

Statistics of Education: Education and Training Expenditure Since 1990-91

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EDUCATION AND TRAINING EXPENDITURE SINCE 1990-91

Introduction

1 This bulletin updates Statistical Bulletin 10/99 and provides longer, more detailed time-series and supplementary analyses than appear in the Departmental Report *'The Government's Expenditure Plans 2000-01 to 2001-02'* (Cm 4602) published in April 2000. The Bulletin provides detailed central government and local authority education and training outturn in England for the financial years 1990-91 to 1999-2000 [outturn for 1999-00 has been estimated]. Over this period *real terms expenditure at 1999-2000 prices* (see paragraph 10) increased from £28,280 million to £32,825 million, representing real terms growth of 16 per cent.

2 Data are presented for England only unless otherwise stated. The 1998-99 and 1999-00 local authority figures shown in tables 3, 5a and 5b have been revised since they were published in the Departmental Report in light of more recent data.

3 The Bulletin does not cover expenditure for 2000-01; or for the years covered by the recent 2000 Spending Review (2001-02 to 2003-04). As a result of the 2000 Spending Review, spending on education and training in England (defined, more broadly than in the outturn series presented in the Bulletin, as DfEE expenditure on education and training plus local authority Education Standard Spending Assessment) is planned to increase from £34.4 billion in 1999-2000 to £49.2 billion in 2003-04, giving an average real terms increase of 6.7 per cent a year over that period.

4 In particular the Spending Review provides for:

- a real terms increase in unit funding per pupil of almost £700 between 1997-98 and 2003-04.
- a further £58 million to the £365 million rise already announced for further education (FE) for 2001-02 compared to 2000-01. The total increase in further education funding from 2000-01 to 2001-02 will therefore now be at least £423 million, representing an increase of 9.2% in real terms.
- an increase of £132 million, including money for measures to widen access, in addition to the £295 million increase previously announced for higher education (HE) in 2001-02. This allows for an increase in the real terms unit cost per higher education student of about 0.5% for 2001-02 compared to 2000-01. This assumes the number of higher education students increases in line with plans for 2001-02, which are compatible with meeting the Government's aim that 50% of 18-30 year olds should have the opportunity to benefit from higher education by the end of the decade. In addition, the UK HE research infrastructure will benefit from a £1 billion Government/Wellcome Trust

partnership package over the two years from 2002-03. The Office of Science and Technology (OST) will also provide an extra £250 million funding, for the UK as a whole, for research over the three years from 2001-02, targeted at key areas such as genomics, e-science and basic technology, and an additional £100 million over the three years from 2001-02 to enhance the interaction between higher education and business to increase the exploitation of research.

The "Spending Review 2000: New Public Spending Plans 2001-2004" (Cm 4807) contains more detail. It should be noted that the full extent of the Spending Review has yet to be announced.

Summary

5 In real terms:

- comparing 1999-2000 estimated outturn with 1990-91, total expenditure on education (central government and local authority expenditure combined) rose by 16 per cent. Central government's own expenditure (only accounting for a quarter of the total) increased by 111 per cent whereas local authority expenditure decreased by 2 per cent (Table 1b). This fall was principally as a result of the transfer of some of the local authority responsibilities for further education (see paragraph 15).
- comparing 1998-99 outturn with 1990-91, expenditure per full-time equivalent (FTE) pupil in local education authority maintained pre-primary/primary schools increased by 10 per cent and in secondary schools decreased by 6 per cent. Over this period, pupil numbers rose by 7 per cent in pre-primary/primary schools and fell by 13 per cent in secondary schools (most of the fall in pupil numbers in secondary schools is accounted for by the transfer of sixth form colleges to the further education sector in 1993-94). (Table 6);

In further and higher education, longer term comparisons are affected by the transfer in April 1993 of further and higher education expenditure from local authorities, the Polytechnics and Colleges Funding Council (PCFC) and the Universities Funding Council (UFC) to the Further Education Funding Council (England) (FEFC) and the Higher Education Funding Council for England (HEFCE). However, in real terms:

- Government spending (excluding maintenance awards, loans and Access Funds) per FTE student in higher education institutions fell by 31 per cent between 1990-91 and 1999-2000 against the background of a 68 per cent increase in student numbers (Table 8). Paragraph 30 provides more detail of the changes over the course of this period;

- between 1993-94 and 1999-2000 FEFC's funding per FTE student fell by 13 per cent with a corresponding growth in FTE student numbers of 15 per cent (Table 8);

Background

6 The Department for Education and Employment's Departmental Report *The Government's Expenditure Plans 2000-01 to 2001-02* (Cm 4602) sets out details of planned expenditure for all the programmes it administers, including the Office for Standards in Education (OFSTED). The Report covers the further education sector which is funded through the FEFC, and funding for higher education institutions in England which is distributed by the HEFCE. The programme of central government expenditure includes expenditure on some schools (including specialist schools and City Technology Colleges, as well as former grant maintained (GM) schools up to 1998-99); on further education for adults and youth service provision in England; on mandatory student awards; on certain specific grants to local education authorities in England; and on the credit approvals which authorise English local education authorities to incur capital expenditure financed by borrowing. The Departmental Report also gives a breakdown of outturn expenditure on education and employment since 1994-95, by central government and by local authorities.

Local Authorities

7 Local authorities determine their own budgets, deciding how much to spend in total and the pattern of their expenditure between and within services. The great bulk of local authority current expenditure is supported by a combination of grants from central government and the national non-domestic rate, which together represent Aggregate External Finance (AEF). The total amount of AEF which local authorities receive is determined by the view central government takes each year of the appropriate level of local authority spending (Total Standard Spending). The biggest grant within AEF is Revenue Support Grant, which is a block grant within the programme of the Department of the Environment, Transport and the Regions (DETR). AEF also includes certain specific grants earmarked for particular purposes which are included in the programmes of the relevant spending departments.

8 The new Fair Funding arrangements for schools came into effect on 1 April 1999. The new system aims to secure higher levels of delegation to schools and greater clarity in funding methods used by local education authorities. All maintained schools came into the scope of the new system from its inception.

Further and Higher Education

9 From April 1993, new arrangements were put in place for funding further and higher education in England. This is now the responsibility of two Funding Councils.

(i) The FEFC is responsible for securing sufficient facilities for full-time education for 16-18 year olds, adequate facilities for part-time education for those aged 16 and over, and full-time education for those aged 19 and over, where that education falls within Schedule 2 to the Further and Higher Education (FHE) Act 1992. Local education authorities retain responsibility for securing adequate provision of further education which falls outside Schedule 2 to the Act. Within the FHE Act 1992, the definition of further education has been altered: full-time education suitable to the requirements of 16-18 year olds is now defined as further education, except where it is provided in schools. The FE sector was created on 1 April 1993, and is made up largely of further education and sixth form colleges. These became independent of local authority control on the same date (1 April 1993). The FEFC can also fund further education at institutions of higher education and at other institutions outside the further education sector. From April 2001, the existing further education and training functions of the FEFC and Training and Enterprise Councils in England as well as local authorities' responsibility for funding adult and community learning, will be transferred to the Learning and Skills Council (which will be established as a result of the Learning and Skills Act 2000).

(ii) the HEFCE is responsible for funding teaching, research and related activities in all universities and colleges of higher education in England (other than the University of Buckingham and private colleges), with the exception of funding for teacher training which became the responsibility of the Teacher Training Agency (TTA) from 1995/96. HEFCE is also responsible for funding prescribed higher education courses in further education colleges. The HE sector also receives direct grants and support in kind from the UK science budget (mainly from the Research Councils). These councils decide how much of their UK science budget to release to support the higher education sector. In addition, the HE sector receives capital earmarked for Information and Communications Technology (ICT) and research infrastructure. More information about the monetary amounts provided through these additional sources of funding can be found in the footnotes to Table 8. The UFC and the PCFC were dissolved on 31 March 1993. The binary line between universities and the former polytechnics has been removed, and all English polytechnics have been granted university titles.

Real terms figures

10 Real terms figures in this bulletin (covering 1990-91 to, where available, 1999-2000) are calculated by converting the cash figures to constant 1999-00 price levels by adjusting for the effects of general inflation.

For this purpose the bulletin uses the Gross Domestic Product (Market Prices) deflators as published by the Office for National Statistics in their Quarterly National Accounts First Releases. The deflators are commonly referred to as the "GDP deflators". The GDP deflator for each year is revised as more data on actual pay and price movements in that year progressively become available. As such, updating the deflator has a consequential impact on the calculation of real terms figures and thus on real terms spending trends. The GDP deflators published in June 2000 have been used for this bulletin.

Overview

11 The data presented are split into two sections. The first and largest section covers central government and local authority expenditure on education (both current and capital) and expenditure on training initiatives (which prior to 1995 were undertaken by the former Employment Department through its Training Enterprise and Education Directorate). The second section sets recurrent expenditure and revenue funding against pupil or student numbers for the different sectors of education, resulting in the calculation of cost/funding per pupil or student.

12 Further information can be obtained from the *Education Statistics 1997-98 Actuals incorporating the Handbook of Unit Costs* (published by Institute of Public Finance, ISSN 0309-5614). Data showing international comparisons of public expenditure on education (including UK level expenditure) are not covered by this bulletin but will be given in the 2000 edition of *Education Statistics for the United Kingdom*. This volume is scheduled for publication by The Stationary Office in November this year. It is also due to be released on the Internet before then. Data showing UK Total Managed Expenditure on education as well as the proportion of GDP spent on education is published in *Public Expenditure Statistical Analyses (PESA) HM Treasury* (Cm 4601).

Central government and local authority education and training expenditure – Tables 1 to 5 and Charts 1 and 2

13 In making comparisons between years and between central and local government, it is important to bear in mind the changes that have occurred in the pattern of the education service. These include the introduction of GM schools from 1989-90 and their subsequent return to local education authority maintenance from 1999-2000; the introduction of Fair Funding from April 1999; the establishment of the PCFC in 1989-90; the shift from grant to fees in 1990/91 and then from fees to grant in 1993/94 for the higher education sector; the transfer of further education and sixth form colleges to the FEFC and higher education institutions to the HEFCE; and some local authority functions to OFSTED in 1993-94. These all have an effect on the distribution of expenditure between central and local government.

14 The figures presented in Tables 1-4 include the Welsh element of student loans and mandatory awards

and, pre 1993-94, the Welsh and Scottish elements of the Universities Funding Council (UFC) expenditure. In addition, Tables 1a and 1b include net local authority capital spending. Tables 5a and 5b exclude all non-England elements of expenditure (i.e. mandatory awards and student loans) and rely on gross capital spending at local authority level.

15 **Tables 1a and 1b** set out total central and local government expenditure on education in cash and real terms, split between capital and current spending. Central government's own expenditure shows an increase in real terms of 111 per cent from 1990-91 to 1999-2000 compared with a decrease in real terms of 2 per cent in local authority expenditure. It should be noted that if adjustments were to be made to the local education authority expenditure series to account for the responsibilities which transferred then an increase in expenditure of about 10-12 per cent between 1990-91 and 1999-2000 would be indicated. Central government's total expenditure measured in 1999-00 prices decreased from £4,487 million in 1990-91 to £4,085 million in 1991-92 and then rose sharply to £8,859 million by 1997-98 (as a result of additional expenditure on the HEFCE and FEFC established in 1993). The formation of the FEFC and HEFCE led to increases in central government expenditure, and corresponding decreases in local authority expenditure. In 1997-98, £527 million was transferred from local authorities to central government for the nursery voucher scheme. This led to an increase in central government expenditure in that year. In 1998-99, the money was transferred back to local authorities, with a corresponding decrease in central government spending.

16 **Tables 2a and 2b** set out the DfEE and OFSTED education and training expenditure programme and grants to local education authorities in cash and real terms (at 1999-2000 prices). As well as the central government spending identified in Tables 1a and 1b, Tables 2a and 2b include support for local authorities (which is also shown in Table 3) and training programmes such as work-based training for young people. Total DfEE and OFSTED expenditure increased, in real terms from £8,077 million to an estimated £13,442 million (an increase of 66 per cent) between 1990-91 and 1999-2000.

17 **Tables 3 and 4** set out local authority current and capital expenditure respectively in cash terms. Total current spending by local education authorities in England increased from £17,300 million in 1990-91 to £22,097 million in 1999-2000.

18 Gross capital spending (including, from 1997-98, New Deal for Schools) fell from £934 million in 1990-91 to £929 million in 1991-92, then rose to £1,072 million in 1994-95, falling to £1,016 million the following year before steadily rising again to £1,237 million in 1998-99. Gross capital spending is estimated to rise further still to £1,407 million in 1999-00. Net capital spending rose from £793 million in 1990-91 to £845 million in 1992-93.

It then fluctuated for four years before steadily rising again from 1997-98 to an estimated £1,259 million in 1999-2000.

19 **Tables 5a and 5b** show the breakdown of central and local government expenditure on education by sector in cash and real terms. These tables have been derived from the Department's Cash Plans using estimates of the expenditure split between sectors where necessary in order to provide as consistent as possible a coverage of the sectors over several years. Adjustments have been made to show the data on an England only basis (as described in paragraph 14 above). No account has been taken of any minor transfers of responsibility for expenditure between Departments. The breakdown of expenditure between various sectors remained broadly stable over the years 1993-94 to 1998-99. In 1999-2000, 64 per cent of education current expenditure was spent on schools, 11 per cent on further education, 16 per cent on higher education, 4 per cent on student support and 5 per cent on other services.

20 **Table 5b** shows, in real terms, that expenditure on education in England increased from £31,136 million in 1993-94 to an estimated £32,821 million in 1999-00. Within that increase, expenditure on FE and HE student support (including expenditure on mandatory and discretionary awards and access funds) declined in real terms from £1,757 million in 1994-95 to £1,383 million in 1998-99, and further still to an estimated £1,272 million in 1999-2000.

21 **Charts 1 and 2** show how expenditure was distributed between various categories in 1998-99 for pre-primary/primary and secondary schools. Total expenditure excludes premature retirement costs and other indirect employee expenses. The 'Other Staff' category covers educational support, administration and clerical staff. Premises-related staff are included under the 'premises' category. The split is identified from the spending returns made by local education authorities to the DETR. In both sectors, teaching staff costs account for around two thirds of total expenditure, and total staff costs for more than three quarters of total expenditure.

Recurrent expenditure and unit costs/funding for local education authority maintained schools, further education and higher education – Tables 6, 7 and 8

22 **Table 6** relates spending (in real terms) in local education authority maintained schools to the number of pupils in order to reveal the trend in spending per pupil – the unit cost.

23 The spending data for local education authority maintained schools covers net institutional (or school-based) expenditure, including the pay of teachers and school-based support staff, school premises costs, books and equipment, and certain other supplies and services, less any capital items funded from recurrent spending and income from sales, fees and charges. They exclude the cost of support services such as home to school

transport, school meals or local authority administration, and the financing of capital expenditure. The spending data are drawn from local education authorities' returns of their spending to the DETR. The pupil numbers are drawn from the DfEE's Annual Schools' Census and have been converted to Full-Time Equivalents (FTEs).

24 Between 1990-91 and 1998-99, total net institutional expenditure in real terms increased by 17 per cent in local education authority maintained pre-primary/primary schools while pupil numbers increased by 7 per cent, leading to an increase in real unit costs of 10 per cent. Over the same period expenditure in local education authority maintained secondary schools decreased by 17 per cent and pupil numbers decreased by 13 per cent, in the main due to the transfer to the FEFC of sixth form colleges in April 1993, leading to a decrease in real unit cost of 6 per cent. Expenditure decreased by 7 per cent in local education authority maintained special schools between 1990-91 and 1998-99 while pupil numbers decreased by 8 per cent leading to an increase in real unit costs in special schools of 1 per cent. Between 1997-98 and 1998-99 pre-primary/primary unit costs rose by 5 per cent whereas secondary and special school unit costs rose by less than 1 per cent over the same year.

25 Unit revenue funding per pupil educated in maintained schools in real terms is shown in **Table 7**. Total revenue funding (Total Standard Spending Assessment, Standards Fund and Specific Grants) increased by 7 per cent between 1994-95 and 1999-2000 while the number of pupils (aged 4-19) increased by over 4 per cent, leading to an increased unit funding per pupil of over 2 per cent. The unit of funding per pupil fell by 3 per cent between 1994-95 and 1995-96, then rose slightly by one per cent per year from 1997-98 to 1998-99, with a 4 per cent increase between 1998-99 and 1999-2000. These figures include funding for pupils in all maintained schools and are not comparable with the unit cost figures in table 6 which relate to pupils in local education authority maintained schools only.

26 Unit funding/costs (excluding student maintenance awards, student loans and Access Funds) for students in further and higher education are shown in **Table 8**. The table covers adult education centres, local education authority maintained establishments providing mainly further education as well as FEFC and publicly funded higher education institutions (see paragraph 9). Notional estimates are shown for the HE sector back to 1990-91, weighting together the PCFC and UFC institutions figures as appropriate. In addition to the expenditure shown in this table the HE sector also receives funding in support of research via the Research Councils, earmarked grant for capital investment and funding for measures to widen access.

27 Unit costs for adult education centres and local education authority maintained establishments were calculated by dividing net institutional expenditure

(derived from the local education authorities' returns of their spending to the DETR) by FTEs from the Further Education Statistical Record (FESR).

28 Between 1990-91 and 1992-93 spending per FTE student in local education authority maintained establishments fell by 7 per cent in real terms, from £3,840 to £3,560. At the same time student numbers increased by 12 per cent, from 715,000 to 802,000. Over the same period spending per FTE student in adult education centres fell by 1 per cent in real terms, from £1,810 to £1,790 against the backdrop of a 5 per cent decrease in student numbers, from 135,000 to 128,000.

29 The real terms unit funding per FTE student by the FEFC fell from £3,750 in 1993-94 to an estimated £3,280 in 1999-2000, a decrease of 13 per cent. FTE Student numbers increased by 18 per cent, from 859,000 to 1,017,000 between 1993-94 and 1996-97 before falling 3 per cent to 991,000 in 1998-99. There was a further slight estimated fall in student numbers to 988,000 in 1999-2000.

30 The HE sector's unit cost per FTE student decreased in real terms from £6,910 in 1990-91 to an estimated £4,790 in 1999-00, a fall of 31 per cent. Real terms unit costs fell by 30 per cent from 1990-91 to 1997-98, representing an average annual decline of 4 per cent over this period. Between 1997-98 and 1998-99 unit costs fell by less than 1 per cent. Similarly, in 1999-2000, unit costs were less than 1 per cent lower than in 1998-99. Student numbers increased from 622,000 in 1990-91 to 1,045,000 in 1999-2000, a rise of 68 per cent.

Further Information

31 Enquiries about the contents of this bulletin should be addressed to the contact points shown on the inside cover. Press enquiries should be made to the Department's Press Office at Sanctuary Buildings, Great Smith Street, London SW1P 3BT (Tel: 020-7925-6487).

32 The statistics in this bulletin were obtained from the following sources:

Central government and local authority expenditure on education and training – Annexes B(ii), B(iii) and Table 9.1 of *The Government's Expenditure Plans 2000-01 to 2001-02 (Cm 4602)*.

Pre-primary/primary, secondary and special school pupil numbers – DfEE Annual Schools' Census.

Adult education student numbers – DfEE Form AE1 Survey.

Expenditure on schools, adult education centres and local education authority maintained colleges – RO1 survey.

School funding – DfEE records of Education Standard Spending Assessments, Special and specific DfEE Grants to local education authorities.

Further education – FEFC.

Higher education – Higher Education Statistics Agency.

June 2000 GDP deflators – Office for National Statistics (ONS), First Release: Quarterly National Accounts, 1st quarter 2000, published 29th June 2000.

TABLE 1a:**Expenditure on education in England¹ in cash terms**

Emillion in cash prices

Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Central government's own expenditure^{2,3}										
Capital	43	30	13	7	4	4	2	2	1	26
Current ⁴	3,369	3,267	3,449	5,937	6,845	7,426	7,575	8,391	8,000	9,442
Total	3,412	3,297	3,462	5,944	6,850	7,429	7,577	8,393	8,001	9,469
Local authority expenditure⁵										
Capital ⁶	793	822	845	736	944	941	932	982	1,162	1,259
Current ⁷	17,300	19,666	21,353	19,812	20,088	20,077	20,518	20,487	21,863	22,097
Total ⁸	18,093	20,488	22,198	20,548	21,032	21,018	21,450	21,469	23,025	23,356
Total expenditure										
Capital	836	852	858	743	948	945	934	984	1,163	1,285
Current	20,669	22,933	24,802	25,749	26,933	27,503	28,094	28,879	29,862	31,540
Total	21,505	23,785	25,660	26,492	27,882	28,447	29,028	29,863	31,025	32,825

1 Includes the Welsh element of student support expenditure. Figures may not sum due to rounding.

2 Includes total central government's own expenditure identified separately in Table 2 (including expenditure on OFSTED and excluding grants to local authorities).

These figures exclude DfEE expenditure on Work Based Training for Young People, the careers service, Career Development Loans, University for Industry, Improving the Training Market, Management Development and Investors in People.

3 Includes Universities Funding Council (UFC) expenditure in 1992-93 and earlier which covers Wales and Scotland. Also includes student loans attributable to Wales.

4 £527m for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99.

5 Local authority expenditure includes central government support identified separately in Table 2 as well as self-financed expenditure identified in Table 3.

6 Gross capital spending plus New Deal for Schools, net of local authority receipts identified in Table 4.

7 Net of receipts from PCFC/HEFCE. Figure for 1997-98 excludes £527m transferred to central government for the nursery vouchers scheme.

Incorporates local authority mandatory awards spending, including that attributable to Wales. Mandatory awards are being phased out and replaced by additional student loans administered through the Student Loans Company.

8 The sharp decrease in local authority expenditure on education between 1992-93 and 1993-94 is due to the transfer of responsibility for providing most kinds of further education from local education authorities to the FEFC on 1 April 1993.

TABLE 1b:
Expenditure on education in England¹ real terms²

Emillion at 1999-2000 prices

Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Central government's own expenditure^{3,4}										
Capital	57	37	16	8	5	4	2	2	1	26
Current ⁵	4,430	4,048	4,138	6,939	7,890	8,320	8,223	8,857	8,204	9,442
Total	4,487	4,085	4,154	6,948	7,895	8,324	8,225	8,859	8,205	9,469
Index (1990-91 =100)	100	91	93	155	176	186	183	197	183	211
Local authority expenditure⁶										
Capital ⁷	1,043	1,018	1,014	860	1,088	1,054	1,012	1,037	1,192	1,259
Current ⁸	22,750	24,365	25,620	23,156	23,153	22,494	22,272	21,625	22,421	22,097
Total ⁹	23,793	25,384	26,634	24,017	24,242	23,548	23,284	22,662	23,613	23,356
Index (1990-91 =100)	100	107	112	101	102	99	98	95	99	98
Total expenditure										
Capital	1,099	1,056	1,029	869	1,093	1,058	1,014	1,039	1,193	1,285
Current	27,181	28,413	29,758	30,096	31,043	30,814	30,495	30,482	30,625	31,540
Total	28,280	29,469	30,787	30,964	32,136	31,872	31,509	31,521	31,818	32,825
Index (1990-91 =100)	100	104	109	109	114	113	111	111	113	116

1 Includes the Welsh element of student support expenditure. Figures may not sum due to rounding.

2 Cash figures adjusted to 1999-2000 levels using June 2000 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.

3 Includes total central government's own expenditure identified separately in Table 2 (including expenditure on OFSTED and excluding grants to local authorities).

These figures exclude DfEE expenditure on Work Based Training for Young People, the careers service, Career Development Loans, University for Industry, Improving the Training Market, Management Development and Investors in People.

4 Includes Universities Funding Council (UFC) expenditure in 1992-93 and earlier which covers Wales and Scotland. Also includes student loans attributable to Wales.

5 £527m for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99.

6 Local authority expenditure includes central government support identified separately in Table 2 as well as self-financed expenditure identified in Table 3.

7 Gross capital spending plus New Deal for Schools, net of local authority receipts identified in Table 4.

8 Net of receipts from PCFC/HEFCE. Figure for 1997-98 excludes £527m transferred to central government for the nursery vouchers scheme.

Incorporates local authority mandatory awards spending, including that attributable to Wales. Mandatory awards are being phased out and replaced by additional student loans administered through the Student Loans Company.

9 The sharp decrease in local authority expenditure on education between 1992-93 and 1993-94 is due to the transfer of responsibility for providing most kinds of further education from local education authorities to the FEFC on 1 April 1993.

TABLE 2a:

Central Government expenditure and grants to local authorities within the education and training programmes in cash terms¹

Emillion in cash prices

Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Early years and schools										
Sure Start										19
Under fives ²	1	1	1	1	1	1	21	637	135	135
Provision for 3 yr olds										38
Class size reductions										173
Schools capital										
Voluntary Aided Schools ³	104	111	114	114	111	95	100	110	123	129
Former grant maintained schools										120
Capital Grants within Standards Fund									90	10
Credit approvals ⁴	436	492	560	383	379	395	431	399	376	450
New Deal for Schools								78	224	282
Assisted Places	63	76	93	92	101	105	118	135	126	109
music & ballet scheme	5	7	6	7	7	7	8	9	10	11
Standards Fund (formerly GEST) ⁵	219	235	220	173	176	147	154	208	195	427
Specialist schools and City Technology Colleges ⁶	58	56	50	50	51	65	77	89	97	107
Education Action Zones									10	29
National Grid for Learning									50	50
General Teaching Council										2
Dance and Drama										4
Other miscellaneous programmes ⁷ of which	53	53	43	50	268	245	248	304	275	126
Grant Maintained Schools ⁸				2	223	214	240	258	226	20
Total early years and schools	939	1,031	1,087	870	1,094	1,061	1,156	1,967	1,711	2,220
Further Education										
FE student support			25	2,701	2,840	3,025	3,154	3,154	3,124	3,330
Careers Service ⁹			8	20	149	193	199	208	213	227
HE Innovations Fund ¹⁰	9	13	14	12	11	7	4	6	7	5
Work Based Training for Young People	700	746	617	640	647	635	734	740	711	863
Neighbourhood Support Fund										20
Adult Education and Skills Initiative ¹¹	11	11	19	5	6	4	5	5	92	79
Youth Services	5	5	5	5	5	5	4	4	4	5
Qualifications framework	15	18	20	32	31	57	68	69	72	83
University Funding Council	1,839	1,786	1,810							
Polytechnic and Colleges Funding Council ¹²	1,100	993	1,035							
Higher Education Funding Council ¹³				2,792	3,419	3,613	3,448	3,508	3,537	4,110
Student loans RAB charge	20	50	80	110	200	260	330	359	410	654
Mandatory Awards: Maintenance and Fees ¹⁴	1,293	1,984	2,538	2,749	2,437	2,107	2,008	1,982	1,870	1,079
Access funds	22	23	23	24	27	28	22	22	39	82
Teachers Training					2	126	196	211	210	257
Student loans admin			11	14	17	19	16	19	18	29
British academy	16	17	20	22	23	24	24	29	29	31
Learning Partnership Fund										5
Career Development Loans	3	5	7	8	10	12	14	11	13	15
Individual Learning Accounts									1	6
Learning Direct								1	3	6
Adult Guidance										7
University for Industry									5	38
Improving the training Market ¹⁵			23	25	18	17	16	7	6	6
Management Development						2	2	2	1	1
Investors in People UK				1	2	2	2	2	2	2
Other miscellaneous programmes ¹⁶	153	134	132	35	35	28	9	11	40	114
Total Lifelong Learning	5,186	5,785	6,387	9,195	9,877	10,163	10,261	10,355	10,422	11,101

TABLE 2a: CONTINUED

Central Government expenditure and grants to local authorities within the education and training programmes in cash terms¹

Emillion in cash prices

Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
European Programmes and miscellaneous										
International Services	10	9	11	10	11	11	11	12	13	14
Compensation Payments	7	7	7	7	7	7	6	6	6	6
Other Miscellaneous				3	3	4	4	4	7	4
TOTAL EDUCATION AND TRAINING	6,142	6,832	7,492	10,085	10,992	11,245	11,438	12,344	12,158	13,345
OFSTED										
Administration and Inspection				46	63	82	122	150	110	97
TOTAL EDUCATION, TRAINING AND OFSTED	6,142	6,832	7,492	10,131	11,056	11,328	11,560	12,494	12,268	13,442

1 Figures may not sum due to rounding.

2 £527 million for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99.

3 Voluntary aided, special agreement and non-maintained special schools.

4 Provision for local authority borrowing for all education services.

5 Excludes £50 million for the National Grid for Learning in 1998-99 and 1999-00. For continuity with previous years, figures exclude section 11 and Ethnic Minorities Achievement Grant expenditure.

6 Includes specialist schools credit approvals.

7 Includes elements of residual funding for former grant-maintained schools, a proportion of funding for the National Grid for Learning, and elements of funding for teacher recruitment, literacy and numeracy and school publications.

8 Includes expenditure on former GM schools that was not included in the equivalent table published last year. Spending from 1999-00 onwards funds grants to former GM schools and local education authorities in connection with the transition of those schools into the new schools framework.

9 From 1997-98 the whole of the Careers Service budget is contracted with private companies.

10 Includes figures for Enterprise in Higher Education and Other Higher Education Projects.

11 Previously known as Further Education for Adults and Other Further Education. Figures after 1992-93 exclude a small amount for FE travellers. Also, £60 million was made available in the 1998 budget for the setting up of a number of Centres of Excellence for IT and High Technology training and Skills Challenge projects.

12 Includes voluntary and former direct grant colleges, as well as institutions transferring from local education authorities.

13 The 1999-00 figures include amounts allocated to intercalating students.

14 Includes funds to be transferred to Wales as a result of changes to the student support system arising from the Dearing Review.

15 Improving the Training Market (ITM), Standards Programme and Management Development were formerly included under the generic heading Training and Education Support.

16 Up to and including 1992-93, includes the Open University, Cranfield Institute of Technology and the Royal College of Art which from 1993-94 became the responsibility of the HEFCE. Figures from 1999-00 include the cost of payments to the Inland Revenue for the new student support repayment mechanism.

TABLE 2b:

Central Government expenditure and grants to local authorities within the education and training programmes in real terms^{1,2}

Emillion at 1999-2000 prices

Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Early years and schools										
Sure Start										19
Under fives ³	1	1	1	1	1	1	23	672	139	135
Provision for 3 yr olds										38
Class size reductions										173
Schools capital										
Voluntary Aided Schools ⁴	137	138	137	133	128	107	108	116	126	129
Former grant maintained schools										120
Capital Grants within Standards Fund									92	10
Credit approvals ⁵	573	610	672	448	437	443	468	421	386	450
New Deal for Schools								82	229	282
Assisted Places	83	94	112	108	117	117	128	142	129	109
music & ballet scheme	7	9	7	8	8	8	9	10	10	11
Standards Fund (formerly GEST) ⁶	288	291	264	202	203	165	167	220	200	427
Specialist schools and City Technology Colleges ⁷	76	69	60	58	59	73	84	94	100	107
Education Action Zones									10	29
National Grid for Learning									51	50
General Teaching Council										2
Dance and Drama										4
Other miscellaneous programmes ⁸ of which	70	66	52	58	309	275	270	321	282	126
Grant Maintained Schools ⁹				2	257	240	261	273	232	20
Total early years and schools	1,235	1,277	1,304	1,017	1,261	1,188	1,255	2,076	1,754	2,220
Further Education										
FE student support			30	3,157	3,273	3,389	3,424	3,329	3,204	3,330
Careers Service ¹⁰			10	23	172	216	216	220	218	227
HE Innovations Fund ¹¹	12	16	17	14	13	8	4	6	7	5
Work Based Training for Young People	921	924	740	748	746	711	797	781	729	863
Neighbourhood Support Fund										20
Adult Education and Skills Initiative ¹²	14	14	23	6	6	5	5	5	94	79
Youth Services	7	6	6	6	6	5	4	4	4	5
Qualifications framework	20	22	24	37	36	64	74	73	74	83
University Funding Council	2,418	2,213	2,172							
Polytechnic and Colleges Funding Council ¹³	1,447	1,230	1,242							
Higher Education Funding Council ¹⁴				3,263	3,940	4,048	3,742	3,703	3,627	4,110
Student loans RAB charge	26	62	96	129	231	291	358	378	420	654
Mandatory Awards: Maintenance and Fees ¹⁵	1,700	2,458	3,045	3,213	2,809	2,361	2,179	2,092	1,918	1,079
Access funds	29	28	28	28	31	31	24	23	40	82
Teachers Training					2	142	213	223	216	257
Student loans admin			13	16	19	21	17	20	19	29
British academy	21	21	24	26	26	27	26	30	30	31
Learning Partnership Fund										5
Career Development Loans	4	6	8	9	12	13	15	12	13	15
Individual Learning Accounts									1	6
Learning Direct								1	3	6
Adult Guidance										7
University for Industry									5	38
Improving the training Market ¹⁶			28	29	21	19	17	7	6	6
Management Development						2	2	2	1	1
Investors in People UK				1	2	2	2	2	2	2
Other miscellaneous programmes ¹⁷	201	166	158	41	40	31	10	12	41	114
Total Lifelong Learning	6,820	7,167	7,663	10,747	11,384	11,386	11,138	10,930	10,688	11,101

TABLE 2b: CONTINUED

Central Government expenditure and grants to local authorities within the education and training programmes in real terms^{1,2}

Emillion at 1999-2000 prices

Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
European Programmes and miscellaneous										
International Services	13	11	13	12	12	12	12	12	14	14
Compensation Payments	9	9	8	8	8	7	6	6	6	6
Other Miscellaneous				4	4	5	4	4	7	4
TOTAL EDUCATION AND TRAINING	8,077	8,465	8,989	11,788	12,670	12,599	12,416	13,029	12,468	13,345
OFSTED										
Administration and Inspection				54	73	92	132	159	113	97
TOTAL EDUCATION, TRAINING AND OFSTED	8,077	8,465	8,989	11,841	12,743	12,691	12,548	13,188	12,581	13,442

1 Cash figures adjusted to 1999-2000 prices using June 2000 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.

2 Figures may not sum due to rounding.

3 £527 million for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99.

4 Voluntary aided, special agreement and non-maintained special schools.

5 Provision for local authority borrowing for all education services.

6 Excludes £50 million for the National Grid for Learning in 1998-99 and 1999-00. For continuity with previous years, figures exclude section 11 and Ethnic Minorities Achievement Grant expenditure.

7 Includes specialist schools credit approvals.

8 Includes elements of residual funding for former grant-maintained schools, a proportion of funding for the National Grid for Learning, and elements of funding for teacher recruitment, literacy and numeracy and school publications.

9 Includes expenditure on former GM schools that was not included in the equivalent table published last year. Spending from 1999-00 onwards funds grants to former GM schools and local education authorities in connection with the transition of those schools into the new schools framework.

10 From 1997-98 the whole of the Careers Service budget is contracted with private companies.

11 Includes figures for Enterprise in Higher Education and Other Higher Education Projects.

12 Previously known as Further Education for Adults and Other Further Education. Figures after 1992-93 exclude a small amount for FE travellers. Also, £60 million was made available in the 1998 budget for the setting up of a number of Centres of Excellence for IT and High Technology training and Skills Challenge projects.

13 Includes voluntary and former direct grant colleges, as well as institutions transferring from local education authorities.

14 The 1999-00 figures include amounts allocated to intercalating students.

15 Includes funds to be transferred to Wales as a result of changes to the student support system arising from the Dearing Review.

16 Improving the Training Market (ITM), Standards Programme and Management Development were formerly included under the generic heading Training and Education Support.

17 Up to and including 1992-93, includes the Open University, Cranfield Institute of Technology and the Royal College of Art which from 1993-94 became the responsibility of the HEFCE. Figures from 1999-00 include the cost of payments to the Inland Revenue for the new student support repayment mechanism.

TABLE 3:
Local authority current expenditure on education in England^{1,2,3,4}

£ million at cash prices

Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Schools										
Under fives ⁵	929	1,086	1,217	1,312	1,408	1,467	1,540	1,049	1,765	1,904
Primary schools ⁶	4,169	4,685	5,086	5,305	5,592	5,761	5,971	6,153	6,354	6,804
Secondary schools ⁷	5,478	6,050	6,481	6,458	6,744	6,905	7,124	7,315	7,632	8,094
Special schools	771	868	916	966	977	1,011	1,059	1,092	1,156	1,224
Meals	384	417	448	413	396	365	366	355	357	373
Transport ⁸	294	318	334	349	389	396	414	461	485	512
Non-maintained school fees	174	189	197	191	203	203	216	240	291	307
Teachers' centres	85	87	65	108	91	63	69	73	76	80
Child guidance	150	197	298	315	332	351	366	402	479	504
Pupil support	39	38	71	67	58	55	42	38	39	41
Higher and Further Education										
Higher education	119	157	168							
Further education in further education sector colleges ⁹	1,509	1,629	1,713							
Further education in Adult Education Centres ^{9,10,11}	140	146	144							
Further education for adults ¹¹				115	117	106	98	95	103	108
Discretionary awards	206	255	269	193	153	116	98	75	59	37
Miscellaneous Services, Research and Administration										
Youth service	233	239	244	253	256	252	247	248	257	271
Recreational services and research	81	82	52	59	71	72	74	64	70	74
Administration and inspection costs ¹²	1,027	1,041	930	801	750	754	750	778	871	918
Total current spending less expenditure funded by specific grants outside AEF¹³										
	15,788	17,483	18,632	16,905	17,538	17,876	18,433	18,438	19,993	21,251
Technical and vocational education initiative										
	119	124	130	104	65	35	14	3	2	
Work related further education										
	90	93	98	29	35	47	53	54	60	61
Receipts from PCFC/HEFCE¹⁴										
	49	40	34	16	13	12	11	11	11	11
Mandatory student awards¹⁵										
	1,254	1,926	2,459	2,758	2,437	2,107	2,008	1,982	1,870	773
Total current spending on education										
	17,300	19,666	21,353	19,812	20,088	20,077	20,518	20,487	21,937	22,097

1 Figures for England only except mandatory awards which cover England and Wales.

2 Figures exclude money in respect of amounts unspent from institutions' delegated budgets under local management schemes. These amounted to £477 million in 1991-92, £495 million in 1992-93, £586 million in 1993-94 and £606 million in 1994-95, £581 million in 1995-96 and £548 million in 1996-97 and £519 million at the end of the 1997-98 financial year.

3 Local authority expenditure includes central government support identified in Table 2 as well as self financed expenditure. The central government specific grants for which the DfEE is responsible are identified separately in Table 2. Local authority education spending is also supported by a range of other grants (Revenue Support Grant, Section 11 of the Local Government Act 1966, etc) which do not appear in Table 2. Figures in this table are actual, provisional (for 1998-99) and estimated (1999-00) outturn. Figures may not sum due to rounding.

4 Spending in 1997-98 reflects the transfer of £527 million from local government finance to central government for the nursery vouchers scheme.

5 Includes rising fives. Figures for all years except 1997-98 include expenditure on nursery schools and on all under fives in primary schools, ie those children registered at the January census date who were aged under five on the preceding 31 August. The 1997-98 figures reflect the deduction from local authority finance of provision for the nursery vouchers scheme.

6 Excludes rising fives. Figures for all years except 1997-98 include expenditure in primary schools on pupils registered at the January census date who were aged five and over on the preceding 31 August.

7 Responsibility for maintaining sixth form colleges passed from local education authorities to the FEFC on 1 April 1993.

8 Includes some transport of further education students.

9 Responsibility for providing most kinds of further education passed from local education authorities to the FEFC on 1 April 1993.

10 Excludes some provision for adults in further education sector colleges.

11 Expenditure for those areas of further education for which responsibility did not transfer to the FEFC on 1 April 1993.

12 Figures for 1993-94 onwards exclude spending on functions that passed from local education authorities to OFSTED on 1 April 1993.

13 Aggregate External Finance. Within the current structure for local authority funding, introduced in April 1990, AEF represents the combined total of Government grants to local authorities (both general Revenue Support Grant and certain specific grants) and the National Non-Domestic Rate. AEF supports the spending by local authorities which is covered by the annual standard spending settlements. The Government also pays certain grants to local authorities which are outside the Standard Spending framework; the most important for education are Technical and Vocational Education Initiative (TVEI), Work Related Further Education (WRFE) and mandatory awards.

14 Grants from the PCFC/HEFCE in respect of prescribed courses of higher education in local authority institutions.

15 Includes payments to public sector higher education institutions as reimbursements of fees for EU students.

Figures for 1998-99 and 1999-2000 are central government estimates. Includes spending on mandatory awards in Wales.

LEA mandatory awards are being phased out and replaced by additional student loans administered through the Student Loans Company.

TABLE 4:
Local authority capital expenditure¹ on education in England

	£ million at cash prices									
Outturn	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Gross capital spending ²	934	929	950	957	1,072	1,016	1,052	1,037	1,013	1,125
New Deal for Schools								78	224	282
Local authority receipts	-141	-107	-105	-221	-128	-75	-120	-133	-75	-148
Total net spending	793	822	845	736	944	941	932	982	1,162	1,259

Notes

1 Includes expenditure from the educational component of the Urban and Regeneration Programme

2 Gross capital spending includes schools, youth and other education services. From 1993-94 it excludes most further education.

TABLE 5a

Education expenditure¹ in England by central and local government by sector in cash terms²

Emillion in cash prices

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Schools³							
Capital⁴	1,027	1,009	971	1,005	1,072	1,191	1,371
Current of which	15,732	16,424	16,783	17,382	18,029	18,841	20,053
Under Fives	1,372	1,469	1,531	1,613	1,754	1,837	1,999
Primary	5,653	5,944	6,124	6,350	6,560	6,793	7,268
Secondary	7,264	7,542	7,695	7,945	8,146	8,483	8,968
Other ⁵	1,443	1,469	1,433	1,473	1,569	1,727	1,818
Further Education^{6,7,8}	2,831	2,970	3,147	3,263	3,259	3,325	3,538
Higher Education^{8,9,10}	4,317	4,607	4,713	4,620	4,718	4,732	4,907
Student Support							
Further Education ¹¹	144	120	94	88	69	62	79
Higher Education ^{10,12}	1,288	1,404	1,349	1,302	1,284	1,286	1,194
Total	1,432	1,524	1,443	1,390	1,353	1,348	1,272
Administration, inspection costs and miscellaneous services¹³	1,300	1,294	1,309	1,356	1,435	1,516	1,679
Total	26,639	27,829	28,366	29,016	29,866	30,952	32,821

1 These figures exclude DfEE expenditure on Work Based Training for Young People, the careers service, Career Development Loans, University for Industry, Improving the Training Market and Management Development and Investors in People. Figures may not sum due to rounding.

2 The local authority figures in this table are actual, provisional [for 1998-99] and estimated [1999-00] outturn.

3 Includes expenditure on county, voluntary-aided, special agreement, grant-maintained schools, city technology colleges and other specialist schools. Central government funding on grant-maintained schools has been apportioned to under-fives, primary and secondary sectors using pupil numbers. Under-fives figures include expenditure on Sure Start. Secondary school figures include expenditure on the assisted places, music and ballet schemes and the Technical and Vocational Education Initiative (TVEI).

4 Includes capital expenditure by central government, gross capital expenditure by local authorities, and, from 1997-98, expenditure on the New Deal for Schools which is funded from the Windfall Tax. Capital expenditure for 1999-00 is provisional and includes expenditure from the Capital Modernisation Fund. Excludes Private Finance Initiative credits.

5 Includes expenditure on meals, transport, non-maintained school fees, teachers' centres, child guidance and pupil support.

6 Includes a small element of local authority expenditure on higher education which it is not possible to disaggregate. Includes expenditure from the Capital Modernisation Fund, FE administrative funding, some Education Maintenance Allowance funding, rationalisation funding and Ethnic Minority Student Achievement Grant.

7 The Further Education Funding Council (FEFC) has responsibility for funding sixth form colleges, a number of specialist schools, some institutions outside the sector and further education courses in higher education institutions.

8 The Higher Education Funding Council for England (HEFCE), the FEFC and Teacher Training Agency (TTA) have received from 1997-98 a total grant figure with flexibility to make capital and recurrent allocations.

9 Includes tuition fees paid on students' behalf by local authorities, in addition to institutional funding by the TTA and HEFCE. Excludes maintenance expenditure. Figures for HEFCE recurrent grant from 1995-96 include provision for fee compensation to be transferred to the Welsh Office/National Assembly for Wales. Figures are actual and estimated expenditure.

10 For 1999-2000 the English element of Mandatory Awards funded via the Students Loan Company has been included. This has been estimated using the projected number of resident students in England and Wales for 1999/2000. The split of mandatory awards expenditure into fees and maintenance payments has been derived from projected estimates of expenditure.

11 Includes expenditure on discretionary awards and FE student support. Refer to Table 2, Lifelong learning, for further detail of FE student support.

12 Includes expenditure on maintenance awards, discretionary awards, access funds, postgraduate awards and EU fees. Includes the resource charges for student loans and the sale of student debt. Excludes cash outlay of student loans and maintenance attributable to Wales.

13 Includes local government administration costs, local and central government expenditure on the Youth Service (recurrent and capital), and central government expenditure on qualifications, international services, OFSTED and other miscellaneous services. Excludes the former Department for Education's and DfEE's running costs and expenditure on research and publicity.

TABLE 5b

Education expenditure¹ in England by central and local government by sector in real terms^{2,3}

£million at 1999-2000 prices

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 estimated
Schools⁴							
Capital⁵	1,200	1,163	1,088	1,090	1,132	1,221	1,371
Current of which	18,388	18,930	18,803	18,867	19,030	19,322	20,053
Under Fives	1,603	1,694	1,715	1,751	1,851	1,884	1,999
Primary	6,607	6,851	6,861	6,893	6,925	6,966	7,268
Secondary	8,491	8,692	8,622	8,624	8,599	8,700	8,968
Other ⁶	1,687	1,694	1,606	1,599	1,656	1,771	1,818
Further Education^{7,8,9}	3,309	3,423	3,526	3,542	3,440	3,410	3,538
Higher Education^{9,10,11}	5,045	5,310	5,281	5,015	4,980	4,852	4,907
Student Support							
Further Education ¹²	168	139	105	95	73	64	79
Higher Education ^{11,13}	1,506	1,618	1,511	1,414	1,355	1,319	1,194
Total	1,674	1,757	1,616	1,509	1,428	1,383	1,272
Administration, inspection costs and miscellaneous services¹⁴	1,520	1,491	1,467	1,472	1,515	1,554	1,679
Total	31,136	32,075	31,781	31,496	31,525	31,742	32,821

1 These figures exclude DfEE expenditure on Work Based Training for Young People, the careers service, Career Development Loans, University for Industry, Improving the Training Market and Management Development and Investors in People. Figures may not sum due to rounding.

2 Cash figures adjusted to 1999-2000 prices using June 2000 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.

3 The local authority figures in this table are actual, provisional (1998-99) and estimated (1999-00) outturn.

4 Includes expenditure on county, voluntary-aided, special agreement, grant-maintained schools, city technology colleges and other specialist schools. Central Government funding on grant-maintained schools has been apportioned to under-fives, primary and secondary sectors using pupil numbers. Under-fives figures include expenditure on Sure Start. Secondary school figures include expenditure on the assisted places, music and ballet schemes and the Technical and Vocational Education Initiative (TVEI).

5 Includes capital expenditure by central government, gross capital expenditure by local authorities, and, from 1997-98, expenditure on the New Deal for Schools which is funded from the Windfall Tax. Capital expenditure for 1999-00 is provisional and includes expenditure from the Capital Modernisation Fund. Excludes Private Finance Initiative credits.

6 Includes expenditure on meals, transport, non-maintained school fees, teachers' centres, child guidance and pupil support.

7 Includes a small element of local authority expenditure on higher education which it is not possible to disaggregate. Includes expenditure from the Capital Modernisation Fund, FE administrative funding, some Education Maintenance Allowance funding, rationalisation funding and Ethnic Minority Student Achievement Grant.

8 The Further Education Funding Council (FEFC) has responsibility for funding sixth form colleges, a number of specialist schools, some institutions outside the sector and further education courses in higher education institutions.

9 The Higher Education Funding Council for England (HEFCE), the FEFC and Teacher Training Agency (TTA) have received from 1997-98 a total grant figure with flexibility to make capital and recurrent allocations.

10 Includes tuition fees paid on students' behalf by local authorities, in addition to institutional funding by the TTA and HEFCE. Excludes maintenance expenditure. Figures for HEFCE recurrent grant from 1995-96 include provision for fee compensation to be transferred to the Welsh Office/National Assembly for Wales. Figures are actual and estimated expenditure.

11 For 1999-2000 the English element of Mandatory Awards funded via the Students Loan Company has been included. This has been estimated using the projected number of resident students in England and Wales for 1999/2000. The split of mandatory awards expenditure into fees and maintenance payments has been derived from projected estimates of expenditure.

12 Includes expenditure on discretionary awards and FE student support. Refer to Table 2, lifelong learning, for further detail of FE student support.

13 Includes expenditure on maintenance awards, discretionary awards, access funds, postgraduate awards and EU fees. Includes the resource charges for student loans and the sale of student debt. Excludes cash outlay of student loans and maintenance attributable to Wales.

14 Includes local government administration costs, local and central government expenditure on the Youth Service (recurrent and capital), and central government expenditure on qualifications, international services, OFSTED and other miscellaneous services. Excludes the former Department for Education's and DfEE's running costs and expenditure on research and publicity.

Distribution of expenditure in local education authority maintained schools in England 1998-99

CHART 1:
Pre-Primary and Primary Expenditure

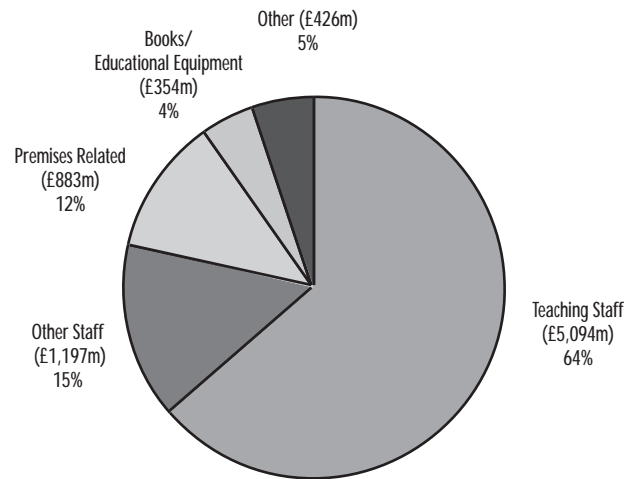


CHART 2:
Secondary Expenditure

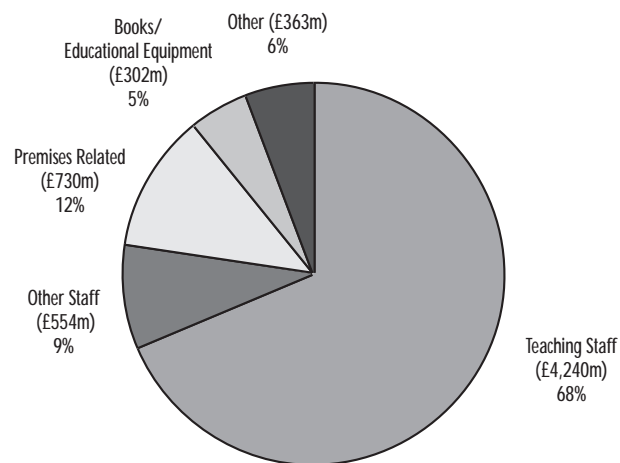


TABLE 6:
Unit costs¹ in real terms² per full-time equivalent pupil in local education authority maintained schools in England

£ at 1999-2000 prices

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99
Net institutional expenditure³									
(£m real terms) ²									
Pre-primary/primary	6,914	7,223	7,622	7,710	7,799	7,792	7,818	7,678	8,076
secondary ⁴	7,507	7,457	7,478	6,600	6,392	6,233	6,187	6,085	6,194
special	1,001	1,072	1,101	940	953	943	942	931	933
Full-time equivalent (FTE)									
number of pupils (thousands)									
Pre-primary/primary	3928	3968	4014	4047	4073	4122	4160	4183	4187
secondary ⁴	2828	2806	2762	2515	2443	2434	2436	2444	2469
special	98	80	91	88	91	91	90	90	90
Unit costs (per FTE pupil)⁵									
(£ in real terms) ²									
Pre-primary/primary	1,760	1,820	1,900	1,910	1,910	1,890	1,880	1,840	1,930
secondary ⁴	2,660	2,660	2,710	2,630	2,620	2,570	2,540	2,490	2,510
special	10,260	13,470	12,070	10,720	10,420	10,400	10,490	10,340	10,390

- 1 Net institutional expenditure (from local authority Revenue Outturn forms) and pupil FTEs in this table and the figures in Table 7 showing total revenue funding per pupil and pupil FTEs have not been calculated on the same basis and therefore the unit costs and units of funding from the two tables are not directly comparable. Spending in 1997-98 reflects the transfer of monies from local government to central government for the nursery vouchers scheme. These were returned to local government for 1998-99.
- 2 Cash figures adjusted to 1999-00 levels using June 2000 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.
- 3 Net institutional expenditure is a wider definition of expenditure than that used in Table 3.
- 4 From 1993-94 excludes sixth form colleges.
- 5 Rounded to the nearest £10.

TABLE 7:
Unit revenue funding¹ in real terms² per full-time equivalent pupils in maintained schools in England

£ at 1999-2000 prices

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Total revenue funding³	20,144	19,768	20,021	20,362	20,749	21,606
(£m in real terms)						
number of pupils aged 4-19 years (thousands)	7,120	7,220	7,295	7,353	7,402	7,440
(all maintained pupils for financial year)						
Unit funding per pupil aged 4-19⁴	2,830	2,740	2,740	2,770	2,800	2,900
(£ in real terms)						

- 1 Total revenue funding per pupil and pupil FTEs in this table have not been calculated on the same basis as Net institutional expenditure and pupil FTEs in table 6 and therefore the unit costs and units of funding from the two tables are not directly comparable.
- 2 Cash figures adjusted to 1999-2000 prices using June 2000 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.
- 3 Total revenue funding is calculated as the sum of Education Standard Spending, Standards Fund and Specific Grants.
- 4 Rounded to the nearest £10.

TABLE 8:
Unit costs/funding in real terms¹ per full-time equivalent student in further education and higher education in England

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 ²	1999-2000 estimated
Expenditure										
(£m in real terms) ¹										
Adult education centres ³	244	241	230							
Local education authority maintained institutions	2,744	2,787	2,855							
FEFC ⁴				3,218	3,332	3,362	3,398	3,305	3,181	3,251
Higher education ^{5,6}	4,295	4,558	4,770	5,015	5,255	5,261	4,999	4,923	4,933	5,003
Full-time equivalent number of students (thousands)										
Adult education centres	135	129	128							
Local education authority maintained institutions	715	765	802							
FEFC ⁷				859	913	987	1,017	1,005	991	988
Higher education ⁸	622	695	786	876	944	989	1,007	1,019	1,023	1,045
Unit costs/funding (per FTE student)⁹										
(£ in real terms) ¹										
Adult education centres	1,810	1,860	1,790							
Local education authority maintained institutions	3,840	3,640	3,560							
FEFC ^{7,10}				3,750	3,650	3,410	3,340	3,290	3,210	3,280
Higher education	6,910	6,560	6,070	5,730	5,570	5,320	4,970	4,830	4,820	4,790

1 Cash figures adjusted to 1999-2000 levels using June 2000 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.

2 1998-99 FEFC figures for FTEs and unit funding are estimated.

3 Net institutional expenditure (from local authority RO returns).

4 From 1993-94 the FEFC was established to provide for students studying in further education sector colleges. Until 1998-99, expenditure shown includes the total grant to the FEFC, excluding administrative expenditure. For 1999-00 it includes those monies provided for participation (including £10m additional money for the widening participation factor and £35m assumed additional employer contributions) and excludes administrative expenditure. In addition to the expenditure shown in this table the FEFC also received, in 1999-00, £35m from the Standards Fund and £40m for capital and IT. The series is published on a slightly different basis to previous years to ensure comparability with the Departmental Report.

5 Publicly planned funding on higher education presently includes grant to the HEFCE, grant to the Teacher Training Agency (TTA), and estimated fee income to English universities and colleges. Pre 1998-99 fees were paid, on the behalf of mandatory award holding students, entirely from public funds. From 1998-99 fee income includes students' private contributions towards the full-time undergraduate tuition fee. Prior to the establishment of the HEFCE in 1993-94, higher education was paid via the UFC and the PCFC. The TTA was established in 1995-96 and is responsible for the funding of teacher training.

6 In addition to the expenditure shown in this table the HE sector also received funding in support of research via the Research Councils, earmarked grant for capital investment and funds for measures to widen access. In cash terms Government expenditure in support of higher education institutions' research for the UK as a whole was £822m in 1995-96, £809m in 1996-97, £874m in 1997-98 and £858m in 1998-99. In 1999-2000 £85m was earmarked for HE capital expenditure, specifically for Information Communications and Technology (ICT) and research infrastructure. Government funding in cash terms for measures to widen access was 22m in 1997-98, £41m in 1998-99 and £81m in 1999-2000.

7 FTEs include all FEFC-funded students (FE and HE) in FE sector colleges and FEFC-funded students (FE) in external institutions, specialist designated institutions and higher education institutions. Incorporates revised estimates of student FTEs in external institutions and specialist designated institutions. From August 1999 (therefore affecting 1999-00), the 18,500 (FTEs) Higher National Diploma and Higher National Certificate students for whom funding has transferred to Higher Education Funding Council for England (HEFCE) are excluded.

8 FTEs in Higher Education include publicly funded, home and EU domiciled, full and part time students. The FTE factor for part time students is 0.35.

9 Rounded to the nearest £10.

10 From 1993-94 the FEFC was established to provide for students studying in further education sector colleges. The government funding per funded FTE student series is not comparable with the local education authority spending per FTE student series. Funding per funded FTE student excludes administrative expenditure in all years. For 1999-00 it includes monies provided for participation and assumed additional employer contributions, but excludes the additional money for the widening participation factor, FE Standards Fund and capital and IT.