms year-on-year change	60	220	110	130	130	140	190	200	210

1. Figures are rounded to the nearest £10 and do not include capital and Private Finance Initiative funding so are lower than those quoted in Budget 2005.
2. Funding consistent with Education Standard Spending/Education Formula Spending plus all schools-related revenue grants in the Departmental Expenditure Limit (DEL) which are relevant to pupils aged 3-19. Funding excludes Childcare and Sure Start.
3. Calculations are based on full-time equivalent pupils aged 3-19 in maintained schools in England. This includes estimated numbers of three-year-olds funded through state support in maintained and other educational establishments.
4. Includes funding for Academies and Specialist Schools but excludes City Technology Colleges.
5. Pensions transfers to Education Formula Spending have been deducted from 2003-04 onwards, with notional transfers for the final two years.
6. Real terms figures have been calculated using the March 2005 gross domestic product (GDP) deflators.

## Further Education

Assumed funding for further education allocated to the Learning and Skills Council (LSC) is £5,174 million in 2004-05, and £5,579 in 2005-06. The funding for 2004-05 represents a £546 million increase over 2003-04. This will be followed by a further increase of £405 million in 2005-06. That is a real-terms year-on-year increase of almost ten per cent in 2004-05, and a further five per cent in 2005-06.

The sums exclude assumed additional employer contributions and additional funding made available from 2003-04 to compensate colleges for increases in their employer contribution to the Teachers' Pension Scheme.

Table 12.6 contains two series of figures which show the unit of funding per full-time

equivalent student in further education.

The first shows assumed funding for further education participation allocated to the LSC. This series shows a trend of growth in participation funding. The second shows total funding to the sector. This includes funding for participation; funds that are targeted on areas such as raising standards and increasing capital investment; and substantial additional funding to support the Success for All reform agenda.

Real-terms variations in unit funding are influenced by a number of factors which are difficult to predict, including full-time equivalent (FTE) student number fluctuations and the timing of when funding is brought to account.

The increase in unit funding between 2000-01 and 2001-02 is explained by two factors: the consolidation of previously targeted

Table 12.6 Funding per Full-Time Equivalent Student in Further Education, 1999-00 to 2005-06<sup>7</sup>

	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 provisional <sup>6</sup>	2004-05 planned	2005-06 planned
<b>Funding per full-time equivalent student<sup>1</sup></b>							
Funding for participation (£) <sup>2,5</sup>	3,290	3,470	3,830	3,980	4,350	4,520	4,840
Real terms index <sup>3</sup>	100	104	112	113	120	122	127
Total funding (£) <sup>2,4,5</sup>	3,380	3,640	4,050	4,410	4,680	5,050	5,410
Real terms index <sup>3</sup>	100	107	116	122	126	133	139

Source: Learning and Skills Council's individualised student record (ISR) and DfES estimates and projections. Further Education Funding Council was previously responsible for the ISR.

1. Full-time equivalent (FTE) students funded by the Further Education Funding Council (FEFC) until 2000-01 and the Learning and Skills Council (LSC) from 2001-02 in either further education sector colleges or in external institutions, specialist designated institutions, dance and drama institutions and higher education institutions.
2. Rounded to the nearest £10.
3. The real terms funding index has been based with 1999-00 as 100 and calculated using March 2005 GDP deflators and projections.
4. Total FE grant to the FEFC or LSC, but not including FEFC or LSC administration costs. The figures include monies provided for FE participation and certain FE funding for earmarked purposes, including capital, FE Standards Fund and other special grants to colleges.
5. Unit funding figures for 1999-00 to 2003-04 are based on cash payments from the Department to FEFC or LSC rather than actual expenditure by FEFC or LSC included in some other tables in the report.
6. The provisional unit of funding figures in 2003-04 comprises of the outturn expenditure in 2003-04, the actual FTEs in 2002/03 and the planned FTEs in 2003/04.
7. Unlike other tables, figures for 2006-07 and 2007-08 are not reported because the exact funding levels are still to be finalised.

funds for pay and staff training; and for adult learners, a shift towards courses which were more expensive per hour of learning delivered (in particular, an increase in the number of short courses).

The 2003-04 increase in both the unit of funding for participation and the unit of funding based on total funding is a result of the consolidation of previously targeted funds, and the extra investment through Success for All.

The 2005-06 projected increase in the unit of funding for participation is a result of an expected change of the provision mix for adults in pursuance of the PSA target to achieve a 40% reduction in the number of adults without a first full Level 2 qualification by 2010.

## Higher Education

The Government is delivering on its target to make continued progress towards 50 per cent of young people participating in higher education. To support that commitment, publicly planned funding for higher education in 2004-05 was £7.6 billion, an increase of around £800 million (over ten per cent) above 2003-04 funding levels. There will be a further planned increase of £750 million in 2005-06 so that publicly planned funding in that year is over £8.1 billion. These increases will mean that even with the expansion of student numbers, funding per student and funding for teaching costs will be maintained in real-terms in 2005-06.

Table 12.7 Funding per Full Time Equivalent Student in Higher Education, 2000-01 to 2007-08<sup>1,2</sup>

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 <sup>9</sup>	2006-07	2007-08
<b>Total funding per planned student<sup>3,4</sup></b>								
Real Terms (£)	5,240	5,250	5,280	5,440	5,510	5,530		
Real-Terms Index <sup>5</sup>	100	100	101	104	105	105		
<b>Funding per planned student<sup>6,7</sup></b>								
Real Terms (£)						4,430	4,460	4,470
Real-Terms Index <sup>8</sup>						100	101	101

1. There are two series of unit funding to reflect the changes in HE funding that will occur after 2005-06 when tuition fees for full-time undergraduates will no longer be regulated as now and to demonstrate that, in addition to fee income, DfES grant per student for institutions will be maintained in real terms.
2. All figures are at 2003-04 prices, rounded to the nearest £10, and consistent with the plans set out in the annual grant letter to the Higher Education Funding Council for England.
3. Total funding means all DfES revenue grants to support Higher Education in Higher Education Institutions (HEIs), Further Education Colleges (FECs) and the Teacher Training Agency, and public and private contributions towards the cost of regulated tuition fees for full-time undergraduates.
4. The planned student numbers used in the total funding series are taken from a snapshot count and cover students of Home and EU domiciles studying at HEIs and FECs in England.
5. The Real-Terms index for this series has been based with 2000-01 set as 100 and using the March 2005 GDP deflators.
6. Funding covers the same grants as total funding but excludes income from tuition fees. From 2006-07 institutions will have discretion to set fees ranging from £0 to £3,000.
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 and using the March 2005 GDP deflators.
9. In 2005-06 the £1,100 difference between the two series is due to two factors:
  - (a) excluding tuition fee income which accounts for about £700 (the difference is less than the standard fee as figures are on an FTE basis) and
  - (b) the move to the whole year count method which accounts for the residual £400.

## Chapter 13

# Investment

The places in which children and adults learn, and the equipment which supports them are crucial in helping the Department to meet its strategic aims and the underpinning Public Service Agreement (PSA) targets. The 2000 Spending Review settlement began the arrest of decades of under-investment in the education and skills estates, with further substantial capital investment in the 2002 Spending Review. The capital allocation from these two Spending Review periods has already begun to deliver dramatic changes and improvements to the learning landscape. The 2004 Spending Review settlement delivers a further step change in investment for learning in the 21st century. A greater focus is now being put on making our capital investment work for all sections of the community.

The Five Year Strategy sets out clear links and interdependencies between ensuring success in children's services, education and lifelong learning and investing in the right built environment and ICT to enable that success. Capital programmes are also vital in supporting the objectives set in our PSA targets.

The Department continues to deliver almost all of its services through local authorities (LAs) and non-departmental public bodies (NDPBs), notably the Learning and Skills Council (LSC) and the Higher Education

Funding Council for England (HEFCE). Local managers of schools, colleges and universities have considerable freedom to manage their own budgets, but we work with them to ensure they achieve good value for money.

The current Departmental Investment Strategy (DIS), covering the period 2005-06 to 2007-08, has a number of themes which will run through our 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 the needs of individual pupils and learners.
- Multiple use, where buildings and their facilities will be designed to support different types of provision and services to local communities.

Details of the Department's capital spending for the period 1999-00 to 2004-05 and our plans for 2005-06 to 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 2003-04, with forecast balance sheets for the period from 2004-05 to 2007-08 based on investment plans.



### Sure Start (including Early Years Education and Childcare)

Sure Start is part of the Government's Change for Children programme and makes a significant contribution to the five outcomes identified in *Every Child Matters: Next Steps*: Stay Safe; Be Healthy; Enjoy and Achieve; Achieve Economic Well-Being; and Make a Positive Contribution.

*Choice for parents, the best start for children: a ten year strategy for childcare*, sets out a range of commitments to meet our aims to deliver universal affordable childcare for three- to 14-year-olds and a Sure Start children's centre for every community, so early years and childcare services become a permanent, mainstream part of the welfare state.

Since 1997, significant amounts of capital funding have been made available to develop the early years infrastructure, particularly in areas of disadvantage. By 2006, we expect to have invested over £1 billion of capital, and between 2006 and 2008 more than £940 million of capital funding will be invested. This scale of investment continues to be needed because services for the youngest children have a history of being delivered from accommodation that was not purpose-built and was unsuitable. Capital investment has



been used to create new buildings as well as refurbish and extend existing premises.

- All 524 Sure Start Local Programmes (SSLP) are delivering a range of childcare, health and family support services in areas of disadvantage, with over £500 million capital committed to date.
- The Neighbourhood Nurseries Initiative (NNI) has been an essential element in the delivery of childcare. There are now over 45,000 new places available in 1,279 Neighbourhood Nurseries.
- There are now 107 Early Excellence Centres (EEC), including six special projects, which deliver specific support on issues around health needs to parents in some areas of the country, delivering quality integrated early education, childcare and family services.
- In addition, capital investment continues to support the creation of new out-of-school childcare, the expansion of playgroups and nurseries and the delivery of extended school services.

Building on a range of other provisions including SSLPs, NNIs, EECs and Maintained Nursery Schools (MNSs), we are on target to deliver over 900 children's centres by March 2006.

The substantial additional capital and revenue funding agreed in the 2004 Spending Review and the 2004 *Pre Budget Report* (PBR) will enable government spending on Sure Start to reach £1.8 billion in 2007-08, more than double the figure for 2004-05. This will enable the children's centre network to grow to 2,500 by 2008, covering all the 20 per cent most disadvantaged areas and to 3,500 by 2010.

By 2008, at least half of all parents of five- to eleven-year-olds will be able to access childcare through their child's school. See chapters 3 and 4 for details of Extended Schools.

For children aged eleven to 14, we will ensure that by 2008 a third of all secondary schools will be extended schools. See chapters 3 and 6 for details of Extended Schools.

## Schools

Record investment is being made in school buildings and infrastructure over the next three years. The Department's support for capital investment will rise from £4.9 billion in 2004-05 to £6.3 billion by 2007-08.

This massive investment will improve the condition, suitability and sufficiency of our schools. In this context, we aim to provide a balance of programmes that enable schools, local authorities (LAs), dioceses and others to invest to best effect for their children and learners. These include:

- devolved programmes, which go direct to every school, LA and diocese for priorities which are decided mainly locally;

- by 2007-08, a typical primary school of 250 pupils will get £34,000 to spend according to its needs on buildings or ICT and a typical secondary school of 1,000 pupils, £113,000; and
- by 2007-08, on top of the direct money for every school, there will be over £2 billion available across every LEA and diocese and their schools for local priorities.

Taken together, these resources (over £3 billion nationally) available for every school, authority and diocese are over twice as much as was available in 1996-97 in real terms.

Building Schools for the Future is the largest of our programmes, but in fact represents just a third of the total support that will be available by 2007-08.

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

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

- New projects underway or beginning in over a quarter of all local authorities by 2007-08.

- An ambition that by 2011 projects will have begun in every LA in the country and that around 60 per cent of all authorities will have major rebuilding projects (at least three secondary schools) underway. All the others will have resources to tackle their secondary schools in greatest need (at least one school).
- By 2016, major rebuilding and remodelling projects (at least three schools) will have started in every authority.
- In fifteen waves from 2005-06, every school which needs it will be replaced or upgraded as part of our schools capital programmes.

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

Significant other capital investment also comes from local authorities, voluntary aided and specialist schools, local communities, academy sponsors, private developers and from other government and European bodies. This is encouraged so that more work can be done in our schools, particularly where it is providing extra extended school facilities which can be used across the community.

LAs have a leading role here, given their strategic and legal responsibilities and the financial flexibility they have through the Single Capital Pot and the new prudential system. By making use of all the sources of investment and flexibilities available locally, many authorities may be able to start the strategic transformation of their secondary

schools earlier, or work on their primary schools at the same time. The Department has offered to help authorities think through such strategies, and has met all who wished it to start discussions.

Taken together, we believe that the Department's support for capital investment 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.

Through this investment we can achieve the objectives set out across a wide range of policies, from building schools for extended use for children and communities to providing the right built environment for the teaching of vocational courses.

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

### Further Education

Investment in the further education (FE) estate has attracted more students and increased college credibility with local employers. It underpins the achievement of Public Service Agreement (PSA) targets relating to participation in Modern Apprenticeships, tackling the basic skills deficit and reducing the number of adults who lack level 2 qualifications.

The size of the FE estate continues to diminish, as space is used more effectively. The ICT infrastructure is improving, through the development of the National Learning Network, which links all FE colleges to the Internet via the Joint Academic Network (JANET).

Increased capital investment is an essential part of our strategy to transform standards in education and to engage disadvantaged pupils in learning. Investment in the adult and community learning sector and in UK online will play an increasingly important role in promoting basic skills.

Capital investment in the post-16 learning and skills sector will rise to over £400 million by 2005-06.

Priority will be given to rationalise and modernise the FE estate, allowing colleges to focus on their strengths, enable an increase in the provision of dedicated/distinct provision for 16-19 learning, and to ensure that resources are used effectively in collaboration with capital investment in schools (including school sixth forms funded via local education authorities).

To further support new 16-19 provision the Department's Five Year Strategy set out plans to introduce a 16-19 joint capital budget. Funding for this budget will be drawn from the Spending Review outcomes for schools and Learning and Skills Council (LSC) capital resources for the 16-19 provision. Funding from this budget will be available from 2006-07.

The engagement of employers is crucial in this sector and investment will help to update vocational training facilities. To help

make this happen 400 Centres of Vocational Excellence (CoVEs) will be established by 2005-06. They will focus on:

- enhancing the employability of new entrants;
- developing the skills of those in work; and
- enhancing the employment prospects of those seeking work (including self employment).

### Higher Education

The Government has invested considerable capital funds in higher education (HE).

This investment is contributing to addressing past underinvestment in the HE sector infrastructure, as well as contributing to the long term financial sustainability of learning, teaching and research. It will promote collaborative partnerships between higher education institutions (HEIs) and industry and support the delivery of high quality learning, teaching and research.

The Government is committed to enhancing excellence in higher education research, which is essential to realise our aspirations for science and innovation. The 2004 Spending Review increases to science base funding through the Department for Trade and Industry (DTI) and this Department means that spending on science will be £1 billion higher in 2007-08 than in 2004-05. The *Science and Innovation Investment Framework 2004-2014* published in July 2004, reinforces our commitment over the next decade. This underpins the Government's ambition for research and development (R&D) intensity in the UK (R&D as a proportion of gross domestic product (GDP)) to rise to 2.5 per cent from the

current level of 1.9 per cent. It sets out that this goal can be achieved by matching government investment with private sector and leading charitable funding.

The Framework document confirms the Spending Review settlement for science and research to invest up to £90 million by 2007-08 to match increased contributions by charities for charity-sponsored research, provide jointly with the DTI increased funding for the Higher Education Investment Fund to £110 million a year by 2007-08 and fund a third round of the Science Research Investment Fund (SRIF) jointly with the Office of Science and Technology (OST), DfES – £200 million/OST – £300 million.

The Framework document also restated the Government's commitment to maintaining the Dual Support System for university research. The Department will continue to work closely with OST, HM Treasury, and HEFCE, other government departments and key stakeholders to ensure the successful implementation of Full Economic Cost (FEC) in universities in September 2005 towards the sustainability of their research activities.

### Public-Private Partnerships/Private Finance Initiatives

Public Private Partnerships (PPPs) and Private Finance Initiatives (PFI) have become well-established procurement methods for the construction of new schools and the refurbishment of existing ones. There are 81 signed contracts in the schools sector covering over 670 schools, with a total value of £2.4 billion. Services have started in over 41 projects with more than 100 new or substantially refurbished schools open. In addition, 28 school projects have been approved by the Project

Review Group (PRG) and are in procurement. The total capital value for the building projects is over £1.7 billion and they involve more than 200 schools.

The Building Schools for the Future (BSF) programme to rebuild or refurbish every secondary school in England launched in February 2004 will represent £2.2 billion of capital investment for 2005-06 (of which at least £1.2 billion is PFI credits). The first three waves of this programme have now been announced and include 39 authorities with an estimated 380 schools benefiting.

Investment through PFI generally focuses on major modernisation of premises through the replacement or substantial improvement of existing schools, increasingly as part of wider rationalisation projects.

Following consultation with various public and private sector bodies, HM Treasury has made a small number of changes to *Standardisation of PFI Contracts* (SoPC). The third version was published in April 2004.

For the last four years, PFI credits have made up approximately 25 per cent of the total capital available to schools. This is a significant resource for LAs to assist them in delivering their asset management planning objectives, and by improving school buildings, providing an environment that supports improved educational standards. PFI credits availability is enabling more strategic asset utilisation across all LAs and creating wider benefits. Many projects, in addition to addressing the core issues of sufficiency, condition and suitability, also emphasise other priorities such as increasing community use, improving special educational needs (SEN) and early years provision and linking to Education

Action Zones (EAZs) and Excellence in Cities (EiC).

Following the success of the Dudley Grid for Learning project, which used PFI to provide ICT for schools across Dudley LA, four further ICT projects have been signed with a capital value of £45.45 million.

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Section E

## **Annexes**





## ANNEX A | Public Spending (£ million)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans	2006-07 plans	2007-08 plans
<b>Consumption of resources:</b>									
Sure Start	213	368	467	680	680	953	903	1,306	1,315
Schools, including Sixth Forms	1,186	2,527	3,496	5,527	6,012	6,590	6,901	7,291	7,533
Higher Education	6,250	5,896	6,048	6,354	6,807	7,201	7,631	8,534	9,110
Support for Children, Young People and Families	354	485	856	1,274	1,593	1,241	1,263	1,443	1,636
Further Education, Adult Learning and Skills and Lifelong Learning	4,650	5,193	6,051	6,759	7,837	8,325	9,139	9,464	10,036
Activities to Support all Functions <sup>1</sup>	249	263	262	237	266	507	797	428	418
Teachers' Pension Scheme <sup>2</sup>	6,191	6,377	6,843	7,156	6,575	6,877	7,912	8,300	8,706
<b>Total Department for Education and Skills Resource Budget<sup>3,4,5,6,7,8</sup></b>	<b>19,093</b>	<b>21,109</b>	<b>24,024</b>	<b>27,986</b>	<b>29,769</b>	<b>31,694</b>	<b>34,546</b>	<b>36,766</b>	<b>38,754</b>
<i>of which:</i>									
Departmental Expenditure Limit <sup>9</sup>	12,821	14,640	17,082	20,700	22,927	24,400	26,101	27,812	29,373
Annually Managed Expenditure <sup>9</sup>	6,272	6,469	6,942	7,286	6,842	7,293	8,445	8,954	9,381
<b>Capital Expenditure<sup>5,7,10</sup></b>									
Sure Start	0	0	0	0	41	67	264	390	494
Schools, including Sixth Forms <sup>11</sup>	1,087	1,908	1,928	2,527	3,131	3,580	4,131	4,404	4,994
Higher Education	1	2	1	18	2	6	0	1	1
Support for Children, Young People and Families	12	10	24	26	18	26	37	46	56
Further Education, Adult Learning and Skills and Lifelong Learning	5	15	139	146	37	12	8	10	10
Activities to Support all Functions	10	10	12	13	14	40	10	22	18
Teachers' Pension Scheme	0	0	0	0	0	0	0	0	0
<b>Total Department for Education and Skills Capital Budget<sup>12</sup></b>	<b>1,115</b>	<b>1,945</b>	<b>2,105</b>	<b>2,730</b>	<b>3,244</b>	<b>3,732</b>	<b>4,450</b>	<b>4,873</b>	<b>5,573</b>
<i>of which:</i>									
Departmental Expenditure Limit	1,112	1,943	2,101	2,724	3,240	3,729	4,445	4,869	5,569
Annually Managed Expenditure	3	2	3	5	4	3	5	3	3
<b>Total Central Government Spending on Education in England<sup>13</sup></b>	<b>12,192</b>	<b>14,588</b>	<b>16,850</b>	<b>20,601</b>	<b>23,328</b>	<b>25,591</b>	<b>27,503</b>	<b>30,248</b>	<b>32,268</b>
<b>Local Authority Spending in England on Education and related Youth Services</b>									
<b>Current</b>	<b>22,136</b>	<b>23,635</b>	<b>26,059</b>	<b>27,731</b>	<b>30,688</b>	<b>32,317</b>			
<i>of which:</i>									
Financed by Grants from DfES	1,546	2,549	3,435	5,535	5,772	5,831			
<b>Capital<sup>14</sup></b>	<b>1,289</b>	<b>1,600</b>	<b>1,916</b>	<b>2,054</b>	<b>2,558</b>	<b>3,019</b>			
<i>of which:</i>									
Financed by Grants from DfES	1,097	1,904	1,917	2,463	3,180	3,664			

1. In 2005-06, includes the Service Development Fund, which has subsequently been allocated to Schools and Higher Education.
2. Figures include changes due to the recording of pension scheme accounts, estimates and budgets under FRS17.
3. Includes expenditure by non-departmental public bodies, which is financed by voted grants.
4. Includes non-cash items i.e. capital charges, depreciation and provisions and expenditure by the levy funded Construction Industry Training Boards.
5. Includes figures in both DEL and AME.
6. Includes figures previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
7. Includes ring-fenced Capital Modernisation Fund and Invest to Save budget allocations.
8. Figures include reclassification changes from third party capital DEL to resource DEL.

9. Figures include reclassification changes of Education Maintenance Allowances from resource DEL to resource AME.
10. Includes capital expenditure by non-departmental public bodies, which is financed by voted grants, and local authority credit approvals.
11. Includes expenditure on the New Deal for Schools previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
12. The total DfES public spending figure is the sum of all resource and capital less depreciation charges.
13. 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 Children's Fund and Sure Start.
14. Figures exclude any Devolved Formula Capital Grant which schools have chosen to carry over for up to three years to help fund larger capital projects.

## ANNEX B | Resource Budget (£ million)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans	2006-07 plans	2007-08 plans
<b>Consumption of resources by activity:</b>									
<b>Sure Start</b>	<b>213</b>	<b>368</b>	<b>467</b>	<b>680</b>	<b>680</b>	<b>953</b>	<b>903</b>	<b>1,306</b>	<b>1,315</b>
<b>Schools, including Sixth Forms</b>	<b>1,186</b>	<b>2,527</b>	<b>3,496</b>	<b>5,527</b>	<b>6,012</b>	<b>6,590</b>	<b>6,901</b>	<b>7,291</b>	<b>7,533</b>
<i>of which:</i>									
Primary, Secondary and Sixth Forms <sup>1</sup>	1,186	2,527	3,496	5,527	6,012	6,590	6,901	7,291	7,533
<b>Higher Education</b>	<b>6,250</b>	<b>5,896</b>	<b>6,048</b>	<b>6,354</b>	<b>6,807</b>	<b>7,201</b>	<b>7,631</b>	<b>8,534</b>	<b>9,110</b>
<i>of which:</i>									
Student Loans	640	824	764	759	797	602	625	794	1,030
Student Grants	1,073	671	579	572	574	701	864	816	919
HEFCE	4,413	4,273	4,573	4,906	5,317	5,798	6,091	6,633	6,957
Other	123	128	132	117	119	100	51	291	205
<b>Support for Children, Young People and Families</b>	<b>354</b>	<b>485</b>	<b>856</b>	<b>1,274</b>	<b>1,593</b>	<b>1,241</b>	<b>1,263</b>	<b>1,443</b>	<b>1,636</b>
<i>of which:</i>									
Connexions	228	251	319	428	492	505	556	516	516
Children and Young People's Unit	112	215	498	806	1,070	712	682	901	1,094
Other	14	20	39	39	30	24	25	25	25
<b>Further Education, Adult Learning and Skills and Lifelong Learning</b>	<b>4,650</b>	<b>5,193</b>	<b>6,051</b>	<b>6,759</b>	<b>7,837</b>	<b>8,325</b>	<b>9,139</b>	<b>9,464</b>	<b>10,036</b>
<i>of which:</i>									
LSC/FE <sup>2,3</sup>	3,326	3,676	5,254	6,019	7,037	7,286	7,668	7,854	8,273
Education Maintenance Allowances <sup>4,5</sup>	0	0	109	120	142	281	403	511	529
Educational Qualifications	85	84	98	93	99	135	79	115	108
International	13	27	26	29	29	33	28	30	30
Other	1,226	1,405	562	497	530	590	960	953	1,096
<b>Activities to Support all Functions<sup>6</sup></b>	<b>249</b>	<b>263</b>	<b>262</b>	<b>237</b>	<b>266</b>	<b>507</b>	<b>797</b>	<b>428</b>	<b>418</b>
<b>Teachers' Pension Scheme<sup>7</sup></b>	<b>6,191</b>	<b>6,377</b>	<b>6,843</b>	<b>7,156</b>	<b>6,575</b>	<b>6,877</b>	<b>7,912</b>	<b>8,300</b>	<b>8,706</b>
<b>Total Department for Education and Skills Resource Budget<sup>8,9,10,11,12,13</sup></b>	<b>19,093</b>	<b>21,109</b>	<b>24,024</b>	<b>27,986</b>	<b>29,769</b>	<b>31,694</b>	<b>34,548</b>	<b>36,766</b>	<b>38,754</b>
<i>of which:</i>									
Departmental Expenditure Limit	12,821	14,640	17,082	20,700	22,927	24,400	26,101	27,812	29,373
Annually Managed Expenditure	6,272	6,469	6,942	7,286	6,842	7,293	8,445	8,954	9,381

- Includes the Learning and Skills Council (LSC) support for LAs and sixth forms.
- 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. The LSC has assumed responsibility for further education, sixth forms and a wide range of other lifelong learning funding and for 2000-01 and 2001-02 includes transitional funding for bodies other than the LSC.
- Responsibility for further education passed from the FEFC to the LSC from 2001-02. This line includes actual expenditure by the FEFC from 1999-00 to 2000-01 and includes FEFC administration costs and student support expenditure and excludes additional employer contributions to FE.
- Figures for 2001-02 include funding for the sixth form access fund.
- From 2003-04 figures include reclassification changes of Education Maintenance Allowances from resource DEL to resource AME.
- In 2005-06, includes the Service Development Fund, which has subsequently been allocated to Schools and Higher Education.
- 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.
- Includes ring-fenced Invest to Save budget allocations.
- Figures include reclassification changes of Education Maintenance Allowances from resource DEL to resource AME.

## ANNEX C | Capital Budget (£ million)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans	2006-07 plans	2007-08 plans
<b>Capital expenditure by activity:</b>									
<b>Sure Start<sup>1</sup></b>	#	#	0	0	41	67	264	390	494
<b>Schools, including Sixth Forms<sup>2</sup></b>	1,087	1,908	1,928	2,527	3,131	3,580	4,131	4,404	4,994
<i>of which:</i>									
Primary, Secondary and Sixth Forms	1,087	1,908	1,928	2,527	3,131	3,580	4,131	4,404	4,994
<b>Higher Education<sup>1</sup></b>	1	2	1	18	2	6	0	1	1
<i>of which:</i>									
Student Loans	#	2	1	1	2	1	#	1	1
HEFCE	#	#	#	16	#	5	#	#	#
<b>Support for Children, Young People and Families</b>	12	10	24	26	18	26	37	46	56
<i>of which:</i>									
Children and Young People's Unit	12	10	24	26	18	26	37	46	56
<b>Further Education, Adult Learning and Skills and Lifelong Learning</b>	5	15	139	146	37	12	8	10	10
<i>of which:</i>									
LSC/FE <sup>1,3,4</sup>	#	#	39	43	16	6	3	6	6
Educational Qualifications	1	1	2	1	#	2	1	1	1
Other	4	13	98	102	21	5	5	4	4
<b>Activities to Support all Functions</b>	10	10	12	13	14	40	10	22	18
<b>Total Department for Education and Skills Capital Budget<sup>5,6,7,8</sup></b>	1,115	1,945	2,105	2,730	3,244	3,732	4,450	4,873	5,573
<i>Of which:</i>									
Departmental Expenditure Limit	1,112	1,943	2,101	2,724	3,240	3,729	4,445	4,869	5,569
Annually Managed Expenditure	3	2	3	5	4	3	5	3	3

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

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

3. This line covers all LSC capital budgets, including all LSC capital funding for FE.

4. Responsibility for further education passed from the FEFC to the LSC from 2001-02. This line includes actual expenditure by the FEFC from 1999-00 to 2000-01.

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

6. Includes figures in both DEL and AME.

7. Includes ring-fenced Capital Modernisation Fund and Invest to Save budget allocations.

8. Figures include reclassification changes of Education Maintenance Allowances from resource DEL to resource AME.

## ANNEX D | Capital Employed (£ thousand)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans	2006-07 plans	2007-08 plans
<b>Assets on Balance Sheet at start of year</b>									
<b>Fixed Assets</b>									
<i>of which:</i>									
Intangible assets (software licences)	–	–	388	1,704	1,417	2,000	2,000	2,000	2,000
Tangible assets	61,249	53,944	72,622	82,007	80,493	80,000	80,000	80,000	80,000
<i>of which:</i>									
Land and Buildings	43,036	35,110	53,304	58,901	53,305	53,000	53,000	53,000	53,000
Investments	3,295,108	5,037,294	6,864,360	8,727,212	10,905,122	13,154,207	15,621,768	18,615,485	22,261,040
Current Assets	978,700	520,214	752,620	897,953	851,492	872,779	894,599	916,964	939,888
Creditors – less than one year	(863,888)	(374,580)	(658,567)	(614,930)	(439,663)	(450,655)	(461,921)	(473,469)	(485,306)
Provisions	(2,015,937)	(2,547,609)	(3,118,020)	(3,797,623)	(3,510,429)	(4,066,046)	(4,443,122)	(4,929,970)	(5,560,574)
Capital employed within the main department	1,455,232	2,689,263	3,913,403	5,296,323	7,888,432	9,592,285	11,693,324	14,211,010	17,237,048
NDPB net assets	158,742	118,340	(150,113)	(69,006)	(56,668)	4,999	(60,621)	102,413	4,735
Public Corporation net assets	0	972	1,526	4,940	8,540	9,000	9,000	9,000	9,000
<b>Total Capital employed in Departmental Group</b>	<b>1,613,974</b>	<b>2,808,575</b>	<b>3,764,816</b>	<b>5,232,257</b>	<b>7,840,304</b>	<b>9,606,284</b>	<b>11,641,703</b>	<b>14,322,423</b>	<b>17,250,783</b>

## ANNEX E | Administration Costs (£ million)

	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn	2005-06 plans	2006-07 plans	2007-08 plans
<b>Administration Expenditure<sup>1</sup></b>									
Paybill	118	138	141	149	165	164	0	0	0
Other	108	105	100	84	82	98	0	0	0
Total Administration Expenditure <sup>1</sup>	226	243	241	233	247	262	254	246	239
Administration Income	-6	-6	-5	-6	-4	-3	-3	-2	-2
<b>Total Administration Budget<sup>1</sup></b>	<b>220</b>	<b>236</b>	<b>237</b>	<b>227</b>	<b>243</b>	<b>259</b>	<b>251</b>	<b>244</b>	<b>237</b>
of which:									
Departmental Expenditure Limit	220	236	237	227	243	259	251	244	237
<b>Changes in definitions of administration cost limits, on net basis since last year's report</b>									
Total net administration costs limits on Stage 1 Resource Accounting and Budgeting (RAB)	218	236	239	234	248	262	0	0	0
Plus additional non-cash items from move to full RAB, as part of SR2002	9	6	2	-1	-1	0	0	0	0
Less additional allowable receipts	-6	-6	-5	-6	-4	-3	0	0	0
<b>Total Administration Budget<sup>1</sup></b>	<b>220</b>	<b>233</b>	<b>233</b>	<b>227</b>	<b>243</b>	<b>259</b>	<b>0</b>	<b>0</b>	<b>0</b>

1. Administration costs within the administration costs control regime.

## ANNEX F | Staff Numbers

	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 estimated <sup>1</sup>	April 2006 plans <sup>2</sup>	April 2007 plans <sup>2</sup>	April 2008 plans <sup>2</sup>
<b>Department for Education and Skills</b>									
Civil Service full-time equivalents	4,751	5,092	4,810	4,300	4,500	4,226			
Overtime	77	79	70	50	40	30			
Casuals	263	226	200	110	90	63			
<b>Total</b>	<b>5,091</b>	<b>5,397</b>	<b>5,080</b>	<b>4,460</b>	<b>4,630</b>	<b>4,319</b>	<b>3,810</b>	<b>3,680</b>	<b>3,200</b>
<b>Employment Service<sup>3</sup></b>									
Civil Service full-time equivalents	29,787	30,731	–	–	–	–	–	–	–
Overtime	117	96	–	–	–	–	–	–	–
Casuals	2,528	2,558	–	–	–	–	–	–	–
<b>Total</b>	<b>32,432</b>	<b>33,385</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total DfES and Employment Service</b>	<b>37,523</b>	<b>38,782</b>	<b>5,080</b>	<b>4,460</b>	<b>4,630</b>	<b>4,319</b>	<b>3,810</b>	<b>3,680</b>	<b>3,200</b>

- Figures from 2003-04 onwards include staff transferring from the Home Office, Department of Health and the Department of Constitutional Affairs following Machinery of Government changes.
- Figures for 1999-00 to 2004-05 are financial year averages. Those for forward years reflect the position at the start of each year following planned staff reductions of 850 by April 2006 and 1,460 by April 2008 (from the October 2003 baseline) as the result of the Departmental Reform programme.

- Figures reflect the Machinery of Government transfer of the Employment Service to the Department for Work and Pensions in 2001-02.

## ANNEX G | Identifiable Expenditure on Services, by Country and Region, 1999-00 to 2005-06 (£ million)

	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 plans	2005-06 plans
North East	722.6	799.8	890.5	1,002.7	1,078.6	1,197.2	1,286.9
North West	1,772.8	1,927.4	2,063.2	2,298.9	2,383.2	2,587.6	2,828.2
Yorkshire and Humberside	1,297.7	1,419.9	1,578.5	1,744.5	1,836.0	2,025.0	2,200.1
East Midlands	1,030.7	1,127.9	1,291.3	1,408.3	1,520.5	1,801.6	1,947.5
West Midlands	1,351.5	1,475.7	1,640.9	1,817.6	1,932.1	2,136.7	2,317.8
South West	1,087.5	1,198.5	1,344.1	1,483.6	1,505.7	1,676.2	1,829.6
Eastern	1,093.8	1,182.7	1,360.1	1,502.2	1,578.8	1,711.4	1,877.3
London	2,072.6	2,359.3	2,722.4	3,147.7	3,386.7	3,749.2	4,017.7
South East	1,836.4	2,003.5	2,210.4	2,434.4	2,539.2	2,875.5	3,139.6
<b>Total England</b>	<b>12,265.4</b>	<b>13,494.8</b>	<b>15,101.4</b>	<b>16,840.0</b>	<b>17,760.9</b>	<b>19,760.4</b>	<b>21,444.8</b>
<b>Scotland</b>	<b>32.2</b>	<b>34.0</b>	<b>34.4</b>	<b>35.6</b>	<b>31.4</b>	<b>39.5</b>	<b>40.5</b>
<b>Wales</b>	<b>213.1</b>	<b>229.5</b>	<b>236.2</b>	<b>249.3</b>	<b>202.5</b>	<b>275.2</b>	<b>289.1</b>
<b>Northern Ireland</b>	<b>2.6</b>	<b>2.9</b>	<b>3.2</b>	<b>4.2</b>	<b>5.7</b>	<b>7.4</b>	<b>7.4</b>
<b>Total UK Identifiable Expenditure</b>	<b>12,513.3</b>	<b>13,761.1</b>	<b>15,375.1</b>	<b>17,129.2</b>	<b>18,000.6</b>	<b>20,082.5</b>	<b>21,781.7</b>
Outside UK	70.5	82.8	80.2	75.3	61.1	78.9	81.3
<b>Total Identifiable Expenditure</b>	<b>12,583.8</b>	<b>13,843.9</b>	<b>15,455.3</b>	<b>17,204.5</b>	<b>18,061.6</b>	<b>20,161.4</b>	<b>21,863.0</b>
Non-Identifiable Expenditure	0	0	0	0	0	100.0	530.0
<b>Total Expenditure on Services</b>	<b>12,583.8</b>	<b>13,843.9</b>	<b>15,455.3</b>	<b>17,204.5</b>	<b>18,061.6</b>	<b>20,261.4</b>	<b>22,393.0</b>

## ANNEX H | Identifiable Expenditure on Services, by Country and Region, 1999-00 to 2005-06 (£'s per head)

	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 actual	2004-05 plans	2005-06 plans
North East	283.3	314.5	350.6	395.1	424.8	472.2	508.3
North West	261.7	284.5	304.6	338.9	350.2	379.9	414.7
Yorkshire and Humberside	261.8	286.4	317.2	349.4	366.5	403.2	436.9
East Midlands	248.2	270.6	308.2	333.5	357.6	421.4	453.2
West Midlands	256.4	280.0	310.7	342.7	363.2	400.9	433.9
South West	222.8	243.7	271.9	298.7	301.2	333.2	361.3
Eastern	204.9	220.0	251.8	277.0	289.0	311.3	339.2
London	289.7	326.0	371.8	427.0	458.4	504.5	537.4
South East	230.8	250.7	275.5	302.6	314.2	354.0	384.5
<b>Total England</b>	<b>250.1</b>	<b>274.1</b>	<b>305.4</b>	<b>339.2</b>	<b>356.2</b>	<b>394.8</b>	<b>426.6</b>
<b>Scotland</b>	<b>6.3</b>	<b>6.7</b>	<b>6.8</b>	<b>7.1</b>	<b>6.2</b>	<b>7.8</b>	<b>8.0</b>
<b>Wales</b>	<b>73.5</b>	<b>78.9</b>	<b>81.2</b>	<b>85.3</b>	<b>68.9</b>	<b>93.1</b>	<b>97.4</b>
<b>Northern Ireland</b>	<b>1.6</b>	<b>1.7</b>	<b>1.9</b>	<b>2.5</b>	<b>3.4</b>	<b>4.3</b>	<b>4.3</b>
<b>Total UK Identifiable Expenditure</b>	<b>213.2</b>	<b>233.7</b>	<b>260.1</b>	<b>288.8</b>	<b>302.3</b>	<b>335.9</b>	<b>362.9</b>

## ANNEX I | Identifiable Expenditure on Services by Function, Country and Region for 2003-04 (£ million)

	North East	North West	Yorkshire & Humberside	East Midlands	West Midlands	South West	Eastern	London	South East	England	Scotland	Wales	N Ireland	UK Identifiable Expenditure	Outside UK	Total Identifiable Expenditure	Not Identifiable	Total	
<b>Department for Education and Skills</b>																			
<b>Public Order and Safety</b>																			
Administration of Justice	5.9	14.9	11.3	6.9	10.9	8.9	8.2	16.2	12.2	95.5	0	6.7	0	102.2	0	102.2	0	102.2	
<b>Total Public Order and Safety</b>	<b>5.9</b>	<b>14.9</b>	<b>11.3</b>	<b>6.9</b>	<b>10.9</b>	<b>8.9</b>	<b>8.2</b>	<b>16.2</b>	<b>12.2</b>	<b>95.5</b>	<b>0</b>	<b>6.7</b>	<b>0</b>	<b>102.2</b>	<b>0</b>	<b>102.2</b>	<b>0</b>	<b>102.2</b>	
<b>Employment Policies</b>																			
Employment Policies	1.8	5.2	4.6	4.8	5.2	4.6	4.0	8.9	6.6	45.7	0.9	0.6	0.1	47.3	7.7	55.0	0	55.0	
<b>Total Employment Policies</b>	<b>1.8</b>	<b>5.2</b>	<b>4.6</b>	<b>4.8</b>	<b>5.2</b>	<b>4.6</b>	<b>4.0</b>	<b>8.9</b>	<b>6.6</b>	<b>45.7</b>	<b>0.9</b>	<b>0.6</b>	<b>0.1</b>	<b>47.3</b>	<b>7.7</b>	<b>55.0</b>	<b>0</b>	<b>55.0</b>	
<b>Health</b>																			
Central and Other Health Services	0.3	0.8	0.6	0.5	0.6	0.6	0.6	0.8	0.9	5.7	0	0	0	5.7	0	5.7	0	5.7	
Medical Services	0	0.1	0	0	0.1	0.1	0.1	0.1	0.1	0.6	0	0	0	0.6	0	0.6	0	0.6	
<b>Total Health</b>	<b>0.3</b>	<b>0.9</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>	<b>6.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.3</b>	<b>0</b>	<b>6.3</b>	<b>0</b>	<b>6.3</b>	
<b>Social Protection</b>																			
Family Benefits, Income Support and Tax Credit	1.7	4.4	3.2	2.7	3.4	3.2	3.5	4.7	5.2	31.8	0	0	0	31.8	0	31.8	0	31.8	
Personal Social Services	1.8	4.8	3.5	2.9	3.7	3.5	3.8	5.1	5.7	35.0	0	0	0	35.0	0	35.0	0	35.0	
Public Sector Occupational Pensions	39.9	31.7	79.3	107.8	125.8	22.3	106.2	-102.4	79.4	490.0	19.8	98.8	2.1	610.7	47.9	658.6	0	658.6	
<b>Total Social Protection</b>	<b>43.4</b>	<b>40.9</b>	<b>86.1</b>	<b>113.4</b>	<b>133.0</b>	<b>29.0</b>	<b>113.5</b>	<b>-92.6</b>	<b>90.2</b>	<b>556.8</b>	<b>19.8</b>	<b>98.8</b>	<b>2.1</b>	<b>677.5</b>	<b>47.9</b>	<b>725.4</b>	<b>0</b>	<b>725.4</b>	
<b>Education and Training</b>																			
Further Education	357.7	853.4	594.4	477.3	717.5	542.8	543.5	991.5	810.3	5,888.3	0	0	0	5,888.2	0	5,888.2	0	5,888.2	
Higher Education	301.3	692.4	572.9	456.3	475.0	425.7	409.9	1,322.3	928.0	5,583.7	0	0.1	0	5,583.8	2.5	5,586.3	0	5,586.3	
Other Education and Training	102.0	204.6	158.8	116.2	144.9	131.9	158.1	339.3	165.5	1,521.3	0.7	5.2	0	1,527.2	0.9	1,528.1	0	1,528.1	
Primary Schools	12.5	47.5	30.4	20.8	21.6	10.7	13.6	94.7	10.1	262.0	0	0	0	262.0	0	262.0	0	262.0	
Secondary Schools	61.5	43.6	50.5	58.9	63.8	47.3	27.1	139.1	63.5	555.3	0	0	0	555.3	2.0	557.3	0	557.3	
Student Support	63.9	193.4	126.8	105.9	141.6	127.9	119.5	245.3	189.9	1,314.1	1.7	76.5	0	1,392.3	0.1	1,392.4	0	1,392.4	
Training	89.9	215.8	151.7	121.9	179.6	139.5	148.9	248.9	210.5	1,506.5	8.3	14.7	3.5	1,533.1	0	1,533.1	0	1,533.1	
Under Fives	38.5	70.7	48.0	37.7	38.2	36.8	31.9	72.2	51.4	425.4	0	0	0	425.4	0	425.4	0	425.4	
<b>Total Education and Training</b>	<b>1,027.3</b>	<b>2,321.3</b>	<b>1,733.5</b>	<b>1,394.9</b>	<b>1,782.2</b>	<b>1,462.5</b>	<b>1,452.3</b>	<b>3,453.2</b>	<b>2,429.2</b>	<b>17,056.6</b>	<b>10.7</b>	<b>96.5</b>	<b>3.6</b>	<b>17,167.3</b>	<b>5.5</b>	<b>17,172.7</b>	<b>0</b>	<b>17,172.7</b>	
<b>Total Department for Education and Skills</b>	<b>1,078.6</b>	<b>2,383.2</b>	<b>1,836.0</b>	<b>1,520.5</b>	<b>1,932.1</b>	<b>1,505.7</b>	<b>1,578.8</b>	<b>3,386.7</b>	<b>2,539.2</b>	<b>17,760.9</b>	<b>31.4</b>	<b>202.5</b>	<b>5.7</b>	<b>18,000.6</b>	<b>61.1</b>	<b>18,061.6</b>	<b>0</b>	<b>18,061.6</b>	

## ANNEX J | Public Appointments to Non-Departmental Public Bodies, 2004

Name	* Reappointments	Post	Remuneration	Term	Male/Female
<b>Adult Learning Inspectorate</b>					
Paulene Collins*		Board Member	Nil	3 years	F
David Croll*		Board Member	Nil	2 years	M
Chris Trinick*		Board Member	Nil	3 years	M
<b>British Educational Communications and Technology Agency</b>					
Stephen Gill		Board Member	Nil	3 years	M
Ben Andradi		Board Member	Nil	3 years	M
John Roberts		Board Member	Nil	3 years	M
Mick Waters		Board Member	Nil	3 years	M
John Gray		Board Member	Nil	3 years	M
Dame Edith Blbby		Board Member	Nil	3 years	F
<b>Children and Family Court Advisory and Support Service</b>					
Baroness Jill Pitkeathley		Chair	£500 (per day)	2 years	F
Gillian Baranski		Board Member	£265 (per day)	1 year	F
Jennifer Bernard		Board Member	£265 (per day)	3 years	F
Margo Boye-Anawoma		Board Member	£265 (per day)	3 years	F
Erica De'ath		Board Member	£265 (per day)	3 years	F
Mark Eldridge		Board Member	£265 (per day)	2 years	M
Baroness Valerie Howarth		Board Member	£265 (per day)	3 years	F
Harry Marsh		Board Member	£265 (per day)	3 years	M
Richard Sax		Board Member	£265 (per day)	2 years	M
Judith Timms		Board Member	£265 (per day)	1 year	F
Professor Jane Tunstill		Board Member	£265 (per day)	2 years	F
<b>Construction Industry Training Board</b>					
Nancy Cookson		Board Member	Nil	5 years	F
David Adamson*		Board Member	Nil	4 years	M
Trevor Gamble*		Board Member	Nil	5 years	M
Professor Barry Clarke		Board Member	Nil	5 years	M
Alan Ritchie		Board Member	Nil	5 years	M
<b>Engineering Construction Industry Training Board</b>					
Jeffrey House*		Board Member	Nil	4 years	M
Paul Corby*		Board Member	Nil	4 years	M
Philip Hobden		Board Member	Nil	5 years	M
Mike Jex		Board Member	Nil	1.5 years	M
Stephen Waugh		Board Member	Nil	1.5 years	M
Neil Winkley		Board Member	Nil	1.5 years	M
Peter Whitaker		Board Member	Nil	1.5 years	M
George Beattie		Board Member	Nil	1.5 years	M
John Hornby		Board Member	Nil	1.5 years	M
Bruce Buchan		Board Member	Nil	5 years	M
Neil Davis		Board Member	Nil	2 years	M
Mike Beaumont		Board Member	Nil	2 years	M
Stephen Lee		Board Member	Nil	2 years	M
Neil Bruce		Board Member	Nil	2 years	M
Michael Bretherick*		Board Member	Nil	5 years	M
Christine Forbes		Board Member	Nil	5 years	F
Keith Hazelwood		Board Member	Nil	5 years	M
Mike Hockey		Board Member	Nil	5 years	M

Name	* Reappointments	Post	Remuneration	Term	Male/Female
<b>Higher Education Funding Council for England</b>					
David Young*		Chair	£41,000	2 years	M
Edward Smith		Board Member	£5,000	3 years	M
Dr Beverley Malone		Board Member	£5,000	3 years	F
<b>Independent Advisory Group on Teenage Pregnancy</b>					
Kate Davies*		Board Member	£114 per day	2 years	F
Jackie Kelly*		Board Member	£114 per day	3 years	F
Jane English*		Board Member	£114 per day	2 years	F
Vivienne Kind*		Board Member	£114 per day	3 years	F
John Coleman*		Board Member	£114 per day	2 years	M
<b>Investors in People UK</b>					
Edward Sweeney*		Board Member	Nil	3 years	M
Sue Thomas*		Board Member	Nil	3 years	F
Michele Rigby		Board Member	Nil	3 years	F
Professor Dame Geraldine Keegan*		Board Member	Nil	3 years	F
<b>Learning and Skills Council for England</b>					
Chris Banks		Chair	£50,000	4 years	M
Frances O'Grady		Board Member	£4,000	4 years	F
Gareth Cadwallader		Board Member	£4,000	4 years	M
Ian Ferguson		Board Member	£4,000	4 years	M
Sandra Burslem*		Board Member	£4,000	2 years	F
<b>Learning and Skills Council – Local Council Chairs</b>					
Norman Boyland*		Local Chair	£5,000	3 years	M
Allan Chisholm*		Local Chair	£5,000	2 years	M
Robert Douglas*		Local Chair	£5,000	3 years	M
Thomas Melvin*		Local Chair	£5,000	2 years	M
Patrick Upson*		Local Chair	£5,000	3 years	M
Ashley Winter*		Local Chair	£5,000	3 years	M
Roger Begy*		Local Chair	£5,000	3 years	M
John Kirkland*		Local Chair	£5,000	3 years	M
Christopher Ripper*		Local Chair	£5,000	3 years	M
James McGivern*		Local Chair	£5,000	3 years	M
Tony Preston*		Local Chair	£5,000	2 years	M
Sal Brinton*		Local Chair	£5,000	2 years	F
Ursula Russell*		Local Chair	£5,000	2 years	F
Anne Williams*		Local Chair	£5,000	3 years	F
Anthony Goldstone*		Local Chair	£5,000	2 years	M
Roger Hoyle*		Local Chair	£5,000	2 years	M
Peter Lyne*		Local Chair	£5,000	2 years	M
Ken Coello*		Local Chair	£5,000	2 years	M
Yvonne Thompson*		Local Chair	£5,000	2 years	F
Brian Kemp*		Local Chair	£5,000	2 years	M
Bryan McGinty*		Local Chair	£5,000	3 years	M
Jane Barrie*		Local Chair	£5,000	3 years	F
Clive Leach*		Local Chair	£5,000	2 years	M
Linda Pollard*		Local Chair	£5,000	3 years	F
Alan O'Neill*		Local Chair	£5,000	2 years	M
Robert Hartley*		Local Chair	£5,000	2 years	M
Duncan Sedgewick*		Local Chair	£5,000	6 mths	M
Chris Paveley*		Local Chair	£5,000	4 years	M
Richard Carter		Local Chair	£5,000	4 years	M
Paul Jagger		Local Chair	£5,000	4 years	M
Jack Stopworth		Local Chair	£5,000	4 years	M
Terence Dabbs		Local Chair	£5,000	4 years	M
Jackie Axelby		Local Chair	£5,000	4 years	F

Name	* Reappointments	Post	Remuneration	Term	Male/Female
James Ramsbotham		Local Chair	£5,000	4 years	M
Andrew Gurr		Local Chair	£5,000	4 years	M
Dr Edward Libbey		Local Chair	£5,000	4 years	M
Terry Scriven		Local Chair	£5,000	4 years	M
Mike Beasley		Local Chair	£5,000	4 years	M
Chris Swan*		Local Chair	£5,000	1 year	M
Graham Yates*		Local Chair	£5,000	2 years	M
<b>National College for School Leadership</b>					
Vanni Treves		Chair	£40,000	3 years	M
Peter Williams		Board Member	Nil	3 years	M
<b>Office for Fair Access</b>					
Sir Martin Harris		Director	£50,000	3 years	M
<b>Qualifications and Curriculum Authority</b>					
Sir Anthony Greener		Chair	Nil	3 years	M
Edward Gould		Board Member	Nil	3 years	M
Nick Stuart		Board Member	Nil	3 years	M
Clare Chapman		Board Member	Nil	3 years	F
<b>School Teachers Review Body</b>					
Dr Bryn Roberts*		Board Member	£300 (per day)	3 years	M
<b>Sector Skills Development Agency</b>					
Shaks Ghosh		Board Member	£300 (per day)	3 years	F
<b>Student Loans Company</b>					
Keith Bedell-Pearce*		Chair	£57,097	3 years	M
Barbara Duffner		Non- Ex Director	£5,000	3 years	F
Christian Torkington		Non- Ex Director	£5,000	3 years	M

## ANNEX K | Follow-up Action on Recent Reports from the Public Accounts Committee Recommendations

In 2004 two 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](http://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 website, accessible through [www.parliament.uk](http://www.parliament.uk)

### Making a Difference: Performance of Maintained Secondary Schools in England

NAO report published: 28 November 2003 – HC 1332 Session 2002-03

PAC hearing: 8 December 2003

PAC 19th report published: 13 May 2004 – HC 104 Session 2003-04

Treasury Minute published: 28 June 2004 – CM 6244

Providing parents with good quality information on the performance of schools is important in helping them make an informed choice of school for their children. The PAC report makes recommendations on how the information and its availability might be improved. Other main recommendations are about the transition from primary to secondary school, why schools are still not achieving good results in Ofsted inspections, and on simplifying the funding system.

In July 2004 the Government published its *Five Year Strategy for Children and Learners*. Many of the proposals to improve the performance of secondary schools were taken forward in the *Education Act 2005*.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
Information on the performance of secondary schools needs to be improved so that parents are aware of the available information and how it can help them in assessing a school's performance.	The Department agreed that information to parents should be improved and was consulting on what information might be included in the new annual School Profile. This Profile would bring into one place information on how the school is performing so that authentic, balanced school performance information would be available in a parent-friendly format.	The consultation on what information might be included in the new annual School Profile was completed in summer 2004 and examples of what might be included in the Profile were shown on page 39 of the <i>Five Year Strategy for Children and Learners</i> .  Section 104 of the <i>Education Act 2005</i> has removed the requirement on schools to produce an annual governors' report and to hold an annual parents' meeting, and introduced the School Profile.  Pilot testing on possible contents of the Profile have been conducted in 88 schools and regulations are expected to be made shortly.
The value-added performance tables which the Department produces for secondary schools adjust academic performance to take account of prior achievements. These tables should be reviewed to see whether other external factors can be included.	For the first time in 2004 value-added performance information had been included in all three performance tables. Work is already proceeding to further develop the value-added performance information.	Work continues on the development of the value-added performance information so that the improved measurements can be used in the 2006 performance information.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>Although Ofsted has been inspecting schools for ten years, significant numbers of schools are not performing at an acceptable level.</p>	<p>The Ofsted inspection framework has become more robust to reflect higher expectations. Most failing schools recover and sustain their recovery. A new inspection system is planned to be introduced in 2005 to give shorter and more focused inspections.</p>	<p>Page 50 of the <i>Five Year Strategy for Children and Learners</i> explained that Ofsted's inspection of schools would become shorter, more frequent and less notice of the inspection would be given to the school.</p> <p>The <i>Education Act 2005</i> enacts these provisions and permits Ofsted to align their inspections of early years provision with the standard school inspections.</p> <p>Regulations will be introduced shortly to bring about the detailed changes.</p>
<p>The Department should produce guidance on how the transition from primary to secondary schools can be better achieved, as this is a stage where progress can stagnate for some pupils.</p>	<p>In addressing the transition from primary to secondary schools the Department has focused on curriculum continuity. Based on evidence from Ofsted and others, the Key Stage 3 strategy offers support to teachers in developing effective transfer practices. The Curriculum Continuity guidance was made available to all schools in spring 2004.</p>	<p>Building on what the best schools do already in addressing the transition from primary to secondary schools, the <i>Five Year Strategy for Children and Learners</i> confirmed that new approaches to managing pupils' learning and welfare would be promoted.</p> <p>These innovative approaches include schools within schools and new-style house systems, which can make large secondary schools feel more personal and friendly, and help pupils settle in and perform better.</p>
<p>The Department should make the funding arrangements for schools simpler, fairer and more transparent.</p>	<p>The Department is working to replace many existing funding streams with a Single Improvement Grant and is exploring how to move to three year budgets aligned to school academic years.</p>	<p>As envisaged in the <i>Five Year Strategy for Children and Learners</i>, the <i>Education Act 2005</i> provides for schools to receive guaranteed three year budgets aligned to the school year, geared to pupil numbers but with every school also guaranteed a minimum per pupil increase every year.</p> <p>These changes will give financial security and freedom to schools in their forward planning and will end the long-standing confused responsibility between central and local government for setting the level of school funding.</p> <p>The next stage is to make detailed regulations. The consultation period ended on 13 May and the regulations are now in the process of being finalised.</p>

## Early Years: Progress in Developing High Quality Childcare and Early Education Accessible to All

NAO report published: 27 February 2004 – HC 268 Session 2003-04

PAC hearing: 10 March 2004

PAC 35th report published: 7 September 2004 – HC 444 Session 2003-04

Treasury Minute published: 16 December 2004 – CM 6416

Since 1997-98 government spending on childcare and early education provision for children below compulsory school age in England has risen in real terms from £2 billion to £3.6 billion in 2002-03. The PAC report welcomed the growth in the number of childcare and early education places available. It makes recommendations on improving accessibility, on making provision more affordable for parents, and in ensuring that childcare and early education is of high quality.

The Treasury Minute response to the Committee's recommendations describes the action that is underway or planned, with particular reference to the Pre- Budget announcements on 2 December 2004 in *Choice for parents, the best start for children: a ten year strategy for childcare* published by HM Treasury, the Department for Education and Skills, the Department for Work and Pensions and the Department of Trade and Industry which is available through the Pre-budget link of [www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)

The Strategy stated that the Government's long-term ambitions required a transformation of the childcare infrastructure to secure high quality, sustainable, affordable childcare places.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
The Department should set a minimum number of childcare places per 100 children at local authority level and give public funding only to properly run providers who offer good quality care.	The Government intends to place a duty on local authorities to secure sufficient local childcare to meet local needs. The Department will work closely with local authorities and other stakeholders to develop the new legislative framework.  <i>Choice for parents, the best start for children: a ten year strategy for childcare</i> announced a Transformation Fund of £125 million a year from April 2006 to support investment by local authorities in childcare provision.	
The present early years strategy focuses on the 20 per cent poorest wards and there is a danger that pockets of deprivation elsewhere will be overlooked, including deprivation in rural areas.	Over half of all children live within the 20 per cent most deprived areas. The Department has a target of delivering 2,500 children's centres in the 30 per cent most deprived areas by the end of March 2008. <i>Choice for parents, the best start for children: a ten year strategy for childcare</i> sets the goal of 3,500 children's centres – one for every community by 2010.  An evaluation of the Mini Sure Start Local Programmes (29 of which are based in rural areas) is awaited.	The National Evaluation of the Mini Sure Start Programme was published in January 2005. It provides examples of the difficulties and best ways to engage families in scattered rural communities.

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>School premises are an underused resource. Unmet demand for childcare in deprived areas, in London and outside normal working hours could be catered for when new schools are built or existing ones altered.</p>	<p>The Department wants all schools to become extended schools in time, providing services such as childcare, out of school activities, study support, adult and family learning opportunities and health and social care. <i>Choice for parents, the best start for children: a ten year strategy for childcare</i> announced that by 2010 all parents with children aged five to 11 will be offered affordable school-based childcare on weekdays between the hours of 8am to 6pm, all year round. Half of all parents will be able to enjoy this service by 2008.</p> <p>By 2008, a third of secondary schools will be open from 8am to 6pm providing a range of activities for 11- to 14-year-old pupils and by 2010 all 11- to 14-year-olds will be able to engage in these activities after school and in the holidays.</p>	
<p>There should be a specific strategy for early years provision in London.</p>	<p>People in London will particularly benefit from the increases announced in the <i>Pre Budget Report</i> in the limit of the childcare element of the Working Tax Credit and the costs that can be claimed.</p> <p><i>Choice for parents, the best start for children: a ten year strategy for childcare</i> announced a £5 million pilot, working with the Greater London Authority, to test a range of approaches to provide childcare for working parents.</p>	<p>From April 2005 the childcare element of the Working Tax Credit was increased to £300 a week - £175 for one child – and the maximum proportion of cost that can be claimed will be increased from 70 per cent to 80 per cent in April 2006.</p> <p>The Department will contribute £11 million funding to a joint Departmental, Greater London Authority and London Development Agency pilot programme to address childcare affordability in the capital. The first phase of the programme is due to begin in autumn 2005.</p>
<p>The Department should be able to demonstrate that childcare has become more affordable for all and remains so.</p>	<p><i>Choice for parents, the best start for children: a ten year strategy for childcare</i> committed the Government to helping families afford flexible high quality childcare appropriate to their needs. It announced an increase in the entitlement to free early education and childcare for three- and four-year-olds to 12.5 hours a week for 38 weeks a year from 2006 and to 15 hours a week for 38 weeks a year by 2010.</p> <p>In addition the reforms to the childcare element of the Working Tax Credit reduce the proportion of childcare costs families pay.</p>	<p>From April 2005 under the Childcare Approval Scheme, families on incomes of up to £59,000 are eligible for Working Tax Credit support for childcare in their own home.</p>
<p>The Government should consider if there is a genuine choice for parents between returning to work and looking after a child at home.</p>	<p><i>Choice for parents, the best start for children: a ten year strategy for childcare</i> commits the Government to increasing paid maternity leave to nine months from April 2007, with a goal of 12 months by the end of the next Parliament.</p>	<p>The Department of Trade and Industry consultation document, <i>Work and Families: Choice and Flexibility</i>, published on 28 February 2005, underlined this commitment as part of a wider look at parental rights and work-life balance.</p>

Main Points in PAC Report	Progress reported in Treasury Minute	Action since publication of Treasury Minute
<p>Ofsted should adopt a risk- based approach to inspection of early years providers.</p>	<p>The current two year programmes for Ofsted inspections will finish in March 2005. New regulations are likely to set the maximum periods between inspections at three years with a risk-based approach so that poor quality settings are inspected more frequently.</p>	<p>Adjustments to the legislative framework for Ofsted inspections were included in the <i>Education Act 2005</i> which created better alignment between different types of inspection so that early years inspections can be more integrated with school inspections.</p> <p>A number of aspects of the new early years inspection arrangements are being specified in regulations. Consultation on the draft regulations ends on 24 June 2005, with the objective of bringing them into effect from October 2005.</p>
<p>Lack of appropriately trained staff is a serious threat to the sustainability of the early years programme.</p>	<p>The Department has given local authorities £129.9 million for workforce development over the two years 2004-2006. It is working with the LSC, JobcentrePlus and the sector to ensure local training provision meets potential workings and the sector itself.</p> <p><i>Choice for parents, the best start for children: a ten year strategy for childcare</i> proposes a radical reform of the early years and childcare workforce through a new qualification and career structure.</p>	<p>The Department is currently consulting on the Children’s Workforce Strategy which sets out four major challenges:</p> <ul style="list-style-type: none"> <li>• to recruit more high quality staff into the children’s workforce;</li> <li>• to retain people in the workforce including by offering better development and career progression;</li> <li>• to strengthen inter-agency and multi-disciplinary working; and</li> <li>• to promote stronger leadership and management.</li> </ul> <p>The consultation seeks to launch a wide debate to inform further development. The consultation period ends on 22 July 2005.</p>
<p>The Department should take action to overcome barriers to registration, including providing better information on funding and training.</p>	<p>The Department is providing widely publicised childminder grants, rolling out the Support Childminder Scheme to all local authorities, and issuing revised guidance to local authorities on information, advice and training to providers.</p> <p><i>Choice for parents, the best start for children: a ten year strategy for childcare</i> emphasised that childminders and other home based carers will be able to access support through children’s centres and elsewhere.</p>	

## ANNEX L | Administration Costs of Non-Departmental Public Bodies (£ million)

	2002-03 outturn	2003-04 outturn	2004-05 estimated outturn
Adult Learning Inspectorate (ALI)	23.74	26.63	25.78
British Educational Communications and Technology Agency (Becta)	6.83	11.85	10.44
Children and Family Court Advisory and Support Service (CAFCASS)	86.43	96.51	105.24
Higher Education Funding Council for England (HEFCE)	15.69	17.50	18.38
Investors in People (IiP UK)	7.49	6.44	3.34
Learning and Skills Council (LSC)	223.27	234.29	219.11
National College for School Leadership (NCSL)	6.4	11.90	12.58
Office for Fair Access (OFFA) <sup>1</sup>	–	–	0.50
Partnership for Schools (PFS) <sup>1</sup>	–	–	9.12
Qualifications and Curriculum Authority (QCA)	34.37	38.03	43.22
Sector Skills Development Agency (SSDA)	3.73	4.69	5.87
Student Loans Company (SLC)	45.22	52.60	52.18
Teacher Training Agency (TTA)	10.44	13.35	15.43

1. The Office for Fair Access and Partnership for Schools are new NDPBs set up in 2004-05.

2. The SLC administration figures are for the whole of the UK and include contributions from Scotland and Ireland.

## ANNEX M | Maintained Schools: Pupil Numbers 1999/00 to 2006/07 (thousands)

At January each academic year	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 actual	2003/04 actual	2004/05 projected	2005/06 projected	2006/07 projected
<b>Nursery and Primary Schools</b>								
<b>Aged under five<sup>1</sup></b>								
Total full-time and part-time	906	899	897	878	864	844	838	850
Full-time equivalent (FTE <sup>2</sup> )	730	726	731	718	708	693	687	695
<b>Aged five and over (FTE<sup>2</sup>)</b>	<b>3,575</b>	<b>3,553</b>	<b>3,509</b>	<b>3,472</b>	<b>3,428</b>	<b>3,396</b>	<b>3,349</b>	<b>3,303</b>
<b>Total Nursery and Primary (FTE<sup>2</sup>)</b>	<b>4,305</b>	<b>4,278</b>	<b>4,240</b>	<b>4,190</b>	<b>4,136</b>	<b>4,089</b>	<b>4,036</b>	<b>3,997</b>
<b>Secondary Schools</b>								
Under school leaving age (FTE <sup>2</sup> )	2,868	2,913	2,943	2,977	2,986	2,963	2,936	2,886
Over school leaving age (FTE <sup>2</sup> )	314	319	321	330	338	347	347	347
<b>Total Secondary (FTE<sup>2</sup>)</b>	<b>3,182</b>	<b>3,232</b>	<b>3,264</b>	<b>3,307</b>	<b>3,325</b>	<b>3,310</b>	<b>3,283</b>	<b>3,233</b>
<b>Special Schools</b>								
Total full-time and part-time	92	91	90	89	87	84	82	80
Full-time equivalent (FTE <sup>2</sup> )	91	90	89	88	86	83	81	79
<b>Pupil Referral Units</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Total Special Schools and Pupil Referral Units (FTE<sup>2</sup>)</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>100</b>	<b>99</b>	<b>97</b>	<b>95</b>	<b>93</b>
<b>Total Pupil Numbers (FTE<sup>2</sup>)</b>	<b>7,586</b>	<b>7,609</b>	<b>7,602</b>	<b>7,597</b>	<b>7,560</b>	<b>7,496</b>	<b>7,414</b>	<b>7,323</b>

Source: Annual Schools' Census and DfES Projections.

1. Age at the beginning of the academic year.
2. 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.

## ANNEX N | Participation in Education and Training by 16-, 17- and 18-year-olds<sup>1</sup>, 2002/03 to 2006/07 (percentage of age group)

	2002/03 actual	2003/04 provisional	2004/05 projected	2005/06 projected	2006/07 projected
<b>Participation in Schools and Further Education only</b>					
Age 16: Full-time					
Schools	35.3	35.2	35.4	35.5	35.6
Further Education	36.5	36.6	40.2	41.0	41.1
Total Full-Time	71.8	71.8	75.6	76.4	76.6
Part-Time: Further Education <sup>2</sup>	4.6	4.8	3.7	3.5	3.4
<b>Total age 16</b>	<b>76.4</b>	<b>76.6</b>	<b>79.3</b>	<b>79.9</b>	<b>80.0</b>
Age 17: Full-time					
Schools	27.7	28.4	27.9	28.3	28.4
Further Education	30.5	30.8	33.2	35.6	35.9
Total Full-Time	58.2	59.2	61.1	63.8	64.3
Part-Time: Further Education <sup>2</sup>	5.9	6.0	5.5	4.9	4.8
<b>Total age 17</b>	<b>64.1</b>	<b>65.1</b>	<b>66.7</b>	<b>68.8</b>	<b>69.1</b>
Age 18: Full-time					
Schools	3.0	3.1	3.1	3.0	3.1
Further Education	13.3	13.6	12.7	14.5	16.2
Total Full-Time	16.3	16.7	15.8	17.5	19.3
Part-Time: Further Education <sup>2</sup>	6.3	5.8	6.1	5.5	4.9
<b>Total age 18</b>	<b>22.6</b>	<b>22.5</b>	<b>21.9</b>	<b>23.1</b>	<b>24.2</b>
<b>Participation including students in Training and Higher Education</b>					
Age 16: Full-time education <sup>3</sup>	71.8	71.8	75.6	76.4	76.6
Government Supported Training	6.9	7.1	7.2	7.6	8.0
Employer-funded training	3.1	3.3			
Other education and training	4.4	4.5			
<b>Total Education and Training<sup>4</sup></b>	<b>86.0</b>	<b>86.5</b>			
<b>Population (thousands)</b>	<b>631.6</b>	<b>645.8</b>	<b>659.0</b>	<b>649.0</b>	<b>661.5</b>
Age 17: Full-time education <sup>3</sup>	58.5	59.5	61.5	64.2	64.6
Government Supported Training	8.9	9.4	9.5	9.8	10.5
Employer-funded training	5.1	5.1			
Other education and training	5.4	5.5			
<b>Total Education and Training<sup>4</sup></b>	<b>77.7</b>	<b>79.3</b>			
<b>Population (thousands)</b>	<b>640.0</b>	<b>636.7</b>	<b>649.3</b>	<b>662.7</b>	<b>652.9</b>
Age 18: Full-time education <sup>3</sup>	37.0	37.1	36.6	38.2	40.3
Government Supported Training	8.1	8.4	8.8	9.0	9.4
Employer-funded training	7.8	7.9			
Other education and training	6.6	6.3			
<b>Total Education and Training<sup>4</sup></b>	<b>59.4</b>	<b>59.6</b>			
<b>Population (thousands)</b>	<b>621.3</b>	<b>646.7</b>	<b>641.6</b>	<b>654.6</b>	<b>668.3</b>

Sources: Annual Schools' Census, LSC individualised learner record (ILR), Higher Education Statistics Agency, DfES Projections and the Labour Force Survey.

1. Ages at beginning of academic year. The denominators for participation rates are based on population estimates from the Office for National Statistics (ONS) and projections from the Government Actuary Department.
2. In publicly funded institutions of further and higher education.
3. Full-time education includes study in schools and in publicly funded institutions of further and higher education.
4. Sum of the above less a small overlap between full-time education and government-supported training.

ANNEX O | Further Education Student and Staff Numbers<sup>1</sup> in England, 1999/00 to 2005/06

	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 actual	2003/04 planned	2004/05 planned	2005/06 planned
<b>Total Students (Full-Time Equivalent) (thousands)</b>							
Council-funded courses <sup>2</sup>	967	946	982	981	992	1,040	1,026
Non-Council-funded courses <sup>3</sup>	109	99	98	65			
<b>Total</b>	<b>1,075</b>	<b>1,046</b>	<b>1,079</b>	<b>1,046</b>			
<i>of which:</i>							
Further education in sector colleges <sup>4</sup>	983	955	979	945			
<b>Academic Staff (Full-Time Equivalent) (thousands)</b>							
Further education in sector colleges <sup>4</sup>	61.8	64.2	65.6	70.3			
<b>Student: Staff Ratio</b>							
Further education in sector colleges <sup>4</sup>	15.9	14.9	14.9	13.4			

Sources: Learning and Skills Council's individualised student record (ISR) and staff individualised record (SIR), Higher Education Statistics Agency (HESA) and DfES estimates and projections. Further Education Funding Council was previously responsible for the ISR and SIR.

1. All numbers exclude private institutions.
2. Full-time equivalent students (FTEs) funded by the Further Education Funding Council (FEFC) until 2000-01 and the Learning and Skills Council (LSC) from 2001-02 in further education sector colleges, external institutions, specialist dedicated institutions, dance and drama institutions and higher education institutions (including those studying for higher educational qualifications).
3. Further education students not funded by the FEFC or the LSC in further education sector colleges; this now excludes adult education centres for consistency with the lower half of the table.
4. Excludes external institutions, specialist designated institutions, dance and drama institutions and FEFC or LSC funded higher education.

ANNEX P | Higher Education<sup>1</sup> Student and Staff Numbers in England, 2000/01 to 2005/06

	2000/01 actual	2001/02 actual	2002/03 actual	2003/04 provisional	2004/05 projected	2005/06 projected
<b>Home domiciled students (thousands)</b>	<b>1,455</b>	<b>1,520</b>	<b>1,565</b>	<b>1,597</b>	<b>1,628</b>	<b>1,658</b>
<i>of which:</i>						
full-time and sandwich	846	872	902	923	946	967
part-time	608	648	662	674	682	691
<b>Higher Education Initial Participation Rate (HEIPR)<sup>2</sup></b>	<b>42%</b>	<b>42%</b>	<b>43%</b>	<b>43%</b>		
<b>EU Students (thousands)</b>	<b>71</b>	<b>66</b>	<b>66</b>	<b>63</b>	<b>76</b>	<b>81</b>
<b>Other Overseas Students (thousands)</b>	<b>103</b>	<b>116</b>	<b>142</b>	<b>161</b>	<b>162</b>	<b>172</b>
<b>Total full-time equivalent students (thousands)<sup>3</sup></b>	<b>1,230</b>	<b>1,280</b>	<b>1,338</b>	<b>1,378</b>	<b>1,415</b>	<b>1,452</b>
Total full-time equivalent students publicly funded by HEFCE (thousands) <sup>4</sup>	993	1,025	1,056	1,070	1,099	1,126
Total full-time equivalent students publicly funded by TTA (thousands) <sup>5</sup>	59	59	59	62	64	67
<i>of which: ITT students</i>	48	48	48	52	54	56
<b>Academic Staff in Higher Education Institutions (thousands FTEs)<sup>6</sup></b>	<b>63.0</b>	<b>64.0</b>	<b>65.2</b>	<b>67.1</b>		
<b>Student: Staff Ratio in Higher Education Institutions<sup>7</sup></b>	<b>17.3</b>	<b>17.6</b>	<b>18.1</b>	<b>18.2</b>		

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

- Whole-year count for both Higher Education Institutions (HEIs) and Further Education Colleges (FECs). The FEC whole-year count is expected to be revised pending the result of QCA review of HE qualifications offered in FECs. Includes the Open University. Numbers differ from those published in previous years due to the move from a census to a whole-year count. Actual figures shown in this table are consistent with projection methodology and totals differ from those in annex Q which are derived directly from source data.
- The Higher Education Initial Participation Rate (HEIPR) is used to measure progress on the Government's goal of increasing participation towards 50% of 18-30 year olds in HE by 2010. The HEIPR sums the percentages of each single year of age group who enter HE (English-domiciled attending a UK institution on a full-time or part-time basis) for the first time in each year of age between 18 and 30. The HEIPR is a National Statistic and its methodology has been independently reviewed in accordance with guidelines published by the Office of National Statistics (ONS).
- 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. Projections differ from those given in the Secretary of State's letter to the HEFCE Chairman on 13 December 2004 as they have been updated to incorporate out-turn data for 2003/04 and are given on an academic year basis. Using an average FTE factor for part-time students calculated on HEFCE-fundable students.
- Using an approximate FTE factor for part-time students of 0.50.
- Figures exclude staff at the Open University and in FECs. Figures for academic staff numbers include the research activity of academic staff who are engaged in both teaching and research.
- The ratios cover HE in HEIs only and have been revised to count students on a whole year count basis. Students on courses organised by HEIs, but taught by FECs under franchise arrangements have been excluded, for figures prior to 2002/03, these have been estimated. Student FTEs used in the calculation of Student: Staff Ratios are on a different basis to those appearing in the table.

**ANNEX Q | Home and Overseas, Full-Time and Part-Time Students<sup>1</sup> in Higher Education by Type of Institution and Level of Course in England 2000/01 to 2003/04 (thousands)**

	2000/01 actual		2001/02 actual		2002/03 actual		2003/04 provisional	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
<b>Postgraduate</b>								
HE institutions	133.8	195.3	144.0	197.0	160.3	201.6	170.6	206.5
of which: mature <sup>2</sup>	74.2	180.7	78.9	181.9	85.7	185.2	90.2	188.5
<b>First Degree</b>								
HE institutions	731.7	82.8	750.9	87.0	784.5	88.1	810.3	171.4
of which: mature <sup>2</sup>	281.7	77.3	290.9	81.6	307.3	82.8	319.3	163.5
<b>Other undergraduate</b>								
HE institutions	91.9	341.1	96.5	367.6	100.3	387.2	101.6	313.2
of which: mature <sup>2</sup>	55.2	327.8	59.9	353.6	64.2	371.7	66.9	299.1
<b>Total students</b>	<b>957.4</b>	<b>619.1</b>	<b>991.4</b>	<b>651.6</b>	<b>1045.1</b>	<b>676.9</b>	<b>1082.5</b>	<b>691.1</b>
<b>HE in further education colleges</b>								
Postgraduate	0.5	2.4	0.6	2.9	0.5	3.9	0.6	4.0
First Degree	12.3	3.7	12.0	3.8	10.8	3.2	10.6	3.9
Other undergraduate	22.2	32.0	24.7	36.5	21.7	31.1	19.1	28.3
<b>Total</b>	<b>35.0</b>	<b>38.2</b>	<b>37.2</b>	<b>43.2</b>	<b>33.0</b>	<b>38.2</b>	<b>30.3</b>	<b>36.2</b>
of which: mature <sup>2</sup>	16.0	30.7	17.7	35.1	17.2	31.8	15.7	30.0
<b>GRAND TOTAL</b>	<b>992.4</b>	<b>657.3</b>	<b>1028.7</b>	<b>694.7</b>	<b>1078.1</b>	<b>715.1</b>	<b>1112.8</b>	<b>727.3</b>
of which: mature <sup>2</sup>	427.1	616.5	447.3	652.2	474.4	671.5	492.0	681.2
percentage of mature	43	94	43	94	44	94	44	94
<b>Percentage of total students by institution and level of course</b>								
Postgraduate	13	30	14	28	15	28	15	28
First Degree	74	13	73	13	73	12	73	24
Other undergraduate	9	52	9	53	9	54	9	43
<b>HE in further education colleges</b>								
Postgraduate	0	0	0	0	0	1	0	1
First Degree	1	1	1	1	1	0	1	1
Other undergraduate	2	5	2	5	2	4	2	4

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

1. Whole year count for both Higher Education Institutions (HEIs) and Further Education Colleges (FECs). The FEC whole year count is expected to be revised pending the result of the QCA review of HE qualifications offered in FECs. Includes the Open University. Numbers differ from those published in previous years due to the move from a census to a whole year count.
2. Based on age in the current academic year (rather than in the year of entry); 21 and over for undergraduates; 25 and over for postgraduates.

ANNEX R | Home First-Degree Graduates from English Institutions<sup>1</sup> 1998/99 to 2003/04 (thousands)

	1998/99 actual	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 <sup>2</sup> actual	2003/04 provisional
<b>Higher Education Institutions</b>						
Medicine and dentistry	4	4	4	4	4	5
Subjects allied to medicine	13	13	15	16	18	19
Biological sciences	13	14	14	13	18	20
Veterinary, agriculture and related sciences	2	2	2	2	2	2
Physical sciences	10	10	10	10	10	9
Mathematical sciences	11	12	13	14	18	20
Architecture and related studies	5	4	4	4	4	5
Engineering and technology	13	12	12	12	11	12
<b>Total sciences</b>	<b>71</b>	<b>70</b>	<b>74</b>	<b>76</b>	<b>85</b>	<b>92</b>
Social sciences	23	25	25	24	19	21
Business and financial studies	20	21	21	21	26	27
Librarianship and information science	3	3	4	4	6	7
Languages and related studies	12	13	13	12	16	16
Humanities	8	8	8	8	10	12
Creative arts	16	17	18	18	21	23
Education	11	9	9	10	7	7
<b>Total arts</b>	<b>93</b>	<b>96</b>	<b>97</b>	<b>98</b>	<b>113</b>	<b>123</b>
Multi-disciplinary studies <sup>3</sup>	29	28	28	27	9	7
<b>All subjects</b>	<b>192</b>	<b>194</b>	<b>200</b>	<b>201</b>	<b>206</b>	<b>223</b>
<b>Further Education Colleges<sup>4, 5</sup></b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>4</b>	
<b>Projected outcomes<sup>6, 7</sup></b>						
Obtain a degree	77	77	78	78		
Obtain another award	1	2	1	1		
Transfer	5	5	5	6		
Neither award or transfer <sup>8</sup>	16	16	15	14		
Not known	0	0	0	0		

Source: Higher Education Statistics Agency (HESA) and LSC student records, and HEFCE Performance Indicators.

1. Includes all home graduates awarded university, Open University and university validated degrees.
2. As from 2002/03 a new method of allocating students to subjects groups was introduced, the main effect of which is to reduce the number of students who were allocated to the Multi-disciplinary category and increase those who are allocated to specific subject groups.
3. In 2003/04 a greater proportion of qualifiers from the Open University have been coded within the subject groups rather than as multi-disciplinary studies.
4. Includes revised figures for Further Education Colleges.
5. Figures for 2003/4 will not be available until summer 2005.
6. The projected outcomes for a cohort based on the assumption that their patterns of progression will follow those of students currently in the system.
7. Figures for 2002/03 will be published by the Higher Education Statistics Agency in late summer 2005.
8. A student is assumed to have left with no award if they have been inactive for two years.

## ANNEX S | Non-Departmental Public Bodies

Name		Contact Details
Adult Learning Inspectorate (ALI)	<p>The Adult Learning Inspectorate (ALI) inspects provision for those aged 19 and over in further education colleges, those in work-based learning from age 16, New Deal, adult and community learning and Ufl learndirect provision. It also inspects education and training in prisons at the invitation of Her Majesty's Chief Inspector of Prisons.</p> <p>Ofsted inspects provision for 16- to 19-year-olds in schools and colleges. Where provision falls within the remit of both Inspectorates, there is a joint inspection led by Ofsted, involving a single team of inspectors, under the Common Inspection Framework.</p>	<p>Spring Place, Coventry Business Park Herald Avenue Coventry CV5 6UB Tel: 0870 240 7744 Email: enquiries@ali.gov.uk www.ali.gov.uk</p>
British Educational Communications and Technology Agency (Becta)	<p>The British Educational Communications and Technology Agency (Becta) is the Government's key partner in the strategic development and delivery of its information and communications technology (ICT) and e-learning strategy for schools and the learning and skills sector.</p>	<p>Millburn Hill Road Science Park Coventry CV4 7JJ Tel: 024 7641 6994 Email: becta@becta.org.uk www.becta.org.uk</p>
Children and Family Court Advisory and Support Service (CAFCASS)	<p>The Children and Family Court Advisory and Support Service (CAFCASS) was launched as a dedicated service to represent, safeguard and promote the welfare of children involved in family court proceedings. It draws together services previously carried out by three separate agencies – the Official Solicitor, the Court Welfare Service and the Home Office (Probation Service).</p>	<p>2nd Floor, Newspaper House 8-16 Gt New Street London EC4A 3BN Tel: 020 7210 4400 Email: webenquiries@cafcass.gov.uk www.cafcass.gov.uk</p>
Higher Education Funding Council for England (HEFCE)	<p>The Higher Education Funding Council for England (HEFCE) distributes around £6 billion to some 130 universities and colleges. Its purpose is to promote high quality, cost effective teaching and research, having regard to national needs. It offers guidance, disseminates good practice, and promotes innovation through its funding methods and special initiatives. It monitors the financial health of the sector and advises government on its funding needs.</p>	<p>Northavon House Coldharbour Lane Bristol BS16 1QD Tel: 0117 931 7317 Email: hefce@hefce.ac.uk www.hefce.ac.uk</p>
Investors in People (UK)	<p>Investors in People (UK) provides business leadership for the Investors in People standard; to lead and to undertake national promotion of the Standard; to maintain the reputation of the Standard; and to undertake assessments of national organisations against the Standard.</p>	<p>7-10 Chandos Street London W1G 9DQ Tel: 020 7467 1900 Email: information@iip.uk.co.uk www.iipuk.co.uk</p>
Learning and Skills Council (LSC)	<p>The Learning and Skills Council (LSC) for England is the leading body in post-16 learning and skills development and operates through 47 local arms, known as local LSCs.</p>	<p>Cheylesmore House Quinton Road Coventry CV1 2WT Helpline: 0870 900 6800 Email: info@lsc.gov.uk www.lsc.gov.uk</p>
National College of School Leadership (NCSL)	<p>The National College of School Leadership (NCSL) provides a single national focus for leadership development and research. It offers headteachers, deputy heads and other school leaders the professional support and recognition they deserve and which other professions take for granted. It has responsibility for the national headship training programme as well as developing a coherent menu of other developmental opportunities.</p>	<p>Triumph Rd Nottingham NG8 1DH Tel: 0870 001 1155 Email: ncsl-office@ncsl.org.uk www.ncsl.gov.uk</p>

Name		Contact Details
Office for Fair Access (OFFA)	The Office for Fair Access (OFFA) is an independent, non departmental public body which aims to promote and safeguard fair access to higher education for under-represented groups in light of the introduction of variable tuition fees in 2006-07. OFFA is led by the Director of Fair Access.	Northavon House, Coldharbour Lane, Bristol, BS16 1QD Tel: 0117 931 7171 Email: enquiries@offa.org.uk
Partnerships for Schools (PfS)	The key role of Partnerships for Schools (PfS) is to ensure that secondary schools are well designed, are built on time at a reasonable cost to the taxpayer, and are properly maintained over their lives. PfS will help build strong Public Private Partnerships , enabling the public sector to benefit from the best skills and expertise available in the private sector and reaping greater efficiencies and economies of scale.	MWB Business Exchange, Golden Cross House, 8 Duncannon Street, London, WC2N 4JF Tel: 020 7484 5062 Email: info@p4s.org.uk
Qualifications and Curriculum Authority (QCA)	The Qualifications and Curriculum Authority (QCA) works with and assists the Secretary of State for Education and Skills in ensuring that the curriculum and qualifications available to young people and adults are high quality, coherent and flexible and that they contribute effectively to improving the nation's level of attainment in education and training and to building the economy.	83 Piccadilly London W1J 8QA Tel: 020 7509 5555 Email: info@qca.org.uk www.qca.org.uk
Sector Skills Development Agency (SSDA)	The UK-wide Sector Skills Development Agency (SSDA) actively assists employers in sectors in bidding to become Sector Skills Councils (SSCs). It funds, supports and monitors the performance of SSCs, ensuring quality and consistent standards across the network. It also provides the minimum cover for essential functions in sectors without an SSC.	3 Callflex Business Park Golden Smithies Lane Wath-upon-Deane South Yorkshire S63 7ER Tel: 01709 765444 Email: info@ssda.org.uk www.ssda.org.uk
Student Loans Company (SLC)	The Student Loans Company (SLC) is a non-departmental public body jointly owned by the Secretary of State for Education and Skills and the Secretary of State for Scotland. It administers the student loans scheme.	100 Bothwell Street Glasgow G2 7JD Tel: 0141 306 2000 www.slc.co.uk
Teacher Training Agency (TTA)	The Teacher Training Agency (TTA) was established to raise standards in teacher training and promote teaching as a profession. It funds and accredits all initial teacher training (ITT) in schools and higher education institutions in England and ensures the quality of ITT provision. Legislation, that will give it additional powers and change its name to the Training and Development Agency (TDA) for Schools, is currently before parliament.	Portland House Stag Place London SW1E 5TT Tel: 0870 4960 123 www.tta.gov.uk

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Bibliography

House of Commons Education and Skills Select Committee, Reports

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This bibliography gives the titles of publications cited in the report. These are available in full text versions on the DfES website <http://www.dfes.gov.uk> Links for documents found on other websites are cited.

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<i>Children Act 2004: explanatory notes</i>	TSO, 2004	£6.00	0105631043
<i>Education Act 2005: c 18</i>	TSO, 2005	£13.50	0105418056
<i>Education Act 2005: explanatory notes</i>	TSO, 2005	£7.50	0105618055
<i>Higher Education Act 2004: c 8</i>	TSO, 2004	£6.50	0105408042
<i>Higher Education Act 2004: explanatory notes</i>	TSO, 2004	£4.00	0105608041
<b>Command Papers and Policy Statements</b>			
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<i>Choice for parents, the best start for children: a ten year strategy for childcare. www.everychildmatters.gov.uk</i>	HMT and DfES, 2004		1845320565
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<i>Department for Education and Skills: Departmental report 2004. Cm 6202.</i>	TSO, 2004	£30.00	0101620225
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<i>Every child matters. [Green Paper] Cm 5860.</i>	TSO, 2003	£22.00	0101586027
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<i>The future of higher education. [White Paper] Cm 5735.</i>	TSO, 2003	£17.50	0101573529
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## House of Commons Education and Skills Select Committee, Reports

During the year, the Department's Ministers and officials appeared before the House of Commons Education and Skills Select Committee on numerous occasions. The minutes of evidence of each meeting and any following reports are published in full text versions on the Committee's website at <http://www.publications.parliament.uk/pa/cm/cmmeduski.htm>

Listed below are the reports produced by the Committee and the subsequent government responses.

Title	Publisher	Price	ISBN
Third Report of Session 2003-04 – <i>The Draft School Transport Bill: Volume I – Report</i> HC 509-I, Session 2003-04	TSO, 7 July 2004	£12.00	0-215-01822-2
Third Report of Session 2003-04 – <i>The Draft School Transport Bill: Volume II – Oral and Written Evidence</i> HC 509-II, Session 2003-04	TSO, 29 July 2004	£20.50	0-215-01880-X
<i>The Government's Response to the Education and Skill Committee's Report on School Transport</i> Cm 6331	TSO, 22 September 2004	£5.00	0-10-163312-2
Fourth Report of Session 2003-04 – <i>Secondary Education: School Admissions Volume I – Report</i> HC 58-I, Session 2003-04	TSO, 22 July 2004	£15.50	0-215-01866-4
<i>Fourth Report of Session 2003-04 – Secondary Education: School Admissions Volume II – Oral and Written Evidence</i> HC 58-II, Session 2003-04	TSO, 13 September 2004	£25.70	0-215-01925-3
<i>The Government's Response to the Education and Skill Committee's Report on Secondary Education: School Admissions</i> Cm 6349	TSO, 4 November 2004	£6.50	0-10-163492-7
Fifth Report of Session 2003-04 – <i>Secondary Education: Teacher Retention and Recruitment Volume I – Report</i> HC 1057-I, Session 2003-04	TSO, 21 September 2004	£12.00	0-215-01940-7
Fifth Report of Session 2003-04 – <i>Secondary Education: Teacher Retention and Recruitment Volume II – Oral and Written Evidence</i> HC 1057-II, Session 2003-04	TSO, 21 September 2004	£21.50	0-215-01941-5
Sixth Report of Session 2003-04 – <i>The work of Ofsted</i> HC 426 Session 2003-04	TSO, 28 September 2004	£17.50	0-215-01958-X
First Special Report of Session – <i>Secondary Education: Teacher Retention and Recruitment: Government Response to the Committee's Fifth Report of Session 2003-04</i> HC 85, Session 2003-04	TSO, 6 December 2004	£6.00	0-215-02077-4
First Report of Session 2004-05 – <i>Public Expenditure on Education and Skills</i> HC 168, Session 2004-05	TSO, 7 January 2005	£14.50	0-215-02109-6

Title	Publisher	Price	ISBN
Second Special Report of Session 2004-05 – <i>Government's and Ofsted's Response to the Committee's Sixth Report of Session 2003-04; The work of Ofsted</i> HC 206, Session 2004-05	TSO, 25 January 2005	£8.00	0-215-02138-X
Second Report of Session 2004-05 – <i>Education Outside the Classroom</i> HC 120 Session 2004-05	TSO, 10 February 2005	£23.00	0-215-02190-8
Third Report of Session 2004-05 – <i>UK e- University</i> HC 205 Session 2004-05	TSO, 3 March 2005	£17.50	0-215-02238-6
Fourth Report of Session 2004-05 – <i>Work of the Committee in 2004</i> HC 359 Session 2004-05	TSO, 8 March 2005	£5.00	0-215-02249-1
Fifth Report of Session 2004-05 – <i>Secondary Education</i> HC 86 Session 2004-05	TSO, 17 March 2005	£15.50	0-215-02290-4
Sixth Report of Session 2004-05 – <i>National Skills Strategy: 14-19 Education Volume I – Report</i> HC 37-1 Session 2004-05	TSO, 24 March 2005	£12.00	0-215-02309-9
Sixth Report of Session 2004-05 – <i>National Skills Strategy: 14-19 Education Volume II – Oral and Written Evidence</i> HC 37-II Session 2004-05	TSO, 31 March 2005	£28.50	0-215-02312-9
Seventh Report of Session 2004-05 – <i>Prison Education Volume I – Report</i> HC114-I Session 2004-05	TSO, 31 March 2005	£15.50	0-215-02109-6
Seventh Report of Session 2004-05 – <i>Prison Education Volume II – Oral and Written Evidence</i> HC114-II Session 2004-05	TSO, 4 April 2005	£22.50	0-215-02354-4
Third Special Report of Session 2004-05 – <i>Public Expenditure on Education and Skills: Government Response to the Committee's First Report of Session 2004-05</i> HC492 Session 2004-05	TSO, 4 April 2005	£4.50	0-215-02366-8
Eighth Report of Session 2004-05 – <i>Teaching Children to Read</i> HC 121 Session 2004-05	TSO, 5 April 2005	£22.00	0-215-02368-4
Ninth Report of Session 2004-05 – <i>Every Child Matters Volume I – Report</i> HC 40-1 Session 2004-05	TSO, 5 April 2005	£14.50	0-215-02389-7
Ninth Report of Session 2004-05 – <i>Every Child Matters Volume II – Oral and Written Evidence</i> HC 40-II Session 2004-05	TSO, 14 April 2005	£22.50	0-215-02429-X

## Glossary

Administration Costs	The day-to-day costs incurred in administering the Department's business
Aggregate External Finance	The total level of support the Government provides to local authorities. This support is normally made up of Revenue Support Grant, some specific and special grants and the amount distributed from business rates.
Annually Managed Expenditure (AME)	The element of public expenditure for which multi-year spending limits are not appropriate, and which is instead subject to annual review.
Appropriation Account	A financial statement showing the expenditure and receipts of a government department for a financial year.
Appropriation in Aid	Monies received by a department which it is authorised to retain and offset against related expenditure in the current financial year.
Best Value	An efficiency performance regime that requires local authorities to look constantly at new ways to improve the efficiency, quality and effectiveness of their service delivery.
Better Quality Services (BQS)	An efficiency performance regime that requires central government departments to look constantly at new ways to improve the efficiency, quality and effectiveness of their service delivery.
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 after Royal Assent.
Capital Modernisation Fund (CMF)	A fund administered by the Treasury from which departments can bid for money to support capital projects aimed at improving the quality of public service delivery.

Cash Terms	The amount of money actually spent or planned to be spent regardless of its purchasing power.
Children's Centre	A multi-agency centre offering integrated early education, childcare and health and parental support to children under five and their families.
Consolidated Fund	The government's 'current account', kept by the Treasury at the Bank of England, through which most government payments and receipts are made.
Consolidated Fund Extra Receipts (CFERs)	Receipts realised or recovered by departments in the process of conducting services charged on public funds which are not authorised to be appropriated in aid of expenditure.
Departmental Expenditure Limits (DEL)	Expenditure which departments can control overall, though some elements may be demand-led.
Education Formula Spending (EFS)	The level of funding the government spends on education through the local government finance system. It reflects the broad range of pressures facing the education service and the scope for making efficiency savings.
Estimates	A statement of how much a department needs in a financial year and for what purpose(s).
Exclusion	Pupils may not attend lessons or go on to school premises for a set period of time, or permanently in the case of expulsion.
Extended School	A school open to pupils, families and the wider community throughout the school day and beyond it, at weekends and during school holidays. The services offered include childcare, study support, IT, and 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.
Gross Domestic Product (GDP)	A measure of the economic activity taking place in the UK economic territory. Measured by National Statistics, GDP is equivalent to the value added to the economy by this activity.
Invest to Save	A special fund set up by the Treasury to support projects that promote joined up government.
Key Stage	A description and measurement of pupil's progress through school:

	<p>key stage 1: pupils aged 5 to 7 – year groups 1 to 2</p> <p>key stage 2: pupils aged 7 to 11 – year groups 3 to 6</p> <p>key stage 3: pupils aged 11 to 14 – year groups 7 to 9</p> <p>key stage 4: pupils aged 14 to 16 – year groups 10 to 11</p>
National Curriculum	The basic framework setting out what children aged three to 16 in government funded early education settings and state schools should learn.
Non-Departmental Public Bodies (NDPBs)	A body which has a role in the processes of government but is not a government department or part of one. NDPBs accordingly operate at arm's length from government Ministers.
Outturn	Annual cash expenditure
Private Finance Initiative (PFI)	An initiative to attract private sector funding for major public sector projects.
Public-Private Partnership (PPP)	The introduction of private sector funding and expertise into the provision of public services in order to achieve best value for money for taxpayers.
Public Service Agreement (PSA)	A plan setting out what a department will deliver in the form of measurable targets over the public expenditure review period in return for its agreed spending.
Real Terms	Expenditure measured against a standard of constant value, making allowances for changes in purchasing power as a result of inflation.
Resource Accounting and Budgeting (RAB)	Introduces generally accepted accounting practice into government accounting. The main changes being the adoption of accruals accounting for all departmental expenditure and the inclusion of depreciation and cost-of-capital charges in departmental budgets.
Revenue Support Grant	A government grant to make up the shortfall between local authorities' Standard Spending Assessment (SSA) and the amount they would receive from Council Tax for Standard Spending and redistributed business rates.
Special Educational Needs (SEN)	A child is defined as having SEN if he or she has a learning difficulty that needs special teaching. A learning difficulty means that the child has a significantly greater difficulty in learning than most children of the same age.

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Spending Review (SR)	This sets Departmental Expenditure Limits (DEL) and plans Annually Managed Expenditure (AME) for the following three years. It replaces the annual public expenditure survey and is held at less frequent intervals. The first was the Comprehensive Spending Review in 1998; the second in summer 2000 and the third in summer 2002.
Standard Spending Assessment (SSA)	The government calculates a Standard Spending Assessment in order to work out each local authority's share of Total Standard Spending (TSS). The SSA takes account of the population, social structure and other characteristics of each authority.
Statutory Instrument	A regulation made by a minister under the authority of an earlier 'enabling' Act of Parliament. It is an example of delegated legislation.
Sure Start	The government's programme to deliver the best start in life for every child by promoting and bringing together early education, childcare and health and family support services for children and their families.
Technical Notes (TNs)	Technical notes set out exactly how a target will be measured. They refer solely to PSA, and not SDA targets. The existence of these notes helps stakeholders to be clear about exactly what the target is, and provides assurance that performance will be objectively assessed.
Total Standard Spending (TSS)	The amount of spending by local government as a whole that the government is prepared to support through grants.
Vote	The amount of money approved by Parliament to cover departmental expenditure.

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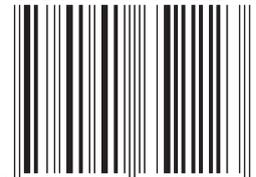
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