

## Statistics of Education:

### Education and Training Expenditure since 1991-92



INVESTOR IN PEOPLE

*Issue No 07/01  
September 2001*

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ISBN 0 11 271116 2

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## EDUCATION AND TRAINING EXPENDITURE SINCE 1991-92

### Introduction

1 This bulletin updates the former Department for Education and Employment (DfEE) Statistical Bulletin 06/00 and provides longer, more detailed time-series and supplementary analyses than appear in the former DfEE's Departmental Report *'The Government's Expenditure Plans 2001-02 to 2003-04'* (Cm 5102) published in March 2001. The Bulletin provides detailed central government and local authority education and training outturn in England for the financial years 1991-92 to 2000-01 [outturn for 2000-01 has been estimated]. Over this period real terms expenditure at 2000-01 prices (see paragraph 10) increased from £30,716 million to £38,204 million, representing real terms growth of 24 per cent.

2 In June 2001, the Prime Minister announced the creation of a Department for Education and Skills (DfES), with responsibility for education, training and lifelong learning. Most of the employment policy responsibilities of the former DfEE were transferred to the new Department for Work and Pensions. The comparisons with historic year figures quoted in bulletins published by the former DfEE are not affected by this change, since all the areas covered by these are now the responsibility of the DfES. In addition, this year's bulletin only covers those years prior to the change in Departmental responsibilities.

3 Data are presented for England only unless otherwise stated. The 1999-00 and 2000-01 local authority figures shown in tables 3, 5a, 5b and 6 have been revised since they were published in the Departmental Report in light of more recent data. To give a more accurate picture of the total funding provided for each full-time equivalent student in further education (FE), Table 8 includes a series not previously included in this bulletin series or past Departmental Reports. It includes the other budgets made available for FE in addition to the participation monies underlying the Departmental Report series. Further details are contained in the footnotes to Table 8.

4 The central government figures in tables 1a, 1b, 2a, 2b, 5a and 5b are quoted in cash accounting terms for the years prior to 1998-99 and in resource accounting terms for 1998-99 onwards. This is reflected in the shading of the tables. The terms cash and resource accounting are explained in paragraphs 11, 12 and 13.

### Summary

5 In real terms:

- comparing 2000-01 estimated outturn with 1991-92, total expenditure on education and training (central government and local authority expenditure combined) rose by 24 per cent.

Central government's own expenditure (which accounts for around one third of the total) increased by 144 per cent whereas local authority expenditure increased by 1 per cent (Table 1b). The different increases in local authority and central government expenditure are partly due to the centralisation of some local authority responsibilities for further education (see paragraph 16).

- comparing 1999-00 outturn with 1991-92, expenditure per full-time equivalent (FTE) pupil in local education authority maintained pre-primary/primary schools increased by 12 per cent; it decreased by 2 per cent in secondary schools. Over this period, pupil numbers rose by 9 per cent in pre-primary/primary schools and by 13 per cent in secondary schools. The increase in pupil numbers is in the main due to the return of former GM schools to LEA maintenance in 1999-00 (leading to a 28 per cent rise in pupil numbers in LEA maintained secondary schools between 1998-99 and 1999-00 (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**:

- between 1993-94 and 2000-01 core participation funding per FTE student in FE fell by 14 per cent with a corresponding growth in FTE student numbers of 21 per cent (Table 8). Over the same period total funding per FTE student in FE fell by 10 per cent. Paragraph 33 provides more detail of the changes over this period;
- Government spending (excluding maintenance awards, loans and Access Funds) per FTE student in higher education institutions fell by 27 per cent between 1991-92 and 2000-01 against the background of a 53 per cent increase in student numbers (Table 8). Paragraph 34 provides more detail of the changes over this period;

### Background

6 The DfEE's Departmental Report *'The Government's Expenditure Plans 2001-02 to 2003-04'* (Cm 5102) published in March 2001 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, until the introduction of the Learning and Skills Council (LSC) in April 2001, was 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 and other student support; 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 1995-96, 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 for Transport, Local Government and the Regions<sup>1</sup> (DTLR). AEF also includes certain specific grants earmarked for particular purposes which are included in the programmes of the relevant spending departments.

**8** The 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** The UFC and the PCFC were dissolved on 31 March 1993 with new arrangements put in place in April of that year for funding further and higher education in England. This became the responsibility of two Funding Councils.

- (i) Up to April 2001 the FEFC was 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 fell within Schedule 2 to the Further and Higher Education (FHE) Act 1992. Local education authorities retained responsibility for securing adequate provision of further education which fell outside Schedule 2 to the Act. Within the FHE Act 1992,

the definition of further education was altered with full-time education suitable to the requirements of 16-18 year olds defined as further education, except where it was provided in schools. The FE sector was created on 1 April 1993, and was 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 also funded further education at institutions of higher education and at other institutions outside the further education sector. In 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 were transferred to the LSC (which was 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 Teacher Training Agency's (TTA) responsibility 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 (as the UK science budget is the responsibility of the Department of Trade and Industry, these figures are excluded from this bulletin). 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 (these figures are also excluded from the bulletin).

### Real terms figures

**10** Real terms figures in this bulletin (covering 1991-92 to, where available, 2000-01) are calculated by converting the cash figures to constant 2000-01 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 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 2001 have been used for this bulletin.

<sup>1</sup> DTLR : formerly the Department of the Environment, Transport and the Regions (DETR)

## Resource Accounting

**11** For the years prior to 1998-99, central government figures reflect cash-based accounting, and from 1998-99 onwards, resource-based accounting. LEA figures are in resource accounting terms for all years covered by this bulletin.

**12** In cash accounting, expenditure and income is recorded in the period in which cash is actually paid out or received. Resource accounting is based on techniques in which expenditure and income are matched to the period in which they are incurred or earned. Therefore in resource accounting expenditure and income are recorded in the year to which they relate – even if the money was paid out or received in a different year.

**13** The main impact of this change on the figures in this bulletin is in the treatment of capital expenditure. The introduction of resource accounting has brought about a clearer separation of capital and recurrent budgets so that, for example, capital expenditure by HEFCE, FEFC and TTA no longer appears as current expenditure. This explains, for example, the switch between central government current and capital expenditure in Tables 1a and 1b. Further information on resource accounting can be found on HM Treasury's website at [www.hm-treasury.gov.uk/docs/2001/rab\\_intro.html](http://www.hm-treasury.gov.uk/docs/2001/rab_intro.html).

## Overview and sources of further information

**14** 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 on training initiatives. 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 costs/funding per pupil or student.

**15** Further information can be obtained from the *Education Statistics 1998-99 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 2001 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 5101).

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

**16** 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 return of GM

schools to local education authority maintenance from 1999-00; the introduction of Fair Funding from April 1999; the transfer of some local authority functions to OFSTED in 1993-94; the transfer of funding of further education including sixth form colleges to the FEFC; the shift from fees to grant in 1993/94 for the higher education sector and the transfer of funding of higher education institutions to the HEFCE. These all have an effect on the distribution of expenditure between central and local government.

**17** In addition, the figures presented in Tables 1 to 4 include the Welsh element of student loans and mandatory awards and, pre 1993-94, the Welsh and Scottish elements of the UFC's expenditure. Also, Tables 1a and 1b include *net* local authority capital spending i.e. capital spending net of local authority receipts. Tables 5a and 5b exclude all non-England elements of expenditure (i.e. Welsh mandatory awards and student loans) and reflect *gross* capital spending at local authority level.

**18** **Tables 1a and 1b** set out total central and local government expenditure on education and training in cash and real terms, split between capital and current spending. Total education and training expenditure measured in 2000-01 prices rose from £30,716 million in 1991-92 to £33,600 million in 1994-95 before falling to £33,029 million in 1997-98. Expenditure has since risen, at an increasing rate, to an estimated £38,204 million in 2000-01. Overall this corresponds to a real terms increase in central and local government expenditure on education and training between 1991-92 and 2000-01 of 24 per cent. From 1991-92 to 2000-01 central government's own expenditure, defined for the purposes of this table as central government expenditure excluding support for local authorities, shows an increase of 144 per cent compared with an increase in real terms of 1 per cent in local authority expenditure – though both of these figures in part reflect shifts of responsibility (see paragraph 16 above). It should be noted that if adjustments were made to the local education authority expenditure series to account for the responsibilities which transferred, an increase of about 13-15 per cent would be indicated.

**19** Central government's own expenditure (as defined in paragraph 18) as a proportion of total expenditure on education and training, fell from 16 per cent in 1991-92 to 15 per cent in 1992-93 before rising sharply to 27 per cent in 1993-94, principally as a result of the formation of HEFCE and FEFC in that year. It then rose steadily to 30 per cent in 1997-98 as a result of additional expenditure on the HEFCE and FEFC and the transfer (in 1997-98) of £527 million from local authorities to central government for the nursery voucher scheme. In 1998-99, the nursery voucher money was transferred back to local authorities, with a corresponding fall in central government's own expenditure to 28 per cent of the total. Central government's own expenditure as a proportion of total expenditure on education and training then rose steadily to an estimated 32 per cent in 2000-01.



**20 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 (2000-01 prices) respectively. As well as the central government spending identified in Tables 1a and b, Tables 2a and 2b include support for local authorities (which is also shown in Table 3). Total DfEE and OFSTED expenditure, including support for local education authorities, increased, in real terms (Table 2b), from £8,595 million to an estimated £16,428 million (an increase of 91 per cent) between 1991-92 and 2000-01.

**21 Table 3** sets out local authority current expenditure in cash terms. Total current spending by local education authorities in England increased from £19,666 million in 1991-92 to an estimated £23,965 million in 2000-01 reflecting in part the transfer of responsibilities to central government. The categories in table 3 have been revised since the previous version of the bulletin was published. Specific details of the changes are contained in the footnotes to the table.

**22 Table 4** sets out local authority capital expenditure in cash terms. Gross capital spending (including, from 1997-98, New Deal for Schools) rose from £929 million in 1991-92 to £1,072 million in 1994-95, then fell to £1,016 million the following year before steadily rising again to £1,423 million in 1999-00. Gross capital spending is estimated to have risen further still to an estimated £2,284 million in 2000-01. Net capital spending rose from £822 million in 1991-92 to £845 million in 1992-93. It then fluctuated for the next four years before steadily rising again from 1997-98 to an estimated £2,181 million in 2000-01.

**23 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 spending 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 17 above). No account has been taken of any minor transfers of responsibility for expenditure between Departments. The distribution of expenditure between various sectors has been changing steadily since 1993-94. Expenditure on schools has risen from 63 per cent of the total in 1993-94 to an estimated 68 per cent in 2000-01. The proportion of expenditure on FE and other adult learning has remained steady at around 11 per cent of the total whilst expenditure on the HE sector has fallen by an estimated 2 percentage points from 16 per cent of the total in 1993-94 to an estimated 14 per cent in 2000-01. The proportion of expenditure on student support has fallen steadily from 5 per cent in 1993-94 to an estimated 4 per cent in 2000-01. Finally, the proportion of expenditure on administration, inspection costs and miscellaneous services fell from 5 per cent in 1993-94 to an estimated 3 per cent in 2000-01. In part, the changes in the "Schools" and "Administration, inspection costs

and miscellaneous services" lines of the tables reflect the revised category definitions as detailed in Table 3.

**24 Table 5b** shows that, in real terms, expenditure on education in England (as defined) rose by 3% between 1993-94 and 1994-95 before falling at a decreasing annual rate from £32,569 million in 1994-95 to £31,979 million in 1997-98. It then rose at an increasing annual rate to an estimated £36,887 million in 2000-01. These changes correspond to an overall real terms increase of 17 per cent between 1993-94 and 2000-01.

**25 Charts 1 and 2** show how expenditure was distributed between various categories in 1999-00 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 DfEE (now DfES). In both sectors teaching staff costs account for around two thirds of total expenditure and total staff costs for more than three quarters. These charts relate to gross expenditure and are therefore not directly comparable with the figures in Table 3 which refer to expenditure net of income.

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

**26 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.

**27** The spending data for local education authority maintained schools in this table 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 financing of capital expenditure, the cost of local authority administration and the cost of other support services such as home to school transport and school meals. The spending data to 1998-99 are drawn from local education authorities' Revenue Outturn returns (the "RO1") made to the DETR (now DTLR). The 1999-00 data are drawn from local authorities Section 52 outturn statements which are submitted to the DfEE (now DfES). The pupil numbers are drawn from the DfEE's Annual Schools' Census and have been converted to Full-Time Equivalents (FTEs).

**28** Between 1991-92 and 1998-99, total net institutional expenditure (NIE) in local education authority maintained pre-primary/primary schools increased by 12 per cent in real terms while pupil numbers increased by 6 per cent leading to an increase in real terms unit costs of 6 per cent. Over the same period expenditure in local

education authority maintained secondary schools decreased by 17 per cent while pupil numbers decreased by 12 per cent, in the main due to the transfer to the FEFC of sixth form colleges in April 1993, leading to a real terms decrease in unit cost of 6 per cent. Expenditure decreased by 1 per cent in local education authority maintained special schools between 1993-94 and 1998-99 (the years for which the figures are consistent - see footnote 6 to the table) while pupil numbers decreased by 2 per cent leading to a real terms increase in unit costs in special schools of 2 per cent.

**29** In 1999-00 grant maintained schools returned to local authority maintenance. This contributed to real terms increases in NIE between 1998-99 and 1999-00 in pre-primary/primary, secondary and special schools of 9 per cent, 32 per cent and 6 per cent respectively with corresponding increases in pupil numbers of 3 per cent, 28 per cent and 1 per cent. Against these changes unit costs increased in real terms by 6 per cent, 3 per cent and 5 per cent respectively.

**30** Revenue funding (defined as education standard spending plus all schools related revenue grants in DfEE's departmental expenditure limit which are relevant to pupils aged 4 to 19) per pupil educated in maintained schools in real terms is shown in **Table 7**. Total revenue funding increased by 15 per cent between 1994-95 and 2000-01 while the number of pupils (aged 4-19) increased by 5 per cent, leading to a 9 per cent increase in real terms unit funding per pupil. Unit funding per pupil fell by 3 per cent between 1994-95 and 1995-96 before rising by less than 1 per cent between 1995-96 and 1997-98. Between 1997-98 and 2000-01 the rate of increase grew year on year, with rises of 1 per cent between 1997-98 and 1998-99, 4 per cent between 1998-99 and 1999-00 and 7 per cent between 1999-00 and 2000-01. It should be noted that these figures are not comparable with those in Table 6 as they are calculated on a different basis.

**31** Unit funding (excluding student maintenance awards, student loans and Access Funds) for students in further and higher education is shown in **Table 8**. The table covers FEFC and publicly funded higher education institutions (see paragraph 9). Notional estimates are shown for the HE sector back to 1991-92, weighting together the PCFC and UFC institutions figures as appropriate. This table excludes the funding the HE sector receives in support of research via the Research Councils, earmarked grant for capital investment and funding for measures to widen access.

**32** Two series for FE unit funding are presented in Table 8. The first is based on core participation funding only and is consistent with series published in the Departmental Report and in previous bulletins. It excludes additional monies for FE capital, the FE standards fund and other categories. The additional FE unit funding series includes funding from these sources and as such gives a more complete picture of FE funding per FTE student. More detail is contained in the footnotes to the table.

**33** Based on core participation funding only, real terms unit funding per FTE student provided to the FEFC fell from £3,810 in 1993-94 to £3,260 in 1998-99, a decrease of 14 per cent. Unit funding then rose by 3 per cent to £3,360 in 1999-00 before falling 3 per cent to £3,280 in 2000-01. Based on total funding (as defined), real terms unit funding per FTE student provided to the FEFC fell from £3,810 in 1993-94 to £3,260 in 1998-99, a decrease of 14 per cent. It then rose by 6 per cent to £3,460 in 1999-00 before falling by 1 per cent to £3,420 in 2000-01. Student numbers increased by 19 per cent, from 859,000 to 1,025,000, between 1993-94 and 1996-97 before falling 4 per cent to 982,000 in 1999-00. Student numbers are estimated to have risen to 1,041,000 in 2000-01.

**34** The HE sector's unit funding per FTE student decreased in real terms from £6,660 in 1991-92 to an estimated £4,860 in 2000-01, a fall of 27 per cent. Real terms unit funding fell by 26 per cent from 1991-92 to 1997-98, representing an average annual decline of 5 per cent over this period. Between 1997-98 and 2000-01 unit funding fell on average by less than 1 per cent per year. Student numbers increased from 695,000 in 1991-92 to 1,064,000 in 2000-01, a rise of 53 per cent.

#### Further Information

**35** 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).

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

Central government and local authority expenditure on education and training – Tables 4.2, 4.3 and 4.4 of *The Government's Expenditure Plans 2001-02 to 2003-04 (Cm 5102)*.

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

Expenditure on schools, adult education centres and local education authority maintained colleges - Revenue Outturn and Section 52 returns.

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

Further education – Further Education Funding Council.

Higher education – Higher Education Statistics Agency.

June 2001 GDP deflators – Office for National Statistics (ONS), First Release: Quarterly National Accounts, 1st quarter 2001, published 26th June 2001.



**TABLE 1a:**  
Expenditure on education and training in England<sup>1</sup> in cash terms

	£million in cash prices									
Outturn	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 estimated
<b>Local authority expenditure<sup>2</sup></b>										
Capital <sup>3</sup>	822	845	736	944	940	931	982	1,169	1,321	2,181
Current <sup>4</sup>	19,666	21,353	19,812	20,088	20,077	20,540	20,472	21,947	22,139	23,965
<b>Total<sup>5</sup></b>	<b>20,488</b>	<b>22,198</b>	<b>20,548</b>	<b>21,032</b>	<b>21,017</b>	<b>21,471</b>	<b>21,454</b>	<b>23,116</b>	<b>23,460</b>	<b>26,146</b>
<b>Central government's own expenditure<sup>6, 7</sup></b>										
Capital <sup>8</sup>	30	13	7	4	4	2	2	180	231	246
Current <sup>8, 9</sup>	3,898	3,986	7,457	7,673	8,289	8,556	9,361	8,734	10,106	11,812
<b>Total</b>	<b>3,928</b>	<b>3,999</b>	<b>7,465</b>	<b>7,678</b>	<b>8,292</b>	<b>8,558</b>	<b>9,363</b>	<b>8,914</b>	<b>10,337</b>	<b>12,058</b>
<b>Total expenditure</b>										
Capital	852	858	743	948	944	933	984	1,349	1,552	2,427
Current	23,564	25,339	27,269	27,762	28,366	29,096	29,834	30,681	32,245	35,777
<b>Total</b>	<b>24,416</b>	<b>26,197</b>	<b>28,013</b>	<b>28,710</b>	<b>29,309</b>	<b>30,029</b>	<b>30,817</b>	<b>32,030</b>	<b>33,797</b>	<b>38,204</b>

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

2 Local authority expenditure includes central government support identified separately in Table 2 as well as self-financed expenditure identified in Table 3. Local authority figures for 1999-00 are provisional.

3 Gross capital spending plus New Deal for Schools net of local authority receipts as shown in Table 4.

4 Net of receipts from Polytechnic and Colleges Funding Council/Higher Education Funding Council for England. 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.

5 The sharp decrease in local authority expenditure on education between 1992-93 and 1993-94 reflects the transfer of responsibility for providing most kinds of further education from local education authorities to the Further Education Funding Council on 1 April 1993.

6 Includes expenditure on OFSTED, total central government's own expenditure (as identified in Tables 2a and 2b). Excludes grants to local authorities.

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

8 From 1998-99, the introduction of resource accounting has brought about a clearer separation of capital and recurrent budgets so that, for example, capital expenditure by HEFCE, FEFC and the Teacher Training Agency no longer appears as current expenditure. This in part explains the switch between central government current and capital expenditure in that year.

9 £527m for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99.

**TABLE 1b:**  
Expenditure on education and training in England<sup>1</sup> in real terms<sup>2</sup>

£million at 2000-01 prices

Outturn	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 estimated
<b>Local authority expenditure<sup>3</sup></b>										
Capital <sup>4</sup>	1,034	1,029	873	1,105	1,069	1,026	1,052	1,218	1,346	2,181
Current <sup>5</sup>	24,740	26,014	23,513	23,510	22,840	22,638	21,941	22,869	22,555	23,965
<b>Total<sup>6</sup></b>	<b>25,774</b>	<b>27,043</b>	<b>24,386</b>	<b>24,614</b>	<b>23,909</b>	<b>23,664</b>	<b>22,994</b>	<b>24,087</b>	<b>23,901</b>	<b>26,146</b>
Index (1991-92 = 100)	100	105	95	95	93	92	89	93	93	101
<b>Central government's own expenditure<sup>7, 8</sup></b>										
Capital <sup>9</sup>	38	16	8	5	4	2	2	188	235	246
Current <sup>9, 10</sup>	4,904	4,856	8,850	8,980	9,429	9,430	10,033	9,101	10,296	11,812
<b>Total</b>	<b>4,942</b>	<b>4,872</b>	<b>8,859</b>	<b>8,985</b>	<b>9,433</b>	<b>9,433</b>	<b>10,035</b>	<b>9,289</b>	<b>10,531</b>	<b>12,058</b>
Index (1991-92 = 100)	100	99	179	182	191	191	203	188	213	244
<b>Total expenditure</b>										
Capital	1,072	1,045	882	1,110	1,073	1,028	1,054	1,406	1,581	2,427
Current	29,644	30,870	32,363	32,490	32,269	32,068	31,975	31,970	32,851	35,777
<b>Total</b>	<b>30,716</b>	<b>31,915</b>	<b>33,245</b>	<b>33,600</b>	<b>33,343</b>	<b>33,097</b>	<b>33,029</b>	<b>33,376</b>	<b>34,432</b>	<b>38,204</b>
Index (1991-92 = 100)	100	104	108	109	109	108	108	109	112	124

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

2 Cash figures adjusted to 2000-01 levels using June 2001 GDP deflators.

3 Local authority expenditure includes central government support identified separately in Table 2 as well as self-financed expenditure identified in Table 3. Local authority current figures for 1999-00 are provisional.

4 Gross capital spending plus New Deal for Schools net of local authority receipts as shown in Table 4.

5 Net of receipts from Polytechnic and Colleges Funding Council/Higher Education Funding Council for England. 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.

6 The sharp decrease in local authority expenditure on education between 1992-93 and 1993-94 reflects the transfer of responsibility for providing most kinds of further education from local education authorities to the Further Education Funding Council on 1 April 1993.

7 Includes expenditure on OFSTED, total central government's own expenditure (as identified in Tables 2a and 2b). Excludes grants to local authorities.

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

9 From 1998-99, the introduction of resource accounting has brought about a clearer separation of capital and recurrent budgets so that, for example, capital expenditure by HEFCE, FEFC and the Teacher Training Agency no longer appears as current expenditure. This in part explains the switch between central government current and capital expenditure in that year.

10 £527m for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99.

**TABLE 2a:**Central Government expenditure and grants to local authorities within the education and training programmes in cash terms<sup>1</sup>

£million in cash prices

Outturn	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 estimated
<b>Early years and schools</b>										
Sure Start								#	7	58
Under fives <sup>2</sup>	1	1	1	1	1	21	637	134	122	143
Provision for 3 yr olds									28	109
Class size reductions									142	235
<b>Main schools capital</b>	<b>603</b>	<b>674</b>	<b>497</b>	<b>633</b>	<b>616</b>	<b>657</b>	<b>729</b>	<b>924</b>	<b>1,012</b>	<b>1,841</b>
Of which, Voluntary-aided schools <sup>3</sup>	111	114	114	111	95	83	104	118	130	132
Former grant maintained schools <sup>4</sup>				143	126	143	149	132	126	80
Capital Grants within Standards Fund								67	71	375
Credit approvals <sup>5</sup>	492	560	383	379	395	431	399	376	450	540
New Deal for Schools								78	231	714
Assisted places	76	93	92	101	105	118	135	125	103	83
Music & ballet scheme	7	6	7	7	7	8	9	10	11	12
Other Standards Fund	235	220	192	184	152	161	219	255	409	750
(including former GEST programmes) <sup>6</sup>										
Special grants to schools										345
Specialist schools and city technology colleges <sup>7</sup>	56	50	50	51	65	77	89	97	106	128
Education Action Zones								10	25	60
Excellence in Cities									23	180
National Grid for Learning								50	51	99
Qualifications framework	18	20	32	31	57	68	69	82	84	92
Modernising the teaching profession				2	126	196	211	210	249	737
Other miscellaneous programmes <sup>8</sup>	62	54	32	112	115	123	161	128	56	80
Of which, Grant maintained schools current spending <sup>9</sup>			2	80	88	97	110	94	16	25
<b>Total early years and schools</b>	<b>1,058</b>	<b>1,118</b>	<b>901</b>	<b>1,122</b>	<b>1,245</b>	<b>1,430</b>	<b>2,259</b>	<b>2,025</b>	<b>2,428</b>	<b>4,952</b>
<b>Lifelong Learning</b>										
Further education <sup>10, 11</sup>		25	2,701	2,840	3,025	3,154	3,154	3,146	3,271	3,523
FE student support <sup>11, 12</sup>						6	6	24	53	104
Work Based Training for Young People <sup>11</sup>	746	617	640	647	635	734	740	712	801	886
Learning and Skills Council										31
Careers Service <sup>13</sup>		8	20	149	193	199	208	205	227	240
Union Learning Fund								2	3	5
Connexions service										21
Connexions card										7
DFEE Innovations Fund <sup>14</sup>	13	14	12	11	7	4	6	7	5	2
Neighbourhood Support Fund									10	15
Adult education and skills initiative <sup>15</sup>	11	19	5	6	4	5	5	92	67	117
Youth service	5	5	5	5	5	4	4	4	5	5
University Funding Council	1,786	1,810								
Polytechnic and Colleges Funding Council <sup>16</sup>	993	1,035								
Higher Education Funding Council for England <sup>17</sup>			2,792	3,419	3,613	3,448	3,508	3,544	4,113	4,349
Student loans RAB charge	50	80	110	200	260	330	359	410	604	938
Mandatory Awards: Maintenance and Fees <sup>18</sup>	1,984	2,538	2,749	2,437	2,107	2,008	1,982	1,877	1,073	768
Access funds and bursaries	23	23	24	27	28	22	22	39	82	87
Student support administration		11	14	17	19	16	19	21	49	36
British Academy	17	20	22	23	24	24	29	29	31	34
Career Development Loans	5	7	8	10	12	14	11	13	15	15
Individual Learning Accounts								1	2	41
Learndirect							1	3	6	12
Adult Guidance									7	19
University for Industry (within departmental expenditure limit)								1	42	69
Improving the training Market		23	25	18	17	16	7	6	7	6
New entrepreneur scholarships/management development <sup>19</sup>					2	2	2	1	1	1
Investors in People UK			1	2	2	2	2	2	2	2
Other miscellaneous programmes <sup>20</sup>	134	132	50	53	42	15	15	45	1	32
<b>Total Lifelong Learning</b>	<b>5,767</b>	<b>6,367</b>	<b>9,176</b>	<b>9,863</b>	<b>9,993</b>	<b>10,002</b>	<b>10,078</b>	<b>10,183</b>	<b>10,475</b>	<b>11,365</b>

**TABLE 2a: CONTINUED**
**Central Government expenditure and grants to local authorities within the education and training programmes in cash terms<sup>1</sup>**

£million in cash prices

Outturn	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 estimated
<b>Activities to Support All Objectives</b>										
Compensation Payments	7	7	7	7	7	6	6	6	5	5
Misc			#	#	1	1	1	2	1	1
<b>Total Activities to support all objectives</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>6</b>
<b>Total Education and Training</b>	<b>6,832</b>	<b>7,492</b>	<b>10,085</b>	<b>10,993</b>	<b>11,246</b>	<b>11,438</b>	<b>12,344</b>	<b>12,216</b>	<b>12,909</b>	<b>16,323</b>
OFSTED			46	63	82	122	150	111	86	105
<b>Total Education, Training and OFSTED</b>	<b>6,832</b>	<b>7,492</b>	<b>10,131</b>	<b>11,056</b>	<b>11,328</b>	<b>11,560</b>	<b>12,494</b>	<b>12,327</b>	<b>12,995</b>	<b>16,428</b>

- 1 Figures may not sum due to rounding. Amounts below £500,000 are indicated by #.
- 2 £527 million for nursery vouchers was transferred from local to central government in 1997-98 and returned to local government from 1998-99.
- 3 Voluntary aided, special agreement and non-maintained special schools.
- 4 Capital spending for former grant-maintained schools has been absorbed by the capital spending for other schools on a roll-out basis since 1999-00. This reflects the change in status of grant-maintained schools.
- 5 Provision for local authority borrowing for all education services.
- 6 Excludes special grant for schools in 2000-01. For continuity with previous years, figures exclude section 11 and Ethnic Minorities Achievement Grant expenditure (£82 million in 1999-00 and £95 million in 2000-01).
- 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 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 The figures for 1998-99 to 2000-01 are in resource accounting terms and as such are not comparable with the unit funding figures in Table 8 which are in cash accounting terms.
- 11 Funding from April 2001 becomes the responsibility of the Learning and Skills Council.
- 12 This total covers funding for FE access funds, FE childcare support, FE residential students, some HE students attending FE colleges and some pilot funding.
- 13 From 1997-98 the whole of the Careers Service budget is contracted with private companies. The activities of the Careers Service will be taken over by the Connexions Service on a roll-out basis starting in 2001-02.
- 14 Includes figures for Enterprise in Higher Education and Other Higher Education Projects.
- 15 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.
- 16 Includes voluntary and former direct grant colleges, as well as institutions transferring from local education authorities.
- 17 The 1999-00 figures include amounts allocated to intercalating students.
- 18 Includes funds to be transferred to Wales as a result of changes to the student support system arising from the Dearing Review.
- 19 This work and other smaller programmes will be amalgamated into the New Entrepreneur Scholarships scheme from April 2001.
- 20 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<sup>1</sup>

£million at 2000-01 prices

Outturn	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 estimated
<b>Early years and schools</b>										
Sure Start								#	7	58
Under fives <sup>2</sup>	1	1	1	1	1	23	682	139	124	143
Provision for 3 yr olds									28	109
Class size reductions									145	235
<b>Main schools capital</b>	<b>759</b>	<b>821</b>	<b>589</b>	<b>741</b>	<b>701</b>	<b>724</b>	<b>781</b>	<b>963</b>	<b>1,031</b>	<b>1,841</b>
Of which, Voluntary-aided schools <sup>3</sup>	140	139	135	130	108	92	111	123	133	132
Former grant maintained schools <sup>4</sup>				167	144	158	159	138	128	80
Capital Grants within Standards Fund								70	73	375
Credit approvals <sup>5</sup>	619	682	455	444	449	475	427	392	459	540
New Deal for Schools							84	241	238	714
Assisted places	96	113	110	119	119	130	144	130	105	83
Music & ballet scheme	9	7	8	8	8	9	10	10	11	12
Other Standards Fund (including former GEST programmes) <sup>6</sup>	296	268	228	216	173	177	235	265	417	750
Special grants to schools										345
Specialist schools and city technology colleges <sup>7</sup>	70	61	59	60	74	85	95	101	108	128
Education Action Zones								11	25	60
Excellence in Cities									23	180
National Grid for Learning								52	52	99
Qualifications framework	23	24	37	36	65	75	74	86	86	92
Modernising the teaching profession				2	144	216	227	219	254	737
Other miscellaneous programmes <sup>8</sup>	78	66	38	132	131	136	172	133	57	80
Of which, Grant maintained schools current spending <sup>9</sup>			2	94	100	107	117	98	17	25
<b>Total early years and schools</b>	<b>1,331</b>	<b>1,362</b>	<b>1,070</b>	<b>1,313</b>	<b>1,416</b>	<b>1,576</b>	<b>2,421</b>	<b>2,110</b>	<b>2,473</b>	<b>4,952</b>
<b>Lifelong Learning</b>										
Further education <sup>10, 11</sup>		30	3,206	3,324	3,441	3,477	3,380	3,278	3,332	3,523
FE student support <sup>11, 12</sup>						7	6	25	54	104
Work Based Training for Young People <sup>11</sup>	938	752	760	757	722	809	793	742	816	886
Learning and Skills Council										31
Careers Service <sup>13</sup>		10	24	174	220	219	223	213	232	240
Union Learning Fund								2	3	5
Connexions service										21
Connexions card										7
DfEE Innovations Fund <sup>14</sup>	16	17	14	13	8	4	6	7	5	2
Neighbourhood Support Fund									10	15
Adult education and skills initiative <sup>15</sup>	14	23	6	6	5	5	5	96	68	117
Youth service	6	6	6	6	5	4	4	4	5	5
University Funding Council	2,247	2,205								
Polytechnic and Colleges Funding Council <sup>16</sup>	1,249	1,261								
Higher Education Funding Council for England <sup>17</sup>			3,313	4,001	4,110	3,800	3,760	3,693	4,191	4,349
Student loans RAB charge	63	97	131	234	296	364	384	427	616	938
Mandatory Awards: Maintenance and Fees <sup>18</sup>	2,496	3,092	3,262	2,853	2,397	2,213	2,124	1,956	1,093	768
Access funds and bursaries	29	28	28	31	31	24	23	40	83	87
Student support administration		13	17	20	21	17	20	22	50	36
British Academy	21	24	26	27	27	27	31	31	32	34
Career Development Loans	6	9	9	12	14	15	12	14	15	15
Individual Learning Accounts								1	2	41
Learndirect							1	3	6	12
Adult Guidance									7	19
University for Industry (within departmental expenditure limit)								1	43	69
Improving the training Market		28	30	21	19	18	8	7	7	6
New entrepreneur scholarships/management development <sup>19</sup>					2	2	2	1	1	1
Investors in People UK			1	2	2	2	2	2	2	2
Other miscellaneous programmes <sup>20</sup>	169	161	59	63	47	17	16	47	1	32
<b>Total Lifelong Learning</b>	<b>7,255</b>	<b>7,757</b>	<b>10,891</b>	<b>11,543</b>	<b>11,369</b>	<b>11,024</b>	<b>10,801</b>	<b>10,611</b>	<b>10,672</b>	<b>11,365</b>



**TABLE 2b: CONTINUED**Central Government expenditure and grants to local authorities within the education and training programmes in real terms<sup>1</sup>

£million at 2000-01 prices

Outturn	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 estimated
<b>Activities to Support All Objectives</b>										
Compensation Payments	9	9	9	8	7	7	6	6	6	5
Misc			#	1	1	1	1	2	1	1
<b>Total Activities to support all objectives</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>6</b>	<b>6</b>
<b>Total Education and Training</b>	<b>8,595</b>	<b>9,127</b>	<b>11,969</b>	<b>12,865</b>	<b>12,793</b>	<b>12,607</b>	<b>13,230</b>	<b>12,729</b>	<b>13,152</b>	<b>16,323</b>
OFSTED			55	74	93	134	161	116	88	105
<b>Total Education, Training and OFSTED</b>	<b>8,595</b>	<b>9,127</b>	<b>12,023</b>	<b>12,939</b>	<b>12,886</b>	<b>12,741</b>	<b>13,391</b>	<b>12,845</b>	<b>13,239</b>	<b>16,428</b>

1 Cash figures adjusted to 2000-01 prices using June 2001 GDP deflators. Figures may not sum due to rounding. Amounts below £500,000 are indicated by #.

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

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

4 Capital spending for former grant-maintained schools has been absorbed by the capital spending for other schools on a roll-out basis since 1999-00. This reflects the change in status of grant-maintained schools.

5 Provision for local authority borrowing for all education services.

6 Excludes special grant for schools in 2000-01. For continuity with previous years, figures exclude section 11 and Ethnic Minorities Achievement Grant expenditure (£82 million in 1999-00 and £95 million in 2000-01).

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 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 The figures for 1998-99 to 2000-01 are in resource accounting terms and as such are not comparable with the unit funding figures in Table 8 which are in cash accounting terms.

11 Funding from April 2001 becomes the responsibility of the Learning and Skills Council.

12 This total covers funding for FE access funds, FE childcare support, FE residential students, some HE students attending FE colleges and some pilot funding.

13 From 1997-98 the whole of the Careers Service budget is contracted with private companies. The activities of the Careers Service will be taken over by the Connexions Service on a roll-out basis starting in 2001-02.

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

15 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.

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

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

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

19 This work and other smaller programmes will be amalgamated into the New Entrepreneur Scholarships scheme from April 2001.

20 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<sup>1</sup>

Outturn	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	£ million in cash prices	
									1999-00 provisional	2000-01 estimated
<b>Schools</b>										
Under fives <sup>2, 3</sup>	1,086	1,217	1,312	1,408	1,467	1,540	1,049	1,765	1,999	2,223
Primary schools	4,685	5,086	5,305	5,592	5,761	5,971	6,153	6,397	6,820	7,690
Secondary schools <sup>4</sup>	6,050	6,481	6,458	6,744	6,905	7,140	7,299	7,633	8,210	9,206
Special schools	868	916	966	977	1,011	1,061	1,092	1,156	1,166	1,251
Meals <sup>5</sup>	417	448	413	396	365	366	355	357	344	350
Transport <sup>6</sup>	318	334	349	389	396	415	461	485	531	578
Non-maintained school fees <sup>7</sup>	189	197	191	203	203	217	240	248	270	280
Teacher development <sup>8</sup>	87	65	108	91	63	69	73	76	74	79
Access/Pupil support <sup>9</sup>	38	71	67	58	55	42	38	39	44	111
Other support services <sup>10</sup>	197	298	315	332	351	366	402	479	943	960
<b>Higher and Further Education<sup>11, 12</sup></b>	<b>2,187</b>	<b>2,294</b>	<b>308</b>	<b>270</b>	<b>222</b>	<b>196</b>	<b>170</b>	<b>163</b>	<b>170</b>	<b>151</b>
<b>Miscellaneous Services, Research and Administration</b>										
Youth service	239	244	253	256	252	247	248	257	268	277
Other community services <sup>13</sup>	82	52	59	71	72	74	64	70	52	54
Central administration <sup>14, 15</sup>	1,041	930	801	750	754	750	778	872	381	354
<b>Total current spending less expenditure funded by specific grants outside AEF<sup>16, 17</sup></b>	<b>17,483</b>	<b>18,632</b>	<b>16,905</b>	<b>17,538</b>	<b>17,876</b>	<b>18,454</b>	<b>18,422</b>	<b>19,996</b>	<b>21,272</b>	<b>23,563</b>
Technical and vocational education initiative	124	130	104	65	35	14	3	2		
Work related further education	93	98	29	35	47	53	54	60	59	60
Receipts from PCFC/HEFCE <sup>18</sup>	40	34	16	13	12	11	11	11	11	11
Mandatory student awards <sup>19</sup>	1,926	2,459	2,758	2,437	2,107	2,008	1,982	1,877	796	331
<b>Total current spending on education</b>	<b>19,666</b>	<b>21,353</b>	<b>19,812</b>	<b>20,088</b>	<b>20,077</b>	<b>20,540</b>	<b>20,472</b>	<b>21,947</b>	<b>22,139</b>	<b>23,965</b>

- 1 Local authority expenditure includes central government support, self financed expenditure and a range of other grants (such as Revenue Support Grant). Only the first of these elements is included in Tables 2a/b.
- 2 1997-98 outturn expenditure reflects the transfer of £527 million from local government to central government for the nursery voucher scheme.
- 3 Includes expenditure on rising fives, nursery schools, all under fives in primary schools and in the private, voluntary and independent sectors. Rising fives are defined as those children registered at the January census date who were aged under five in the preceding August.
- 4 Responsibility for maintaining sixth form colleges passed from local authorities to the Further Education Funding Council on 1 April 1993.
- 5 Includes all net expenditure on meals, whether paid by the local authority or from schools' delegated budgets.
- 6 Includes some transport for further education students.
- 7 Mainly for pupils with special educational needs. Excludes expenditure on under fives in the private, voluntary and independent sectors.
- 8 This category was named **Teachers' Centres** in previous bulletins and covers the cost of trainers who train existing teachers and the costs of the various teacher and curriculum training centres.
- 9 This category was previously named **Pupil Support** and includes support for young people to continue in education without hardship. Figures for 1999-00 onwards include expenditure on Educational Maintenance Allowance (EMA). Figures for 2000-01 include Access Funds for post 16-year-old pupils in schools.
- 10 For the years prior to 1999-00, **Other support services** comprises expenditure previously referred to as "**Child Guidance**" – e.g. expenditure associated with the educational welfare and psychological services, operational units such as computer centres, educational technology centres, education support centres and field centres. For 1999-00 onwards, expenditure covers, in addition to "Child Guidance" (as defined), costs associated with other support services including Educational Development Plans, Asset Management Plans, school places planning, admissions and appeals and, for 1999-00 only, advice to and support for schools on financial and personnel administration.
- 11 This category is an amalgamation of the categories previously referred to as higher education, further education in further education sector colleges, further education in adult education centres, further education for adults and discretionary awards. On 1 April 1993 responsibility for providing higher and most types of further education passed from local authorities to HEFCE and FEFC.
- 12 LEAs' powers to make discretionary awards to FE and HE students were changed from 1999-00. Awards continue for some FE students but a new award scheme was introduced for those on dance and drama courses. For part-time HE students, loans of £500 and fee waivers have been introduced, and there are increased Hardship Funds.
- 13 This category was previously named **Recreational Services and Research** and covers the costs of such items as the hiring of school premises to community groups and contribution costs in respect of leisure centres.
- 14 For years prior to 1999-00, **Central Administration** comprises expenditure previously referred to as **Administration and Inspection Costs**. From 1999-00 onwards it covers the cost of carrying out statutory and regulatory duties. Other administration and inspection costs are included within the other categories of this table.
- 15 Figures for 1993-94 onwards exclude spending on functions that passed from local authorities to OFSTED on 1 April 1993.
- 16 Outturn data for 1995-96 to 1998-99 was drawn from education Revenue Outturn Statements which LEAs submitted to the Department of Environment, Transport and the Regions. Figures for 1999-00 were drawn from Section 52 (Table 3) outturn statements which LEAs submitted to the DfEE. 2000-01 figures are estimated and the schools categories include, for this year, an estimate of the Teachers' Green Paper threshold monies.
- 17 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; for education these include Technical and Vocational Education Initiative (TVEI), Work Related Further Education (WRFE) and mandatory awards.
- 18 Grants from the Higher Education Funding Council for England in respect of prescribed courses of higher education in local authority institutions.
- 19 Includes payments to public sector higher education institutions as reimbursements of fees for European Union students. Figures for 1999-00 and 2000-01 are from 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 expenditure<sup>1</sup> on education in England

Outturn	£ million in cash prices									
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 estimated
Gross capital spending <sup>2</sup>	929	950	957	1,072	1,016	1,052	1,037	1,027	1,216	1,570
New Deal for Schools							78	224	207	714
Local authority receipts	-107	-105	-221	-128	-76	-121	-133	-82	-102	-103
<b>Total net spending</b>	<b>822</b>	<b>845</b>	<b>736</b>	<b>944</b>	<b>940</b>	<b>931</b>	<b>982</b>	<b>1,169</b>	<b>1,321</b>	<b>2,181</b>

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 expenditure<sup>1</sup> in England by central and local government by sector in cash terms<sup>2</sup>

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00 provisional	2000-01 estimated
£million in cash prices								
<b>Schools<sup>3</sup></b>								
<b>Capital<sup>4</sup></b>	1,027	1,009	971	1,005	1,072	1,204	1,361	2,227
<b>Current</b>	<b>15,732</b>	<b>16,424</b>	<b>16,783</b>	<b>17,403</b>	<b>18,013</b>	<b>18,840</b>	<b>20,592</b>	<b>22,959</b>
Of which, Under fives	1,372	1,469	1,531	1,614	1,754	1,837	2,074	2,353
Primary	5,653	5,944	6,124	6,351	6,560	6,836	7,259	8,161
Secondary	7,264	7,542	7,696	7,963	8,131	8,483	9,050	10,079
Other <sup>5</sup>	1,443	1,469	1,433	1,475	1,569	1,684	2,209	2,366
<b>Further education and other adult learning<sup>6, 7</sup></b>	2,831	2,970	3,147	3,263	3,254	3,341	3,473	3,812
<b>Higher education<sup>7, 8, 9</sup></b>	4,317	4,607	4,713	4,620	4,707	4,785	4,903	5,267
<b>Student support</b>	<b>1,432</b>	<b>1,524</b>	<b>1,443</b>	<b>1,390</b>	<b>1,351</b>	<b>1,398</b>	<b>1,242</b>	<b>1,375</b>
Of which, Further Education <sup>10</sup>	144	120	94	88	69	73	86	114
Higher Education <sup>9, 11</sup>	1,288	1,404	1,349	1,302	1,282	1,325	1,156	1,261
<b>Administration, inspection costs and miscellaneous services<sup>12</sup></b>	1,300	1,294	1,309	1,356	1,440	1,537	1,111	1,247
<b>Total</b>	<b>26,639</b>	<b>27,829</b>	<b>28,366</b>	<b>29,037</b>	<b>29,838</b>	<b>31,105</b>	<b>32,682</b>	<b>36,887</b>

1 Excludes DFEE expenditure on Work-Based Training for Young People, careers service, career development loans, learndirect, improving the training market, management development and Investors in People. Figures for 1998-99 onwards are resource-based. Central government figures for 1993-94 to 1997-98 are cash-based. The shading of the table reflects this.

2 The recurrent local authority figures in this table are drawn from Table 3; the footnotes to that table set out the underlying data sources which changed from the Department of Environment, Transport and the Region's education Revenue Outturn return (the 'RO1') to the DFEE's Section 52 Outturn Statement in 1999-00. They reflect actual expenditure for 1995-96 to 1999-00 and are estimated for 2000-01.

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 appointed 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.

4 Includes local authority schools capital expenditure financed by central government grants (including New Deal for Schools, and information communication technology funded through the National Grid for Learning), credit approvals, local education authorities' own contributions and the schools element of the Capital Modernisation Fund. Excludes Private Finance Initiative (PFI) credits (£35m in 1997-98, £130m in 1998-99 and £350m in each of 1999-00 and 2000-01).

5 Includes expenditure on meals, transport, non-maintained school fees, teacher development, access/pupil support and other support services (as defined in Table 3).

6 Includes expenditure by the Further Education Funding Council (FEFC) and on other adult education, local authority expenditure and the UK online centres in England funded by the Capital Modernisation Fund. FEFC had responsibility for funding further education and sixth form colleges, a number of specialist schools, some institutions outside the further education sector and further education courses in higher education institutions. The Learning and Skills Council took over these responsibilities on 1 April 2001.

7 The Higher Education Funding Council for England (HEFCE) and FEFC received from 1997-98 (FEFC) and 1996-97 (HEFCE) a total grant figure with flexibility to make both capital and recurrent allocations. From 1999-00 HEFCE and FEFC have also been allocated some separate earmarked capital funding.

8 Includes tuition fees paid on students' behalf by local authorities, in addition to institutional funding by the Teacher Training Agency and HEFCE. Excludes maintenance expenditure.

9 Excludes the Welsh element of mandatory awards fee payments. Includes, for 1999-00 onwards, the English element of student support funded via the Student Loans Company. For 2000-01 this has been estimated using the projected number of resident students in England and Wales. The split of student support in that year into fees and maintenance payments has been derived from projected estimates of expenditure. Figures reflect the phasing out and replacement of local authority discretionary awards by centrally administered access funds.

10 Comprises mainly expenditure by local authorities and FEFC on student support for students in further education but also some other students, e.g. in school sixth forms. It also includes some expenditure related to Education Maintenance Allowances.

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

12 Includes local government administration costs, local and central government expenditure on the Youth Service (recurrent and capital), central government expenditure on qualifications, international services, OFSTED, post-16 transitional funding and other miscellaneous services. Excludes the DFEE's administration costs. From 1999-00, a portion of local authority administration and inspection costs is delegated to schools and is included within the school current expenditure lines.

**TABLE 5b**  
Education expenditure<sup>1</sup> in England by central and local government by sector in real terms<sup>2, 3</sup>

£million at 2000-01 prices

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00 provisional	2000-01 estimated
<b>Schools<sup>4</sup></b>								
<b>Capital<sup>5</sup></b>	1,219	1,181	1,105	1,107	1,149	1,254	1,386	2,227
<b>Current</b>	<b>18,671</b>	<b>19,221</b>	<b>19,093</b>	<b>19,181</b>	<b>19,306</b>	<b>19,631</b>	<b>20,979</b>	<b>22,959</b>
Of which, Under fives	1,628	1,719	1,741	1,778	1,880	1,914	2,113	2,353
Primary	6,709	6,956	6,967	7,000	7,031	7,123	7,395	8,161
Secondary	8,621	8,827	8,755	8,777	8,714	8,839	9,221	10,079
Other <sup>6</sup>	1,713	1,719	1,630	1,625	1,681	1,754	2,250	2,366
<b>Further education and other adult learning<sup>7, 8</sup></b>	3,360	3,476	3,580	3,597	3,487	3,481	3,539	3,812
<b>Higher education<sup>8, 9, 10</sup></b>	5,123	5,392	5,362	5,092	5,045	4,986	4,995	5,267
<b>Student support</b>	<b>1,699</b>	<b>1,784</b>	<b>1,641</b>	<b>1,532</b>	<b>1,448</b>	<b>1,457</b>	<b>1,265</b>	<b>1,375</b>
Of which, Further Education <sup>11</sup>	171	140	107	97	74	76	87	114
Higher Education <sup>10,12</sup>	1,529	1,643	1,534	1,435	1,374	1,381	1,177	1,261
<b>Administration, inspection costs and miscellaneous services<sup>13</sup></b>	1,543	1,514	1,489	1,495	1,544	1,601	1,132	1,247
<b>Total</b>	<b>31,615</b>	<b>32,569</b>	<b>32,270</b>	<b>32,003</b>	<b>31,979</b>	<b>32,412</b>	<b>33,297</b>	<b>36,887</b>

1 Excludes DFEE expenditure on Work-Based Training for Young People, careers service, career development loans, leardirect, improving the training market, management development and Investors in People. Figures for 1998-99 onwards are resource-based. Central government figures for 1993-94 to 1997-98 are cash-based. The shading of the table reflects this.

2 All figures have been converted to 2000-01 price levels using the June 2001 Gross Domestic Product (GDP) deflators.

3 The recurrent local authority figures in this table are drawn from Table 3; the footnotes to that table set out the underlying data sources which changed from the Department of Environment, Transport and the Region's education Revenue Outturn return (the 'RO1') to the DFEE's Section 52 Outturn Statement in 1999-00. They reflect actual expenditure for 1995-96 to 1999-00 and are estimated for 2000-01.

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 appointed 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.

5 Includes local authority schools capital expenditure financed by central government grants (including New Deal for Schools, and information communication technology funded through the National Grid for Learning), credit approvals, local education authorities' own contributions and the schools element of the Capital Modernisation Fund. Excludes Private Finance Initiative (PFI) credits (£35m in 1997-98, £130m in 1998-99 and £350m in each of 1999-00 and 2000-01).

6 Includes expenditure on meals, transport, non-maintained school fees, teacher development, access/pupil support and other support services (as defined in Table 3).

7 Includes expenditure by the Further Education Funding Council (FEFC) and on other adult education, local authority expenditure and the UK online centres in England funded by the Capital Modernisation Fund. FEFC had responsibility for funding further education and sixth form colleges, a number of specialist schools, some institutions outside the further education sector and further education courses in higher education institutions. The Learning and Skills Council took over these responsibilities on 1 April 2001.

8 The Higher Education Funding Council for England (HEFCE) and FEFC received from 1997-98 (FEFC) and 1996-97 (HEFCE) a total grant figure with flexibility to make both capital and recurrent allocations. From 1999-00 HEFCE and FEFC have also been allocated some separate earmarked capital funding.

9 Includes tuition fees paid on students' behalf by local authorities, in addition to institutional funding by the Teacher Training Agency and HEFCE. Excludes maintenance expenditure.

10 Excludes the Welsh element of mandatory awards fee payments. Includes, for 1999-00 onwards, the English element of student support funded via the Student Loans Company. For 2000-01 this has been estimated using the projected number of resident students in England and Wales. The split of student support in that year into fees and maintenance payments has been derived from projected estimates of expenditure. Figures reflect the phasing out and replacement of local authority discretionary awards by centrally administered access funds.

11 Comprises mainly expenditure by local authorities and FEFC on student support for students in further education but also some other students, e.g. in school sixth forms. It also includes some expenditure related to Education Maintenance Allowances.

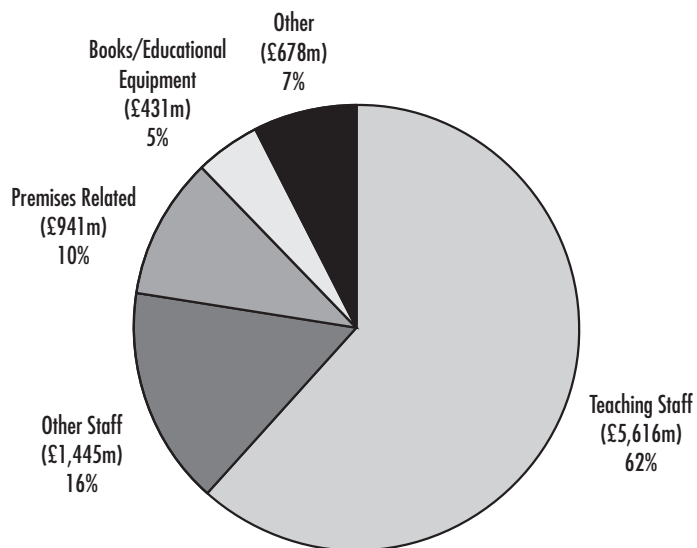
12 Includes expenditure on maintenance awards, discretionary awards, access funds, postgraduate awards and European Union fees, resource charges for student loans and the sale of student debt. Excludes cash outlay of student loans and maintenance attributable to Wales.

13 Includes local government administration costs, local and central government expenditure on the Youth Service (recurrent and capital), central government expenditure on qualifications, international services, OFSTED, post-16 transitional funding and other miscellaneous services. Excludes the DFEE's administration costs. From 1999-00, a portion of local authority administration and inspection costs is delegated to schools and is included within the school current expenditure lines.

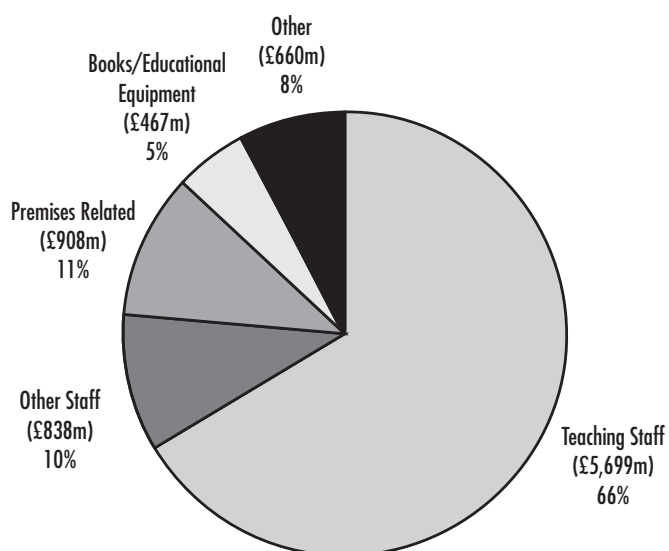


# Distribution of expenditure in local education authority maintained schools in England, 1999-00

**CHART 1:  
Pre-Primary and Primary Expenditure**



**CHART 2:  
Secondary Expenditure**



**TABLE 6:**  
Unit costs<sup>1</sup> in real terms<sup>2</sup> per full time equivalent pupil in local education authority maintained schools<sup>3</sup> in England

	£ at 2000-01 prices								
	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00 provisional
<b>Net institutional expenditure<sup>4</sup></b>									
<b>(£m real terms)<sup>2</sup></b>									
Pre-primary/primary	7,334	7,739	7,832	7,919	7,912	7,938	7,797	8,206	8,922
Secondary <sup>5</sup>	7,572	7,593	6,704	6,490	6,329	6,282	6,179	6,294	8,338
Special <sup>6</sup>	1,088	1,118	954	967	958	957	945	948	1,005
<b>Full-time equivalent (FTE)</b>									
<b>number of pupils (thousands)</b>									
Pre-primary/primary	3,968	4,014	4,047	4,073	4,122	4,160	4,183	4,187	4,313
Secondary <sup>5</sup>	2,806	2,762	2,515	2,443	2,434	2,436	2,444	2,469	3,162
Special <sup>6</sup>	99	99	92	92	91	90	90	90	91
<b>Unit costs (per FTE pupil)<sup>7</sup></b>									
<b>(£ in real terms)<sup>2</sup></b>									
Pre-primary/primary	1,850	1,930	1,940	1,940	1,920	1,910	1,860	1,960	2,070
Secondary <sup>5</sup>	2,700	2,750	2,670	2,660	2,600	2,580	2,530	2,550	2,640
Special <sup>6</sup>	11,030	11,260	10,390	10,480	10,510	10,630	10,500	10,550	11,050

- 1 Net institutional expenditure 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 unit funding in 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 from 1998-99.
- 2 Cash figures are adjusted to 2000-01 levels using June 2001 GDP deflators.
- 3 The expenditure data to 1998-99 are drawn from the annual 'RO1' spending returns which local authorities submitted to the Department of Environment, Transport and the Regions. Expenditure data for 1999-00 are taken from local education authorities' Section 52 Outturn Statements submitted to the DfEE. The pupil data are drawn from the DfEE Annual Schools Census. The 1999-00 figures reflect the return of GM schools to local authority maintenance.
- 4 Net institutional expenditure is a wider definition than that used in Table 3.
- 5 From 1993-94 excludes sixth form colleges.
- 6 For 1991-92 and 1992-3 includes pupils receiving special education other than at school.
- 7 Figures are rounded to the nearest £10.

**TABLE 7:**  
Unit revenue funding<sup>1</sup> in real terms<sup>2</sup> per full-time equivalent pupil in maintained schools in England

	£ at 2000-01 prices						
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
<b>Total revenue funding<sup>3</sup></b>	20,231	19,872	20,110	20,311	20,733	21,670	23,213
<b>(£m in real terms)</b>							
<b>Number of pupils aged 4-19 years (thousands)</b>	7,124	7,227	7,302	7,361	7,411	7,449	7,472
<b>(all maintained pupils for financial year)</b>							
<b>Unit funding<sup>4</sup> per pupil aged 4-19</b>	2,840	2,750	2,750	2,760	2,800	2,910	3,110
<b>(£ in real terms)</b>							

- 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 unit funding in the two tables are not directly comparable.
- 2 Cash figures adjusted to 2000-01 prices using June 2001 GDP deflators.
- 3 Funding consists of Education Standard Spending plus all schools-related revenue grants in DfEE's departmental expenditure limit which are relevant to pupils aged 4 to 19.
- 4 Rounded to the nearest £10.

**TABLE 8:**  
Unit funding in real terms<sup>1</sup> per full-time equivalent student in further and higher education in England

£ at 2000-01 prices

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00 provisional	2000-01 plans
<b>Expenditure</b>										
<i>(£m in real terms)<sup>1</sup></i>										
FEFC core participation <sup>2, 3</sup>			3,268	3,383	3,413	3,451	3,356	3,232	3,302	3,412
FEFC total funding <sup>3, 4</sup>			3,268	3,383	3,413	3,451	3,356	3,232	3,398	3,562
Higher Education <sup>5, 6</sup>	4,628	4,844	5,093	5,336	5,342	5,076	4,999	5,012	5,097	5,172
<b>Full-time equivalent number of students (thousands)</b>										
FEFC <sup>7</sup>			859	913	987	1,025	1,019	992	982	1,041
Higher Education <sup>8</sup>	695	786	876	944	989	1,007	1,019	1,023	1,041	1,064
<b>Unit funding (per FTE student)<sup>8, 9</sup></b>										
<i>(£ in real terms)<sup>1</sup></i>										
FEFC core participation			3,810	3,710	3,460	3,370	3,290	3,260	3,360	3,280
FEFC total funding			3,810	3,710	3,460	3,370	3,290	3,260	3,460	3,420
Higher Education	6,660	6,160	5,820	5,650	5,400	5,040	4,910	4,900	4,900	4,860

1 Cash figures adjusted to 2000-01 levels using June 2001 GDP deflators.

2 From 1999-2000, the figures include only those monies provided for participation and assumed additional employer contributions; FEFC administration costs and student support are excluded, as is certain funding provided for earmarked purposes from 1999-00, the main ones being capital, FE Standards Fund and special grants to colleges for raising standards.

3 From 1999/00 onwards, the figures exclude 18,500 FTE Higher National Certificate and Higher National Diploma students and their associated funding which has been transferred to HEFCE. Figures for 2000-01 reflect some adjustments between FE budgets which impact on the expenditure and student numbers included in the calculation of unit funding in that year. The expenditure figures are in cash-based accounting terms and as such are not comparable with the figures in tables 2a and 2b for the years 1998-99 onwards.

4 Until 1998-99, the figures include the total grant to the FEFC, but not FEFC administration costs or student support. From 1999-00, the figures include those monies provided for participation, assumed additional employer contributions and certain funding for earmarked purposes, in particular capital, FE Standards Fund and special grants to colleges for raising standards. FEFC administration costs and student support are excluded.

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.

7 Full-time-equivalent (FTE) students funded by the Further Education Funding Council (FEFC) in either further education sector colleges (further and higher education students) or in external institutions, specialist designated institutions and higher education institutions (further education students only). Figures for 1996-97 and 1997-98 have been revised upwards to correct a slight measurement error in previous years.

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.