

Statistics of Education

Education and Training Expenditure since 1994-95



INVESTOR IN PEOPLE

Issue bweb03 - 2004
October 2004

EDUCATION AND TRAINING EXPENDITURE SINCE 1994-95

Introduction

The Bulletin provides detailed central government and local authority education and training outturn in England for the financial years 1994-95 to 2002-03 together with estimated figures for 2003-04.

This bulletin updates the Department for Education and Skills (DfES) Statistical Bulletin 04/03 and provides longer, more detailed time-series and supplementary analyses than appear in the DfES's Departmental Report (Cm 6202) published in April 2004.

The commentary and tables presented are split into two sections.

SECTION A. The first section (tables A1-A7) covers central government and local authority expenditure on education (both current and capital) and expenditure on training initiatives.

SECTION B. The second section (tables B1-B6) sets recurrent expenditure and revenue funding against pupil or student numbers for the different sectors of education, resulting in the calculation of costs per pupil or student.

A glossary of the terms used throughout this publication is included at the back. Items that are included in the glossary are shown in italics.

Key Facts

SECTION A: Education and training expenditure

Overall expenditure

- Between 1994-95 and 2003-04, total expenditure rose from £36,284 million to an estimated £49,131 million (real terms) which represents an increase of 35 per cent. **(Table A1)**
- The distribution of expenditure between various sectors of education has been changing since 1994-95. The proportion of recurrent expenditure deployed in the schools sector increased from 59 per cent of the total in 1994-95 to an estimated 64 per cent in 2003-04. The proportion of expenditure rose slightly in the further education sector. **(Table A6)**

Local Authority expenditure

- Total local authority recurrent spending in real terms in England increased from £25,388 million in 1994-95 to an estimated £30,220 million in 2003-04. **(Table A1)**
- The vast majority of recurrent expenditure on schools was spent on maintained primary schools (34%) and secondary schools (42%). **(Chart 3)**

Central Government expenditure

- In 2003-04, it was estimated that Central Government's own expenditure was £16,152 million on education and training which represents almost a third of all education and training expenditure. **(Table A1)**
- Since 1994-95 Central Government expenditure has risen in real terms by 66 per cent. **(Table A1)**

SECTION B: Expenditure and funding unit costs

Expenditure and funding per pupil

- Between 1994-95 and 1998-99, real terms school based expenditure per pupil in maintained pre-primary/primary schools increased by £10 per pupil and has fell by £110 (4 per cent) per pupil in maintained secondary schools. Since 1999-00 school based expenditure per pupil has increased by 18 per cent in maintained primary schools and by 15 per cent in maintained secondary schools. **(Table B2)**
- Between 1994-95 and 2003-04 real terms funding has increased by £710 per pupil or 24 per cent. **(Table B4)**

Funding per student

- Between 1998-99 and 2001-02 there were year-on-year increases in real terms total funding per student in further education. In 2002-03 this dropped

by 2 per cent and it is estimated to stay at roughly the same level in 2003-04. (Table B5)

- Real terms unit funding in higher education has remained broadly constant since 1997-98 but under current plans will increase to £5,420 in 2003-04. (Table B6)

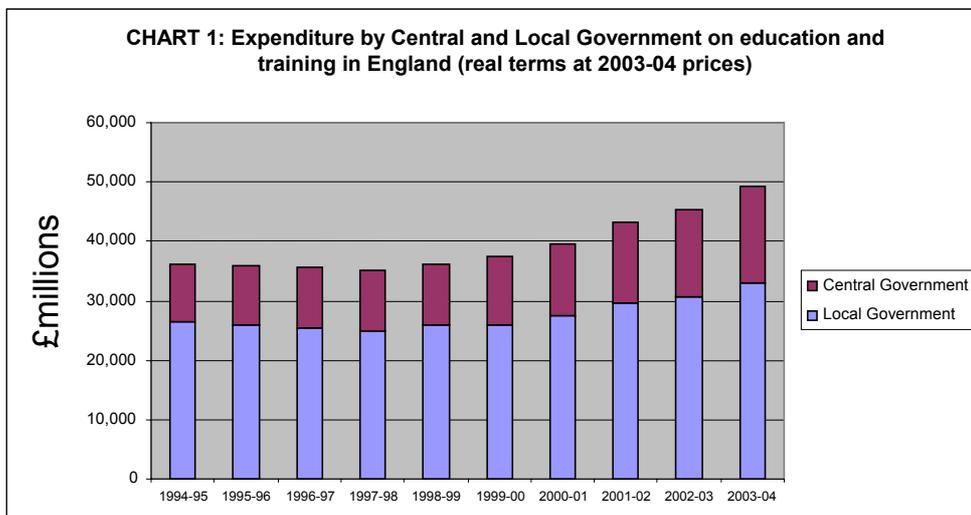
SECTION A

Expenditure on education and training in England – Tables A1 to A7.

1. Total education and training expenditure measured in 2003-04 prices rose from £36,284 million in 1994-95 to an estimated £49,131 million in 2003-04. Overall this corresponds to a real terms increase in central and local government expenditure on education and training between 1994-95 and 2003-04 of 35 per cent. From 1994-95 to 2003-04 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 around 66 per cent compared with a 24 per cent increase in real terms in local authority expenditure – though both of these figures in part reflect shifts of responsibilities (return of GM schools; introduction of Fair Funding; Nursery voucher scheme).

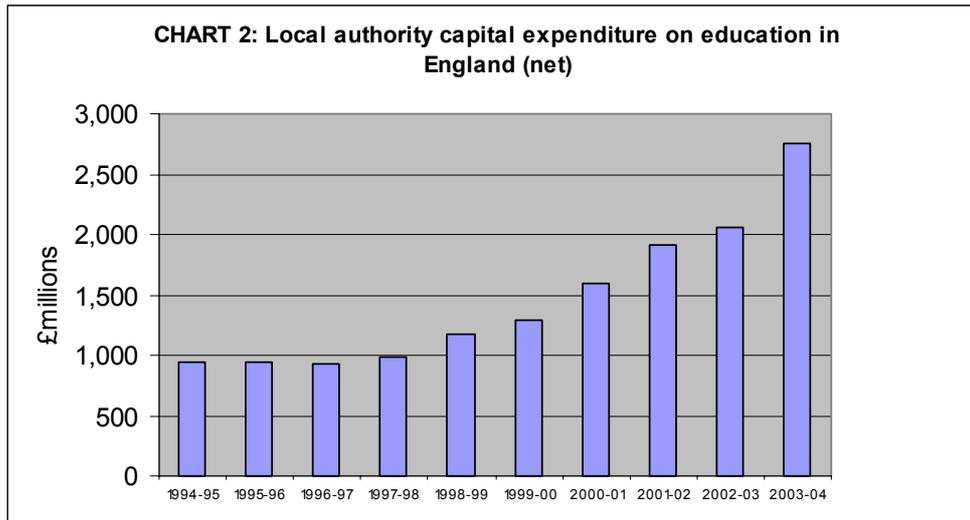
2. The introduction of *resource accounting* in 1998-99 has brought about a clearer separation of capital and recurrent budgets. Total current expenditure has risen since 1997-98. Local Authority capital expenditure in *cash terms* rose from £982 million in 1997-98 to £2,054 million in 2002-03 and is estimated to have increased to £2,760 million in 2003-04.

3. **Chart 1** shows central government's own expenditure as a proportion of total expenditure on education and training over the last decade. Since 1994-95, central government expenditure as a proportion of all expenditure increased from 27 per cent in 1994-95 to 33 per cent in 2002-03. It is also estimated for 2003-04 that almost a third of expenditure on education and training in England will be central government's own expenditure.



Local Authority capital expenditure on education in England

4. **Table A2** sets out local authority capital expenditure in cash terms. Gross capital spending fluctuated between 1994-95 and 2000-01. However, in the following 3 years, it experienced significant cash terms increases and in 2003-04 was estimated to have risen to £2,946 million. **Chart 2** which is based on the data in Table A2 shows that since 1996-97, net capital spending, including the new deal for schools, has experienced successive year on year growth, with the greatest increase between 2002-03 and 2003-04.

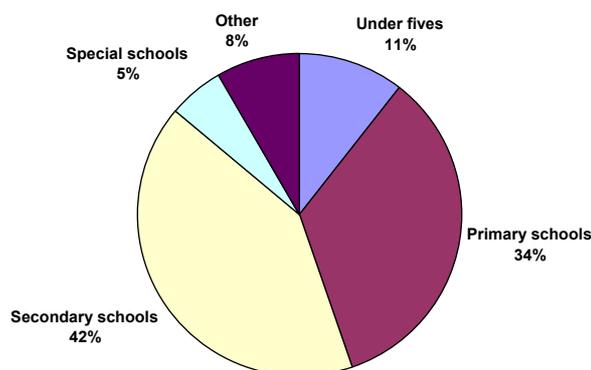


Local authority current expenditure on education in England

5. **Table A3** sets out local authority current expenditure in cash terms. Total current spending by local education authorities in England increased from £20,088 million in 1994-95 to an estimated £30,220 million in 2003-04 although this reflects in part the transfer of responsibilities from central government.

6. **Chart 3** shows how local authority expenditure on schools is estimated to be distributed in 2003-04. It shows that £3 out of every £4 is spent in maintained primary and secondary schools while the rest goes on special schools, under 5's and LEA support for schools.

CHART 3: Distribution of Local Authority current expenditure in school, England: 2003-04



Section 52 Outturn 2002-03 Table A England Summary

7. **Table A4** is a replica of the outturn statement, required from each LEA, summed to provide all England figures. It shows school and LEA expenditure split by teaching staff, education support staff, and other employee and running expenses. The income elements can be subtracted to provide net rather than gross figures. Full descriptions of the row and column headings can be found in "The Education (outturn statements) (England) regulations 2003 and accompanying guidance". A breakdown of these figures to LEA level is available on the DfES Schools and LEA Funding Division (SLEAF) website at [DfES: LEA Gateway](#)

8. Lines 54 and 55 of Table A4 show that the total closing balances in 2002-03 were around £1,190 million. Further information available in the school level tables of the outturn statements, which match well with this total and are the preferred source for balances data, show that this amount is made up of around 20,000 schools that were in surplus and 2,600 schools that were in deficit. This compares with closing balances in 2001-02 totalling around £1,255 million showing that schools have collectively spent around £65 million from balances during 2002-03. The opening balance figures do not match well between school level tables and LEA level tables or with previous years closing balances and their use is not recommended.

9. **Charts 4a, b and c** are based on the data in table A4 and show a distribution of revenue expenditure in local authority maintained schools in England 2002-03. In all school sectors, staffing costs represent approximately four fifths of local authority revenue expenditure. There are however differences in the distributions of expenditure between teaching staff and education support staff, education support staff being highest in special schools (23%) with a smaller proportion in primary schools (11%) and secondary schools (6%).

CHART 4a: Distribution of local authority revenue expenditure in maintained primary schools in England: 2002-03

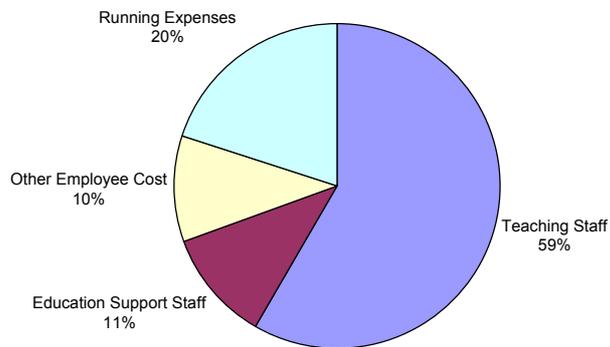


CHART 4b: Distribution of local authority revenue expenditure in maintained secondary schools in England: 2002-03

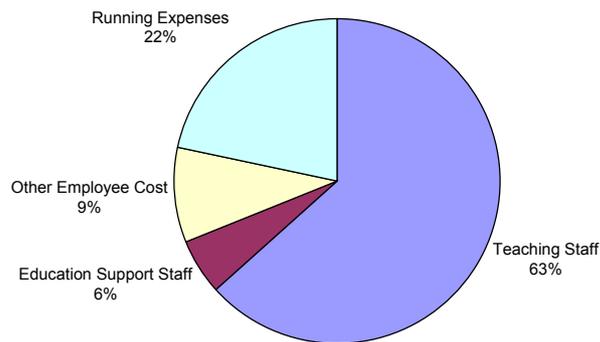
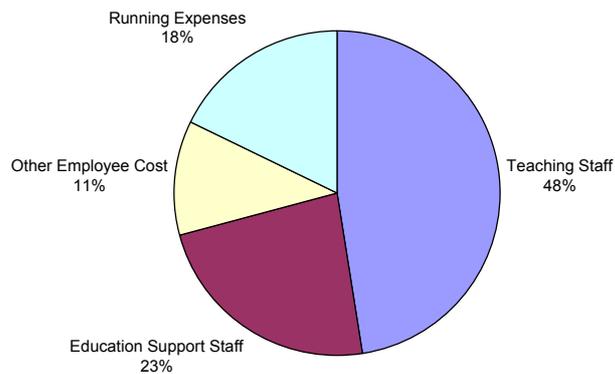


CHART 4c: Distribution of local authority revenue expenditure in maintained special schools in England: 2002-03



Central government expenditure and grants to local authorities within the education and training programmes.

10. **Table A5 (cash and real terms)** sets out the DfES and OfSTED education and training expenditure programme and grants to local education authorities in cash and real terms (2003-04 prices). As well as the central government spending identified in table A1, table A5 also includes grant support for local authorities.

11. Total DfES and OfSTED expenditure, including support for local education authorities, rose, in real terms, from £14,104 million in 1994-95 to an estimated £25,421 million in 2003-04, a rise of 80 per cent.

12. This table differs from a similar table published in the Departmental Annual Report in that this bulletin uses the Treasury definitions of what is covered by Education and Training only and therefore some elements are not included. These include: childcare, careers service, child and family support service, children's services grant, neighbourhood support fund and career development loans. In 2003-04 the total amount of expenditure for the above mentioned elements was estimated at £825m.

Education expenditure in England of central and local government by sector

13. **Table A6** shows the breakdown of central and local government expenditure on education by sector in *cash and real terms*. These tables have been derived from central and local government outturn where available; figures have been estimated for the latest year. No account has been taken of any minor transfers of responsibility for expenditure between Departments. OfSTED expenditure is not included.

14. The time series for higher education do not take account of private contributions towards the costs of tuition and reflect some technical accounting adjustments. The figures in the higher education student support lines take account of a number of changes to the system during the period, and reflect the resource accounting and budgeting treatment of student loans. Under this system, the figures for the student loans RAB charge represent the economic cost to the Government of providing the loans (which reflect future repayments), rather than the actual cash value of student support available to students via loans. This is further complicated by the fact that loans issued since 1998 under the new Income Contingent loans scheme attract a different resource charge than those that were issued under the original Mortgage-Style loans scheme, and that both loan schemes are affected by changes in the Treasury discount rate. The student loans RAB charge figures cannot therefore be compared across years on a like-for-like basis, and similarly cannot be compared with other non-loan programme lines.

15. The distribution of expenditure between various sectors has been steadily changing since 1994-95. In line with the Government's commitment to invest in schools and the early years, current expenditure on schools has risen from 59 per cent of the total in 1994-95 to an estimated 64 per cent in 2003-04. The proportion of expenditure on FE and other adult learning has remained steady (11-12%). The proportion of expenditure on the HE sector has fallen steadily since 1994-95 by an estimated 5 percentage points from 17 per cent of the total in 1994-95 to an

estimated 12 per cent in 2003-04. The proportion of expenditure on student support has shown an apparent drop from 5 per cent in 1994-95 to an estimated 2 per cent in 2003-04, though this reflects technical changes in the accounting treatment of student loans (as described in para 14 above) rather than a real-terms drop in cash support available to students. Finally, the proportion of expenditure on administration, inspection costs and miscellaneous services fell from 5 per cent in 1994-95 to an estimated 3 per cent in 2003-04.

16. **Table A6 (real terms)** shows that expenditure on education in England fell by 2 per cent between 1994-95 and 1996-97. Following this it started to climb to show an overall increase of 35 per cent over the ten year period.

Schools Capital Allocations

17. Figures given in the tables of this bulletin so far have been outturn, **Table A7** covers capital allocations. There is an inevitable time lapse between the allocation of capital and spend on an investment project, and consequently the out-turn cycle of capital spend does not match allocation. This is because authorities can have some flexibility in timing of exercising borrowing approvals and may choose not to utilise the whole of their borrowing approvals; or some capital grant programmes, including those allocating capital directly to schools, may include roll-over flexibility.

18. The department allocates funding to support capital investment in schools in line with the government's spending review cycle, and aims to give authorities three year certainty on the bulk of their schools capital funding. As well as capital grant this includes borrowing support and PFI credits. Authorities may also support capital investment from additional sources.

19. **Table A7** shows Central government allocations for capital investment in schools which totalled £4.2 billion in 2003-04. The bulk of this funding is allocated through the Spending Review process, and can be augmented by funding announced by the Chancellor in pre-Budget statements or Budget announcements. This funding includes £1.3 billion of windfall tax allocated to the New Deal for Schools programme in four tranches from 1998 to 2002. Further information and details of the allocation of schools capital programmes can be found through www.teachernet.gov.uk/schoolscapital.

SECTION B

Recurrent expenditure and funding unit costs - Tables B1 to B6

20. **Table B1** summarises the unit funding and unit cost series in tables B2 to B6. This is intended as an overview table only as the unit costs are calculated on a different basis for each area and are therefore not directly comparable.

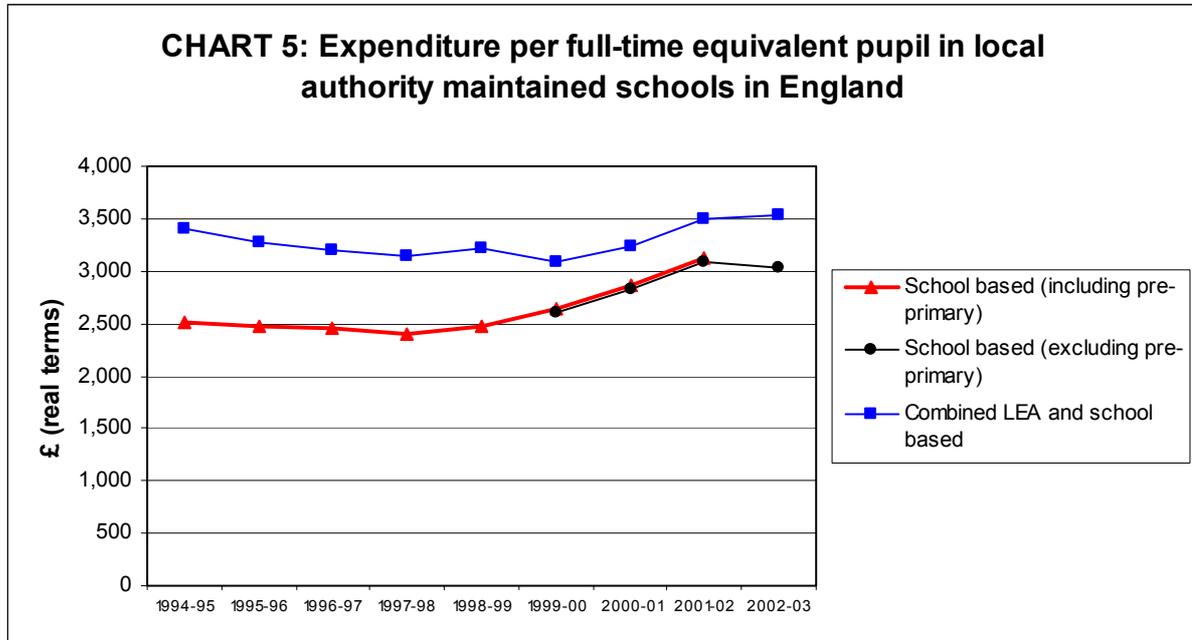
Expenditure per pupil in maintained schools

21. **Table B2** 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. This is referred to as the school based expenditure as it covers only that expenditure incurred directly by the schools. The spending data for local education authority maintained schools covers net 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 and rents and rates. They exclude the central cost of support services such as home to school transport, local authority administration and the financing of capital expenditure.

22. 1999-00 saw a change in data source when the data collection moved from the RO1 form by the ODPM to the Section 52 form from the DfES. 2002-03 saw a further break in the time series following the introduction of Consistent Financial Reporting (CFR) and the associated restructuring of the outturn tables. The 2002-03 calculation is broadly similar to the calculation in previous years. However, 2001-02 and earlier years includes all premature retirement compensation (PRC) and Crombie payments, mandatory PRC payments and other indirect employee expenses. In 2001-02 this accounted for approximately £70 per pupil. In 2002-03 only the schools element of these categories is included and accounted for approximately £50 per pupil. Also, for some LEAs, expenditure that had previously been attributed to the school sectors was reported within the LEA part of the form in 2002-03, though this is not quantifiable from existing sources. Thus the 2002-03 unit cost is not directly comparable with previous years.

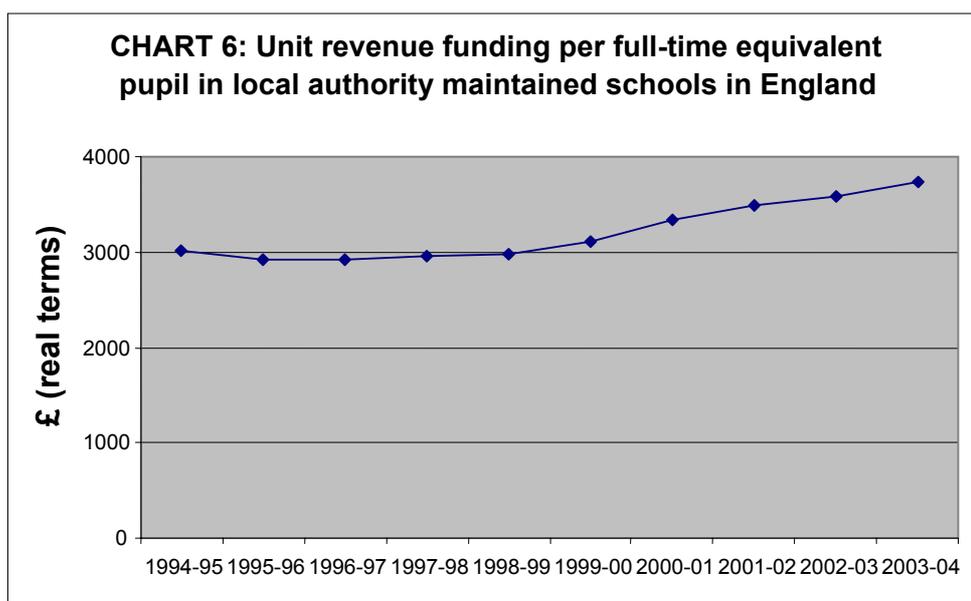
23. **Table B3** shows combined LEA and school based expenditure (in real terms) on the education of children in pre-primary, primary, secondary and special school establishments. This includes all elements of LEA central expenditure except youth and community and capital expenditure from revenue (CERA). Pupil figures include all pre-primary pupils, including those under 5s funded by the LEA and being educated in private settings, pupils educated in maintained mainstream schools and other LEA maintained pupils: Other LEA maintained pupils consists of pupils attending pupil referral units who are not registered at a maintained mainstream school plus pupils attending schools not maintained by the Authority for whom the Authority is paying full tuition fees or those educated otherwise than in schools and pupil referral units under arrangements made by the Authority. Similar to table B2, a change in the source of data collection took place in 1999-00 and the outturn form was restructured in 2002-03. Due to these changes a sector breakdown is not available in 2002-03. In 2002-03 the combined LEA and school based unit cost showed a cash terms increase of 5 per cent compared with a 10 per cent increase in

2001-02. This is in part due to known misreporting of funding which had the estimated effect of reducing the 2002-03 unit cost by around £50 per pupil. Adjusting for this would change the 5 per cent increase in 2002-03 to a 6 per cent increase, which is broadly similar to the increase in total funding. **Chart 5** shows the change in school based and combined LEA and school based unit costs between 1994-95 and 2002-03.



Revenue funding per full time equivalent pupil in maintained schools

24. Revenue funding (defined as education standard spending, now Education Formula Spending, plus all schools related revenue grants in DfES's departmental expenditure limit which are relevant to pupils aged 3 to 19) per pupil educated in maintained schools in real terms is shown in **Table B4**. Due to funding for 3 year olds becoming mainstreamed through core local authority budgets rather than specific grants, revenue funding is now given for 3 to 19 year olds instead of the previously published 4 to 19 year olds series. Total revenue funding increased by 31 per cent between 1995-96 and 2002-03 resulting in a real terms unit funding increase of £670 per pupil, see **chart 6**. It should be noted that these figures are not comparable with those in tables B2 and B3 as they are calculated on a different basis using an alternative data source.



Funding per full time equivalent student in further and higher education in England

25. These two units of funding series are not directly comparable because of differences in definitions. In particular, the HE series includes monies for research and income from student and public contributions to tuition fees and the FE series includes money for capital.

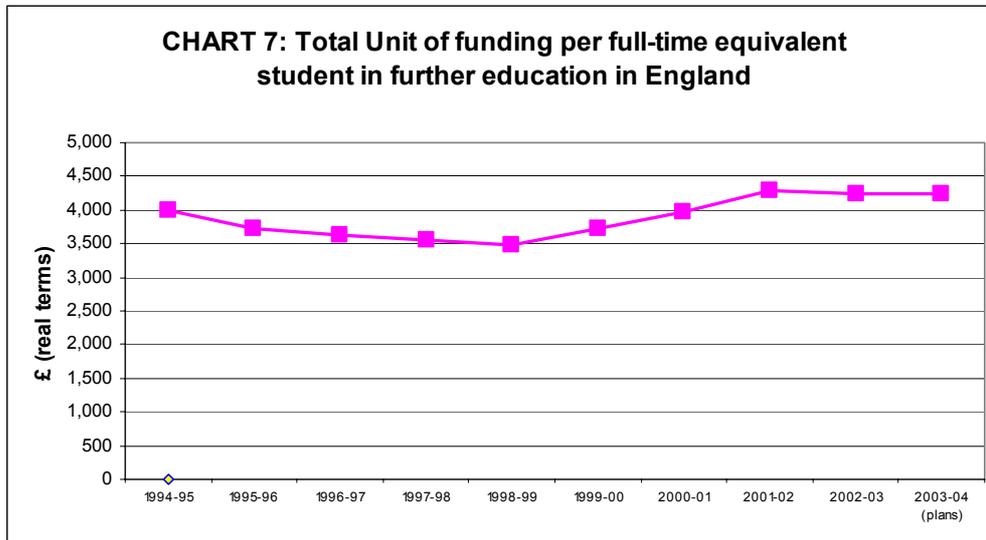
Further Education

26. From 2001-02 funding for participation includes all monies for the Teaching Pay Initiative (TPI) and some Standards Fund monies to give a more consistent picture of participation funding for colleges. The total funding line includes funding for participation; funds that are targeted on areas such as raising standards and increasing capital investment; and substantial additional funding to support the Success for All reform agenda.

27. Due to a reduction in adult FTE student numbers, total FTE student numbers fell in the academic year 2000/01. This reduction in adult FTE numbers was despite an increase in the actual number of adult learners; it resulted from a shift from full-time to part-time provision and from long course to short course provision. This change in provision mix is partly responsible for the increase in the further education unit funding (average funding per FTE student) in 2000-01 and 2001-02 shown in **table B5**. Short courses are more expensive per FTE than long courses, so that a higher proportion of short courses increases the unit funding. Other factors that have increased unit of funding over the period include changes in learner mix (for example, more learners receiving widening participation uplifts) and changes in the subject area mix (a shift to courses in subject areas that are relatively expensive per FTE). The 2001-02 increase in the unit of participation funding is also partly explained by the consolidation of TPI and some Standards Funds (referred to above).

28. Based on total funding (as defined), real terms unit funding per FTE student fell from £4,000 in 1994-95 to £3,480 in 1998-99, a decrease of 13 per cent. It then rose by 24 per cent between 1998-99 and 2001-02 (the latest year for which actual data is currently available) to £4,300, see **chart 7**.

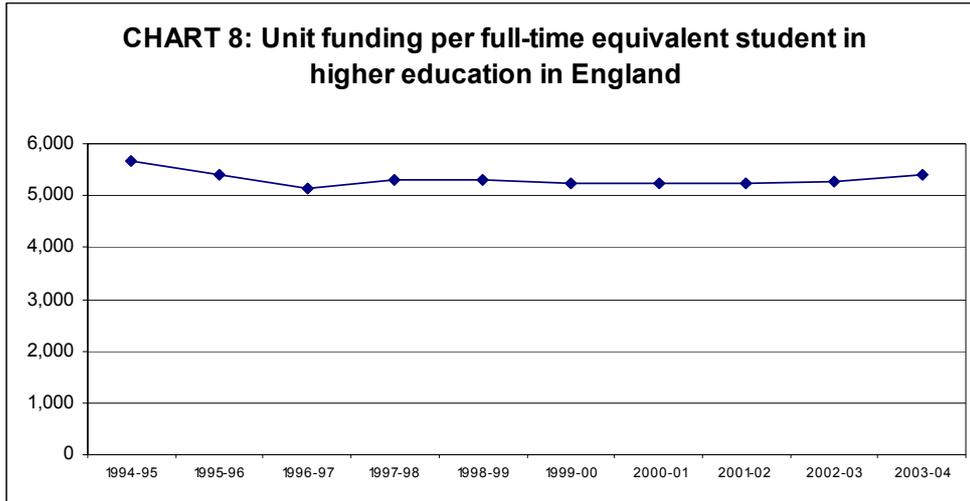
29. Based on participation funding only, real terms unit funding per FTE student increased by 17 per cent between 1998-99 and 2001-02.



Higher Education

30. Unit funding (excluding student maintenance awards, student loans and Access Funds) for students in higher education is shown in **Table B6**. The table covers publicly funded higher education institutions. Notional estimates are shown back to 1994-95. This table does not include 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.

31. Real terms variations in unit funding are influenced by a number of factors which are difficult to predict, including FTE student number fluctuations, the timing of when funding is brought into account and changes to the GDP deflators. The HE sector's unit funding per FTE student decreased in real terms from £5,670 in 1994-95 to £5,260 in 2002-03, a fall of 7 per cent. In 2003-04 real terms unit funding shows a rise of 3% up to £5,420. This reflects changes in policy and includes recommendations made by the National Committee of Inquiry into Higher Education chaired by Lord Dearing. See **chart 8**.



Further information

32. Enquiries about the contents of this bulletin should be addressed to Mrs Sam Chapman, 1F Area B, Mowden Hall, Staindrop Road, Darlington, DL3 9BG (email: sam.chapman@dfes.gsi.gov.uk, Tel: 01325-392775). Press enquiries should be made to the Department's Press Office at Sanctuary Buildings, Great Smith Street, London SW1P 3BT (Tel: 020-7925-6487).

TABLE A1(i)Expenditure on education and training in England¹ in cash terms

£million in cash prices

Outturn	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
									provisional	estimated
Local authority expenditure										
Capital ²	944	940	931	982	1,169	1,289	1,599	1,916	2,054	2,760
Current ³	20,088	20,077	20,540	20,472	21,947	22,136	23,635	26,059	27,694	30,220
Total	21,032	21,017	21,471	21,454	23,116	23,425	25,234	27,975	29,748	32,980
Central government's own expenditure^{4,5}										
Capital	4	4	2	2	5	6	32	171	220	106
Current ⁶	7,673	8,289	8,556	8,879	8,937	10,536	11,137	12,574	14,238	16,046
Total	7,678	8,292	8,558	8,882	8,942	10,542	11,169	12,745	14,458	16,152
Total expenditure										
Capital	948	944	933	984	1,174	1,295	1,631	2,087	2,274	2,866
Current	27,762	28,366	29,096	29,351	30,884	32,672	34,772	38,633	41,932	46,266
Total	28,710	29,309	30,029	30,336	32,058	33,967	36,403	40,720	44,206	49,131

Figures may not sum due to rounding.

1 Includes the Welsh element of student support expenditure.

2 As set out in Table A2.

3 As set out in Table A3.

4 Central government expenditure (as set out in Table A5) excluding grants to local authorities which are included in the Local authority expenditure lines above.

5 This table has been produced using HM Treasury's 2003-04 Departmental Expenditure Limit (DEL) classifications, in which Capital Charges and Provisions have been re-classified from Annually Managed Expenditure (AME) to DEL and Capital Grants DEL to third parties has been re-classified as Resource Grants DEL to third parties.

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

TABLE A1(ii)Expenditure on education and training in England¹ in real terms²

Outturn	£million at 2003-04 prices									
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
									provisional	estimated
Local authority expenditure										
Capital ³	1,193	1,155	1,106	1,138	1,317	1,421	1,742	2,036	2,111	2,760
Current ⁴	25,388	24,659	24,409	23,720	24,716	24,397	25,751	27,687	28,467	30,220
Total	26,581	25,814	25,516	24,858	26,033	25,818	27,493	29,722	30,578	32,980
Index (1994-95 = 100)	100	97	96	94	98	97	103	112	115	124
Central government's own expenditure^{5,6}										
Capital	5	4	2	3	5	6	34	182	226	106
Current ⁷	9,698	10,180	10,168	10,288	10,065	11,613	12,134	13,360	14,635	16,046
Total	9,703	10,185	10,171	10,291	10,070	11,619	12,168	13,541	14,861	16,152
Index (1994-95 = 100)	100	105	105	106	104	120	125	140	153	166
Total expenditure										
Capital	1,199	1,159	1,109	1,141	1,322	1,427	1,777	2,217	2,337	2,866
Current	35,086	34,839	34,577	34,008	34,782	36,010	37,885	41,046	43,102	46,266
Total	36,284	35,998	35,686	35,149	36,103	37,437	39,662	43,264	45,439	49,131
Index (1994-95 = 100)	100	99	98	97	100	103	109	119	125	135

Figures may not sum due to rounding.

1 Includes the Welsh element of student support expenditure.

2 Cash figures adjusted to 2003-04 levels using September 2004 GDP deflators.

3 As set out in Table A2.

4 As set out in Table A3.

5 Central government expenditure (as set out in Table A5) excluding grants to local authorities which are included in the Local authority expenditure lines above.

6 This table has been produced using HM Treasury's 2003-04 Departmental Expenditure Limit (DEL) classifications, in which Capital Charges and Provisions have been re-classified from Annually Managed Expenditure (AME) to DEL and Capital Grants DEL to third parties has been re-classified as Resource Grants DEL to third parties.

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

TABLE A2:Local authority capital expenditure¹ on education in England

Outturn	£ million at cash prices									
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 provisional	2003-04 estimated
Capital spending										
Gross capital spending on education ²	1,072	1,016	1,052	1,037	1,027	1,184	1,016	1,746	2,287	2,946
Local authority receipts	-128	-76	-121	-133	-82	-102	-119	-146	-233	-186
Total net capital spending on education (excluding New Deal for Schools)	944	940	931	904	945	1,082	897	1,600	2,054	2,760
New Deal for Schools				78	224	207	702	316		
Total net authority capital spending	944	940	931	982	1,169	1,289	1,599	1,916	2,054	2,760

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

2 Gross capital spending on education includes schools, youth and other education services.

TABLE A3Local authority current expenditure on education in England^{1, 2} 1994-95 to 2003-04

£ million at cash prices

Outturn	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03		2003-04	
									provisional	estimated		
Schools	16,190	16,577	17,187	17,162	18,635	20,385	22,321	24,887	26,280	28,681		
Under fives ^{3, 4}	1,408	1,467	1,540	1,049	1,765	2,010	2,233	2,698	2,757	3,022		
Primary schools ⁴	5,592	5,761	5,971	6,153	6,397	6,806	7,496	8,298	8,957	9,805		
Secondary schools ^{4, 5}	6,744	6,905	7,140	7,299	7,633	8,210	8,999	10,172	10,881	11,919		
Special schools ⁴	977	1,011	1,061	1,092	1,156	1,166	1,251	1,373	1,450	1,552		
Meals ⁶	396	365	366	355	357	348	336	331	342	334		
Transport ⁷	389	396	415	461	485	531	587	613	716	773		
Non-maintained school fees ⁸	203	203	217	240	248	273	277	312	309	356		
Teacher development ^{2, 9}	91	63	69	73	76	74	106	73	17	19		
Access/Pupil support ¹⁰	58	55	42	38	39	30	39	37	23	28		
Other support services ^{2, 11}	332	351	366	402	479	939	997	981	828	874		
Adult and Community Learning¹²	270	222	196	170	163	183	209	141	251	269		
Miscellaneous Services and Research and Administration	1,078	1,077	1,071	1,090	1,199	700	699	739	921	1,002		
Youth service	256	252	247	248	257	268	272	288	316	368		
Other community services ¹³	71	72	74	64	70	51	61	62	41	46		
Central Administration ^{2, 14}	750	754	750	778	872	381	366	389	563	589		
Total current spending less expenditure funded by specific grants outside AEF^{5, 15}	17,538	17,876	18,454	18,423	19,996	21,269	23,229	25,766	27,452	29,951		
Technical and Vocational Education Initiative	65	35	14	3	2							
Adult education funded by LSC ¹⁶	35	47	53	54	60	59	77	153	165	206		
Receipts from PCFC/HEFCE ¹⁷	13	12	11	11	11	11	12	12	..	..
HE student support ¹⁸	2,437	2,107	2,008	1,982	1,877	796	318	127	78	63		
Total current spending on education	20,088	20,077	20,540	20,472	21,947	22,136	23,635	26,059	27,694	30,220		

1 Local authority expenditure includes central government support, self financed expenditure and a range of other grants (such as Revenue Support Grant). The figures in this table reflect this; the figures in Table A5 include only the first of these elements. Outturn data up 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 to 2001-02 were drawn from Section 52 (Table 3) outturn statements which LEAs submitted to the DfES. Figures for 2002-03 are taken from Section 52 (Table A) outturn statements. The change in sources is shown by the dotted lines.

2 The introduction of Consistent Financial Reporting (CFR) in schools in 2002-03 led to a review of the Section 52 categories. As a result the figures in some lines are not reported on a consistent basis with earlier years. This applies in particular to Teacher development, Other support services and Central administration. The 2002-03 figures are as reported by local education authorities and are likely to change.

3 Includes expenditure on under fives in nursery schools, 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. 1997-98 outturn expenditure reflects the transfer of £527 million from local government to central government for the nursery voucher scheme.

4 The 2003-04 figures reflect a transfer of £640 million in respect of teachers' pensions, previously funded through Annually Managed Expenditure, to take account of a change in the method of determining employers' contributions.

5 Includes from 2002-03 onwards, for comparative purposes, expenditure funded by the LSC grant outside Aggregate External Finance (AEF) to sixth forms.

6 Includes expenditure on meals, paid by the local authority or from schools' delegated budgets.

7 Includes some transport for 16 to 18 year olds in colleges.

8 Mainly for pupils with special educational needs. Excludes expenditure on under fives in the private, voluntary and independent sectors.

9 Includes the cost of staff employed to train teachers and the cost of teacher and curriculum centres. Following the introduction of CFR in 2002-03 expenditure on teacher development met by schools is no longer recorded separately.

10 Includes support for young people to continue in education without hardship. Figures for 1999-00 onwards exclude expenditure on Educational Maintenance Allowance (EMA).

- 11 Includes expenditure associated with the educational welfare and psychological services, operational units such as computer centres, educational technology centres, education support centres and field centres. In addition for 1999-00 onwards, includes 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.
- 12 Adult education and EMAs. From 2002-03 also includes community education and family learning. See note 16 regarding adult education funded by the LSC.
- 13 Includes expenditure on the hiring of school premises to community groups and contribution costs in respect of leisure centres.
- 14 Up to 1998-99 included administration and inspection costs some of which are included within other categories from 1999-00. From 2002-03 includes some expenditure previously reported under other support services.
- 15 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/formula spending settlements. The Government also pays certain grants to local authorities which are outside the Standard Spending framework.
- 16 Includes up to 2000-01 expenditure on work related further education funded by the FEFC, and from 2001-02 adult education funded by the LSC.
- 17 Grants from the Higher Education Funding Council for England in respect of prescribed courses of higher education in local authority institutions. Expenditure for 2002-03 onwards not available from the same source. However, expenditure is estimated to be some £20 to £30 million in 2002-03 and 2003-04.
- 18 Local authority support to HE students, including mandatory awards for students who entered HE before September 1998 and payments to public sector HE institutions as reimbursements of fees for EU students. Includes mandatory awards in Wales.

.. Not available

TABLE A4

Education Expenditure in England; Table A Section 52 Education Outturn Statement 2002-03

As reported by LEAs as at 1st September 2004.

£millions in cash terms

	Primary Schools £	Secondary Schools £	Special Schools £	Total £
(a)	(b)	(c)	(d)	(e)
EXPENDITURE				
1 Teaching staff (E01)	6199.0	7024.3	539.6	13762.9
2 Supply teaching staff (E02)	306.3	158.2	23.9	488.4
3 TOTAL TEACHING STAFF	6505.4	7182.4	563.5	14251.3
4 EDUCATION SUPPORT STAFF (E03)	1242.1	630.1	277.4	2149.6
OTHER EMPLOYEE COSTS				
5 Premises related staff (E04)	283.0	251.7	28.6	563.3
6 Administrative & clerical staff (E05)	426.3	510.7	46.8	983.8
7 Catering Staff (E06)	13.2	38.0	5.9	57.1
8 Other staff (E07)	228.9	78.7	26.8	334.3
9 Indirect employee expenses (E08)	30.4	54.9	6.7	92.0
10 Development and training (E09)	68.0	75.4	8.4	151.9
11 Supply teacher insurance (E10)	86.1	31.2	7.9	125.2
12 Staff related insurance (E11)	16.5	8.5	2.6	27.7
13 TOTAL OTHER EMPLOYEE COSTS	1152.4	1049.1	133.8	2335.3
RUNNING EXPENSES				
14 Building maintenance and improvement (E12)	238.2	238.8	27.0	504.0
15 Grounds maintenance and improvement (E13)	42.6	41.0	3.2	86.8
16 Cleaning and caretaking (E14)	124.9	136.4	11.5	272.7
17 Water and sewerage (E15)	32.4	26.6	2.6	61.7
18 Energy (E16)	110.7	119.0	11.7	241.5
19 Rates (E17)	146.7	153.2	1.0	300.8
20 Other occupation costs (E18)	37.9	42.0	4.4	84.3
21 Learning resources (not ICT) (E19)	472.5	595.8	51.0	1119.4
22 ICT learning resources (E20)	122.6	158.6	9.7	290.9
23 Examination fees (E21)	0.5	154.0	1.1	155.6
24 Administrative supplies (E22)	134.5	198.3	15.5	348.3
25 Other insurance premiums (E23)	47.7	46.9	3.5	98.1
26 Special facilities (E24)	16.7	32.6	9.8	59.1
27 Catering supplies (E25)	241.0	181.9	15.7	438.6
28 Agency supply teaching staff (E26)	174.3	164.5	18.8	357.6
29 Bought-in professional services - curriculum (E27)	97.1	70.4	7.3	174.8
30 Bought-in professional services - other (E28)	194.4	104.7	17.0	316.2
31 Loan interest (E29)	0.9	2.9	0.1	3.9
32 TOTAL RUNNING EXPENSES	2235.9	2467.6	210.9	4914.5
33 TOTAL GROSS EXPENDITURE	11135.9	11329.2	1185.5	23650.6
34 Capital Expenditure from Revenue - CERA (E30)	18.3	36.1	2.8	57.2
FUNDING				
35 Funds delegated by the LEA (I01)	8799.1	7799.8	970.8	17569.6
36 Funding for sixth form students (I02)	0.0	1185.4	10.2	1195.6
37 SEN funding (Not for special schools) (I03)	728.0	547.6	87.3	1362.8
38 Funding for minority ethnic pupils (I04)	91.7	40.0	3.1	134.8
39 Standards Fund (I05)	835.1	917.6	53.6	1806.2
40 Other government grants (I06)	39.9	52.2	2.7	94.8
41 Other grants and payments received (I07)	57.6	81.7	7.1	146.4
42 TOTAL FUNDING	10493.6	10542.5	1127.7	22163.8
INCOME				
43 Income from facilities and services (I08)	182.5	287.9	24.4	494.9
44 Income from catering (I09)	72.9	117.2	2.3	192.4
45 Receipts from supply teacher insurance claims (I10)	64.9	27.3	6.9	99.1
46 Receipts from other insurance claims (I11)	15.9	14.1	2.6	32.6
47 Income from contributions to visits etc. (I12)	46.8	56.3	1.2	104.3
48 Total Income not including donations/private funds	440.6	584.5	44.5	1069.6
49 Donations/Private Funds (I13)	110.5	122.6	10.5	243.5
50 Total Income including donations/private funds	551.1	707.1	54.9	1313.2
51 NET CURRENT EXPENDITURE	10584.7	10622.1	1130.6	22337.4
BALANCES				
Opening balances at 1/4/2002				
52 Standards Fund balance (revenue) (B01)	78.5	64.8	6.5	149.7
53 Other revenue balances (B02)	841.4	387.9	89.3	1318.6
Closing balances at 31/3/2003				
54 Standards Fund balance (revenue) (B01)	69.1	78.1	6.9	154.1
55 Other revenue balances (B02)	709.4	251.5	76.8	1037.8

Sum of lines 35 to 40

Sum of lines 41 and 43 to 47

Sum of lines 48 and 49

Excludes line 34 CERA

TABLE A4: Continued

Education Expenditure in England; Table A Section 52 Education Outturn Statement 2002-03

As reported by LEAs as at 1st September 2004.

£millions in cash terms

	Teaching staff (f)	Education support staff (g)	Other Employees (h)	Running Expenses (i)	TOTAL EXPENDITURE (j)	Income (k)	NET CURRENT EXPENDITURE (l)	Memorandum Items				
								Govt. Grants Outside AEF included in (k) (m)	Inter-authority recoupment included in (l) (n)	Capital Expenditure (Excluding CERA) (o)		
SPENDING BY SCHOOLS (brought forward)												
56 Primary Schools	6505.4	1242.1	1152.4	2235.9	11154.1	551.1	10603.0				34.6	
57 Secondary Schools	7182.4	630.1	1049.1	2467.6	11365.3	707.1	10658.2				421.1	
58 Special Schools	563.5	277.4	133.8	210.9	1188.3	54.9	1133.4				9.8	
59 TOTAL SCHOOL SPENDING	14251.3	2149.6	2335.3	4914.5	23707.8	1313.2	22394.6				465.4	
SPENDING BY LEA (EXCLUDING DELEGATED OR DEVOLVED FUNDING)												
60 Pre-Primary Education	86.2	78.5	95.6	252.0	512.3	185.5	326.8	30.5	0.0	49.2		
61 Primary Schools	222.3	93.1	159.0	438.5	913.0	373.5	539.5	32.6	4.5	704.8		
62 Secondary Schools	173.9	58.8	136.5	363.4	732.6	324.7	407.9	124.6	5.4	676.1		
63 Special Schools	23.9	15.2	23.5	159.3	221.9	134.1	87.7	14.8	51.3	72.1		
64 Pupil Support	2.0	3.5	25.8	177.2	208.5	91.1	117.4				58.2	
65 Private/voluntary/independent provision of education for u5s	8.8	9.9	17.7	354.3	390.7	164.9	225.7				13.3	
66 Independent/Non-Maintained schools fees	1.7	1.6	2.4	340.8	346.5	27.7	318.8				16.9	
67 Education out of school	162.8	27.9	36.8	78.5	306.0	54.3	251.6				1.6	5.6
68 Home to School Transport	5.8	11.3	42.8	637.6	697.6	21.6	676.0				0.3	
69 Home to College Transport (16-18)	0.3	0.2	1.3	45.7	47.4	5.7	41.8				1.0	
70 School Meals/Milk	0.1	0.4	37.2	184.4	222.0	179.1	42.9				4.7	
71 Central Administration	28.2	32.8	301.7	326.2	688.9	132.4	556.5				19.2	
72 Other Support Services	150.2	173.3	385.8	443.5	1152.8	318.9	833.9				31.9	2.6
73 Teacher Development	4.0	6.8	9.6	16.7	37.0	17.6	19.3				2.1	0.0
74 HE/FE courses run on behalf of the authority	5.6	0.0	2.9	10.1	18.7	11.4	7.3				5.2	
75 Capital Expenditure from Revenue (CERA)	0.9	1.1	1.2	188.2	191.5	44.4	147.0					
76 Sub-total (lines 60 to 75)	876.6	514.3	1279.9	4016.4	6687.3	2087.0	4600.2					
YOUTH AND COMMUNITY												
77 Youth Service					450.9	118.2	332.7				22.0	
78 Other Community Services	5.1	9.1	16.7	43.6	74.5	26.0	48.4				11.7	
79 Adult and Community learning	114.7	27.8	168.2	245.6	556.3	354.7	201.6				250.8	
80 Capital Expenditure from Revenue (CERA)(Youth & Community)					5.6	0.3	5.2				0.0	
81 Sub-total (lines 77 to 80)	119.8	36.9	184.8	289.2	1087.2	499.3	588.0				284.4	
82 TOTAL SPENDING BY LEA (lines 76 & 81)	996.4	551.2	1464.8	4305.6	7774.5	2586.3	5188.2	641.2	69.4	1501.4		
83 TOTAL EDUCATION SPENDING (lines 59 & 82)	15247.7	2700.8	3800.1	9220.1	31482.3	3899.5	27582.8					

TABLE A5(i)

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

£million in cash prices

Outturn	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04 estimated ¹⁹
Sure Start¹	1	1	21	637	134	157	303	358	521	721
<i>of which</i>										
Sure Start ¹					#	7	56	134	216	721
Nursery Education ^{2,3}	1	1	21	637	134	150	247	224	306	
Schools¹	1,219	1,344	1,507	1,727	1,810	2,267	4,439	5,421	8,048	9,147
<i>of which</i>										
Investment in School Buildings ⁴ <i>of which</i>	633	616	657	738	924	1,012	1,810	1,860	2,425	3,108
<i>Voluntary Aided Schools</i>	111	95	83	104	118	130	106	171	311	501
<i>Capital Grants within Standards Fund</i>					67	71	382	784	1,302	1,608
<i>Credit approvals</i>	379	395	431	399	376	450	540	559	812	1,000
<i>New Deal for Schools</i>				87	231	234	702	316		
Other Standards Fund (including Excellence in Cities) ⁵	184	152	161	219	264	530	1,305	1,491	1,820	1,537
School Standards Grant								683	668	758
Schools Sixth Form Funding (through the Learning and Skills Council)									1,399	1,526
Information and Communications Technology	10	10	10	10	51	59	127	155	239	395
Modernising the Teaching Profession	18	138	199	212	224	260	668	982	1,145	1,497
Other miscellaneous programmes ^{6,7}	374	428	480	548	348	406	529	250	352	326
Support for Children, Young People and Families^{1,8,9}	664	652	744	750	813	912	983	632	885	1,094
<i>of which</i>										
Work Based Training for Young People ¹⁰	647	635	734	740	712	799	837			
Connexions Service							15	332	441	506
Education Maintenance Allowances ¹¹								109	120	142
Millennium Volunteers					#	4	14	19	17	16
Youth Services	6	11	6	4	4	5	4	5	8	20
Childrens Fund								37	140	262
Other Miscellaneous Programmes	11	6	4	6	97	104	112	130	158	148
Higher Education¹	6,132	6,060	5,858	5,934	5,956	6,237	5,887	6,006	6,620	6,791
<i>of which</i>										
Higher Education Funding Council for England etc ¹²	3,419	3,612	3,448	3,508	3,540	4,414	4,273	4,572	4,943	5,347
Student loans RAB charge ^{13,14}	200	260	330	359	410	604	794	733	968	697
Mandatory Awards and Student Loan Co. Paid Grant	2,437	2,107	2,008	1,982	1,877	1,073	671	581	572	575
Access funds and Bursaries	27	28	22	22	39	82	87	88	97	98
Student support administration	17	19	16	19	18	36	31	31	42	53
British Academy	23	24	24	29	29	31	34	36	13	13
Other Miscellaneous Programmes (including CFERs)	9	10	10	15	42	-3	-3	-34	-15	8
Further Education, Adult Learning, Skills and Lifelong Learning^{1,9,10}	3,039	3,204	3,330	3,327	3,483	3,644	4,068	5,698	6,469	7,413
<i>of which</i>										
Further Education ¹⁰	2,840	3,025	3,154	3,154	3,148	3,275	3,551			
FE student support ^{10,15}			6	6	24	52	90			
Learning and Skills Council ¹⁶							45	5,294	6,062	7,042
Adult Education and Skills Initiative	6	4	5	5	92	68	106	213	199	110
Adult Learning Inspectorate / Training Inspectorate ¹⁷					5	7	10	33	25	24
Union Learning Fund					2	3	4	6	7	2
Learning Partnership Fund						5	10	10	10	
Training and Enterprise Council (TEC) Strategy Budget ⁹	137	123	133	135	114	118	118			
Ufi Learndirect					5	42	58	57	50	45
Prisoners' Learning and Skills								57	70	114
Other Miscellaneous Programmes	56	52	32	27	93	74	76	30	46	76
Activities to support all functions - miscellaneous programmes^{1,9}	42	27	30	21	24	25	31	34	41	45
Total Department for Education and Skills¹⁰	11,097	11,288	11,490	12,396	12,220	13,242	15,711	18,149	22,584	25,211
OfSTED¹⁸	63	82	122	150	112	88	106	164	206	210
TOTAL DfES and OfSTED	11,160	11,370	11,612	12,546	12,332	13,330	15,817	18,313	22,790	25,421

Figures may not sum due to rounding.

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

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 The majority of Under Fives funding from 2001-02 has been transferred to local authorities. From 2003-04 the funding for nursery education has been merged into that for Sure Start.

4 Other programmes in this table include an element of capital spending. This line shows the remaining capital spend. They do not include Private Finance Initiative Credit Approvals as they are outside central government spending.

5 This excludes School Standards Grant in 2000-01 and 2001-02. It also excludes expenditure on National Grid for Learning and Education Actions Zones from 2001-02.

6 Includes Teachers Pay, Teacher Training Agency and National College of Schools Leadership programmes.

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

- 8 Summary figures change from 2001-02 due to transfer of funding for Work Based Training for Young People to the Learning and Skills Council.
- 9 The figures differ from last year's Bulletin as they reflect the changes in the Treasury classifications of Education and Training programmes.
- 10 Funding from April 2001 became the responsibility of the Learning and Skills Council.
- 11 Education Maintenance Allowances were funded through the Standards Fund. The figure for 2001-02 does not include money for the Schools Sixth Form Access Fund.
- 12 Includes Higher Education Funding Council for England (HEFCE) institutional recurrent and capital funding, other HE funding and the public contributions to tuition fees estimated to have been paid on behalf of students resident in England. In 1999-00 provision of £385 million was available to HEFCE for funding staff related commitments of certain universities and colleges of higher education formerly maintained by local authorities and this payment in part explains the increase in HEFCE expenditure in this year.
- 13 From 1998-99, the figures reflect the resource cost to Government of issuing loans (e.e. the cost of bearing loan non-repayments and the interest reate subsidy on the loan portfolio), and do not reflect the cash value of the loans made available to students. This distorts overall student funding, as expenditure on student loans cannot be compared on a like-for-like basis with expenditure on Mandatory Awards (which have been phased out in favour of additional loans). The drop in loan expenditure in 01-02 and 02-03 is purely due to the difference in accounting treatment of the 2 loan schemes: Mortgage-Style loans (issued to students entering HE prior to September 1998); and Income_Contingent loans. Both loan schemes are also affected by changes in the Treasury discount rate. In cash terms, student loan expenditure has risen year-on-year.
- 14 The student loans resource budget charge is, from 2003-04, no longer comparable with earlier years because of the drop in the Treasury discount rate, from 6.0 to 3.5 per cent.
- 15 This total covers funding for FE access funds, FE childcare support, FE residential students, some HE students attending FE colleges and some pilot funding.
- 16 Figures exclude from 2001-02, transitional funding for bodies other than the LSC included in some other tables.
- 17 This work and other smaller programmes was taken over by the Adult Learning Inspectorate from April 2001.
- 18 From 2001-02 OfSTED has taken on responsibility for regulation of childcare.
- 19 2003-04 estimates are as at June 2004.

TABLE A5(ii)

Central Government expenditure and grants to local authorities within the education and training programmes in real terms ¹

£million at 2003-04 prices

Outturn	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04 estimated ¹⁹
Sure Start¹	1	1	25	738	151	173	330	380	536	721
<i>of which</i>										
Sure Start ¹					#	8	61	142	222	721
Nursery Education ^{2,3}	1	1	25	738	151	165	269	238	315	
Schools¹	1,541	1,651	1,791	2,001	2,038	2,499	4,836	5,760	8,272	9,147
<i>of which</i>										
Investment in School Buildings ⁴ <i>of which</i>	800	757	781	855	1,041	1,115	1,972	1,976	2,493	3,108
<i>Voluntary Aided Schools</i>	140	117	99	121	133	143	115	182	320	501
<i>Capital Grants within Standards Fund</i>					75	78	416	833	1,338	1,608
<i>Credit approvals</i>	479	485	512	462	423	496	588	594	835	1,000
<i>New Deal for Schools</i>					101	260	258	765	336	
Other Standards Fund (including Excellence in Cities) ⁵	233	187	191	254	297	584	1,422	1,584	1,871	1,537
School Standards Grant								726	687	758
Schools Sixth Form Funding (through the Learning and Skills Council)									1,438	1,526
Information and Communications Technology	13	12	12	12	57	65	138	165	246	395
Modernising the Teaching Profession	23	169	236	246	252	287	728	1,043	1,177	1,497
Other miscellaneous programmes ^{6,7}	473	526	570	635	392	447	576	266	362	326
Support for Children, Young People and Families ^{1, 8, 9}	839	801	884	869	916	1,005	1,071	671	910	1,094
<i>of which</i>										
Work Based Training for Young People ¹⁰	818	780	872	857	802	881	912			
Connexions Service							16	353	453	506
Education Maintenance Allowances ¹¹								116	123	142
Millennium Volunteers					#	4	15	20	17	16
Youth Services	8	14	7	5	5	6	4	5	8	20
Childrens Fund								39	144	262
Other Miscellaneous Programmes	14	7	5	7	109	115	122	138	162	148
Higher Education ¹	7,750	7,443	6,962	6,875	6,708	6,874	6,414	6,381	6,805	6,791
<i>of which</i>										
Higher Education Funding Council for England etc ¹²	4,321	4,436	4,098	4,065	3,987	4,865	4,656	4,858	5,081	5,347
Student loans RAB charge ^{13,14}	253	319	392	416	462	666	865	779	995	697
Mandatory Awards and Student Loan Co. Paid Grant	3,080	2,588	2,386	2,296	2,114	1,183	731	617	588	575
Access funds and Bursaries	34	34	26	25	44	90	95	93	100	98
Student support administration	21	23	19	22	20	40	34	33	43	53
British Academy	29	29	29	34	33	34	37	38	13	13
Other Miscellaneous Programmes (including CFERs)	11	12	12	17	47	-3	-3	-36	-15	8
Further Education, Adult Learning, Skills and Lifelong Learning ^{1, 9, 10}	3,841	3,935	3,957	3,855	3,923	4,016	4,432	6,054	6,649	7,413
<i>of which</i>										
Further Education ¹⁰	3,589	3,715	3,748	3,654	3,545	3,610	3,869			
FE student support ^{10,15}			7	7	27	57	98			
Learning and Skills Council ¹⁶							49	5,625	6,231	7,042
Adult Education and Skills Initiative	8	5	6	6	104	75	115	226	205	110
Adult Learning Inspectorate / Training Inspectorate ¹⁷					6	8	11	35	26	24
Union Learning Fund					2	3	4	6	7	2
Learning Partnership Fund						6	11	11	10	
Training and Enterprise Council (TEC) Strategy Budget ⁹	173	151	158	156	128	130	129			
Ufi Learndirect					6	46	63	61	51	45
Prisoners' Learning and Skills								61	72	114
Other Miscellaneous Programmes	71	64	38	31	105	82	83	32	47	76
Activities to support all functions - miscellaneous programmes ^{1, 9}	53	33	36	24	27	28	34	36	42	45
Total Department for Education and Skills ¹⁰	14,025	13,864	13,655	14,363	13,762	14,595	17,118	19,283	23,214	25,211
OfSTED ¹⁸	80	101	145	174	126	97	115	174	212	210
TOTAL DFES and OfSTED	14,104	13,965	13,800	14,536	13,888	14,692	17,233	19,457	23,426	25,421

Figures may not sum due to rounding.

¹ Amounts below £500,000 are indicated by #. Cash figures adjusted to 2003-04 prices using September 2004 GDP deflators.² £527 million for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99³ The majority of Under Fives funding from 2001-02 has been transferred to local authorities. From 2003-04 the funding for nursery education has been merged into that for Sure Start.⁴ Other programmes in this table include an element of capital spending. This line shows the remaining capital spend. They do not include Private Finance Initiative Credit Approvals as they are outside central government spending.

- 5 This excludes School Standards Grant in 2000-01 and 2001-02. It also excludes expenditure on National Grid for Learning and Education Actions Zones from 2001-02.
- 6 Includes Teachers Pay, Teacher Training Agency and National College of Schools Leadership programmes.
- 7 This includes elements of residual funding for former grant maintained schools, a proportion of funding for the National Grid for Learning, International services and elements of funding for teacher recruitment, literacy and numeracy and school publications.
- 8 Summary figures change from 2001-02 due to transfer of funding for Work Based Training for Young People to the Learning and Skills Council.
- 9 The figures differ from last year's Bulletin as they reflect the changes in the Treasury classifications of Education and Training programmes.
- 10 Funding from April 2001 became the responsibility of the Learning and Skills Council.
- 11 Education Maintenance Allowances were funded through the Standards Fund. The figure for 2001-02 does not include money for the Schools Sixth Form Access Fund.
- 12 Includes Higher Education Funding Council for England (HEFCE) institutional recurrent and capital funding, other HE funding and the public contributions to tuition fees estimated to have been paid on behalf of students resident in England. In 1999-00 provision of £385 million was available to HEFCE for funding staff related commitments of certain universities and colleges of higher education formerly maintained by local authorities and this payment in part explains the increase in HEFCE expenditure in this year.
- 13 From 1998-99, the figures reflect the resource cost to Government of issuing loans (e.e. the cost of bearing loan non-repayments and the interest reate subsidy on the loan portfolio), and do not reflect the cash value of the loans made available to students. This distorts overall student funding, as expenditure on student loans cannot be compared on a like-for-like basis with expenditure on Mandatory Awards (which have been phased out in favour of additional loans). The drop in loan expenditure in 01-02 and 02-03 is purely due to the difference in accounting treatment of the 2 loan schemes: Mortgage-Style loans (issued to students entering HE prior to September 1998); and Income_Contingent loans. Both loan schemes are also affected by changes in the Treasury discount rate. In cash terms, student loan expenditure has risen year-on-year.
- 14 The student loans resource budget charge is, from 2003-04, no longer comparable with earlier years because of the drop in the Treasury discount rate, from 6.0 to 3.5 per cent.
- 15 This total covers funding for FE access funds, FE childcare support, FE residential students, some HE students attending FE colleges and some pilot funding.
- 16 Figures exclude from 2001-02, transitional funding for bodies other than the LSC included in some other tables.
- 17 This work and other smaller programmes was taken over by the Adult Learning Inspectorate from April 2001.
- 18 From 2001-02 OfSTED has taken on responsibility for regulation of childcare.
- 19 2003-04 estimates are as at June 2004.

TABLE A6(i)Education expenditure¹ by central and local government² by sector in cash terms in England

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	£million in cash prices	
									2002-03	2003-04
									provisional	estimated
Schools³										
Capital⁴	1,009	977	1,009	1,072	1,203	1,330	1,642	1,919	2,156	2,701
Current	16,426	16,903	17,595	18,236	19,091	20,898	23,027	25,847	27,568	30,630
Of which, Under fives ⁵	1,469	1,531	1,614	1,751	1,832	2,079	2,358	2,908	3,053	3,541
Primary ⁵	5,944	6,124	6,351	6,541	6,804	7,212	7,926	8,763	9,441	10,323
Secondary ⁵	7,542	7,696	7,963	8,153	8,522	9,090	9,908	11,147	11,901	12,980
Other ⁶	1,471	1,553	1,667	1,791	1,934	2,517	2,835	3,028	3,174	3,786
Further education, other adult learning and other education initiatives⁷	2,970	3,147	3,263	3,270	3,370	3,478	3,773	4,616	5,163	5,796
Higher education^{8, 9}	4,606	4,587	4,423	4,496	4,571	4,959	4,663	5,011	5,345	5,745
Student support	1,524	1,443	1,390	1,351	1,398	1,253	1,300	1,137	1,527	1,088
Of which, Further Education ¹⁰	120	94	88	69	72	96	187	189	266	163
Higher Education ¹¹	1,404	1,349	1,302	1,282	1,326	1,157	1,113	949	1,261	925
Administration, inspection costs and miscellaneous services¹²	1,294	1,309	1,235	1,279	1,389	941	996	1,174	1,444	1,632
Total	27,829	28,366	28,915	29,704	31,023	32,860	35,401	39,704	43,203	47,592

1 Figures within Departmental Expenditure Limits (DEL). Excludes expenditure by the Department on other areas than education, for instance on children and families and on skills.

2 The recurrent local authority figures in this table are drawn from Table A3; the footnotes to that table set out the underlying data sources. The dotted lines denote the changes from LEA's education Revenue Outturn Statements to the Department of Environment, Transport and the Regions to Section 52 Outturn Statements in 1999-00 and to the review of the Section 52 categories in 2002-03 following the introduction of Consistent Financial Reporting to schools. They reflect actual expenditure for 1995-96 to 2001-02, provisional for 2002-03 and are estimated for 2003-04.

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 five figures include expenditure on Sure Start. Secondary school figures include expenditure on the Assisted Places, Music and Ballet schemes.

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, £350m in each of 1999-00 and 2000-01, £450m in 2001-02, £850m in 2002-03 and in 2003-04).

5 The 2003-04 figures reflect a transfer of £640 million in respect of teachers' pensions, previously funded through Annually Managed Expenditure (AME), to take account of a change of method of determining employers' contributions.

6 Includes local authority expenditure on meals, transport, non-maintained school fees, teacher development, pupil support and other support services. Also includes expenditure on City Academies and on teacher training.

7 Includes recurrent and capital expenditure on adult and community learning by local authorities, and, up to 2000-01, by the Further Education Funding Council (FEFC) and, from 2001-02, the estimated element of funding on education by the Learning and Skills Council excluding sixth forms. Also includes other expenditure by the Department on other adult learning such as prisoner learning.

8 Includes Higher Education Funding Council for England (HEFCE) institutional recurrent and capital funding, other HE funding and the public contributions to tuition fees estimated to have been paid on behalf of students resident in England. The figures for higher education in 1999-00 includes a technical adjustment of £385 million to account for staff-related commitments of certain universities and colleges of higher education which were previously maintained by local authorities. Payment relating to this 'provision' have been, and will be, made over a number of years.

9 The expenditure data in this table and those used in the calculation of funding per student in HE in table B1 are not directly comparable since the latter are based on a subset of funding passing through HEFCE and include both public and private contributions to fees paid direct to HE institutions.

10 Includes Education Maintenance Allowances (EMAs) 1999-00 to 2002-03 and other support for students in further education and school sixth forms. EMAs are not included in 2003-04 following their reclassification from DEL to AME.

11 Includes the maintenance element of student support, estimated for students resident in England, funded via the Student Loans Company and local authorities. Also includes discretionary awards, access funds, postgraduate awards, fees for European Union students, resource charges for student loans and the sale of student debt. The student loans resource budget charge is, from 2003-04, no longer comparable with earlier years because of the drop in the Treasury discount rate, from 6.0 to 3.5 per cent.

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, post-16 transitional funding and other miscellaneous services. Excludes the DfES'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. These figures in part reflect the transfer of responsibilities for early years inspection from local authorities to OfSTED.

TABLE A6(ii)

Education expenditure¹ by central and local government² by sector in real terms³ in England

	£million in 2003-04 prices									
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04 estimated
Schools⁴										
Capital⁵	1,275	1,200	1,199	1,242	1,355	1,465	1,790	2,039	2,216	2,701
Current	20,759	20,761	20,910	21,129	21,501	23,034	25,088	27,462	28,337	30,630
Of which, Under fives ⁶	1,857	1,880	1,918	2,029	2,063	2,292	2,569	3,090	3,138	3,541
Primary ⁶	7,512	7,522	7,548	7,579	7,663	7,949	8,636	9,311	9,704	10,323
Secondary ⁶	9,532	9,452	9,463	9,446	9,597	10,018	10,795	11,844	12,233	12,980
Other ⁷	1,858	1,908	1,981	2,075	2,178	2,774	3,088	3,218	3,262	3,786
Further education, other adult learning and other education initiatives⁸	3,754	3,865	3,878	3,789	3,795	3,834	4,111	4,905	5,307	5,796
Higher education^{9, 10}	5,821	5,634	5,257	5,209	5,148	5,466	5,081	5,324	5,494	5,745
Student support	1,926	1,772	1,652	1,566	1,575	1,381	1,416	1,208	1,570	1,088
Of which, Further Education ¹¹	152	115	104	80	81	106	203	200	273	163
Higher Education ¹²	1,774	1,656	1,548	1,486	1,493	1,275	1,213	1,008	1,296	925
Administration, inspection costs and miscellaneous services¹³	1,635	1,608	1,467	1,481	1,564	1,037	1,085	1,247	1,484	1,632
Total	35,171	34,840	34,362	34,416	34,939	36,217	38,570	42,184	44,408	47,592

1 Figures within Departmental Expenditure Limits (DEL). Excludes expenditure by the Department on other areas than education, for instance on children and families and on skills.

2 The recurrent local authority figures in this table are drawn from Table A3; the footnotes to that table set out the underlying data sources. The dotted lines denote the changes from LEA's education Revenue Outturn Statements to the Department of Environment, Transport and the Regions to Section 52 Outturn Statements in 1999-00 and to the review of the Section 52 categories in 2002-03 following the introduction of Consistent Financial Reporting to schools. They reflect actual expenditure for 1995-96 to 2001-02, provisional for 2002-03 and are estimated for 2003-04.

3 All figures have been converted to 2003-04 price levels using the September 2004 Gross Domestic Product (GDP) deflators.

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 five figures include expenditure on Sure Start. Secondary school figures include expenditure on the Assisted Places, Music and Ballet schemes.

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, £350m in each of 1999-00 and 2000-01, £450m in 2001-02, £850m in 2002-03 and in 2003-04).

6 The 2003-04 figures reflect a transfer of £640 million in respect of teachers' pensions, previously funded through Annually Managed Expenditure (AME), to take account of a change of method of determining employers' contributions.

7 Includes local authority expenditure on meals, transport, non-maintained school fees, teacher development, pupil support and other support services. Also includes expenditure on City Academies and on teacher training.

8 Includes recurrent and capital expenditure on adult and community learning by local authorities, and, up to 2000-01, by the Further Education Funding Council (FEFC) and, from 2001-02, the estimated element of funding on education by the Learning and Skills Council excluding sixth forms. Also includes other expenditure by the Department on other adult learning such as prisoner learning.

9 Includes Higher Education Funding Council for England (HEFCE) institutional recurrent and capital funding, other HE funding and the public contributions to tuition fees estimated to have been paid on behalf of students resident in England. The figures for higher education in 1999-00 includes a technical adjustment of £385 million to account for staff-related commitments of certain universities and colleges of higher education which were previously maintained by local authorities. Payment relating to this 'provision' have been, and will be, made over a number of years.

10 The expenditure data in this table and those used in the calculation of funding per student in HE in table B1 are not directly comparable since the latter are based on a subset of funding passing through HEFCE and include both public and private contributions to fees paid direct to HE

11 Includes Education Maintenance Allowances (EMAs) 1999-00 to 2002-03 and other support for students in further education and school sixth forms EMAs are not included in 2003-04 following their reclassification from DEL to AME.

12 Includes the maintenance element of student support, estimated for students resident in England, funded via the Student Loans Company and local authorities. Also includes discretionary awards, access funds, postgraduate awards, fees for European Union students, resource charges for student loans and the sale of student debt. The student loans resource budget charge is, from 2003-04, no longer comparable with earlier years because of the drop in the Treasury discount rate, from 6.0 to 3.5 per cent.

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, post-16 transitional funding and other miscellaneous services. Excludes the DfES'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. These figures in part reflect the transfer of responsibilities for early years inspection from local authorities to Ofsted.

TABLE A7Schools Capital Allocations in real terms¹

	£million in 2003-04 prices									
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
PFI Credits ²				41	146	386	381	478	874	850
Capital support ³	775	768	812	849	1,092	1,157	1,798	1,859	2,210	2,930
ICT Capital ⁴					56	55	109	161	278	384
Total	775	768	812	890	1,295	1,598	2,288	2,499	3,361	4,164

Figures may not sum because of rounding.

1. All figures have been converted to 2003-04 price levels using the September 2004 Gross Domestic Product (GDP) deflators.
2. PFI credits do not represent investment by the public sector, but trigger a revenue stream to support the charges of the private sector providers.
3. Capital support can be either capital grant or supported borrowings.
4. ICT capital does not include matched recurrent funding.

TABLE B1

Unit Costs and unit funding series : overview

Real terms¹

2003-04 prices

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
School based expenditure (per FTE pupil)²										
Primary	..	..	..	..	..	2,210	2,410	2,640	2,600	..
Pre-primary/primary	2,100	2,080	2,060	2,020	2,110	2,260	2,480	2,730	..	..
Secondary	2,870	2,820	2,790	2,740	2,760	2,880	3,080	3,350	3,320	..
Special	11,030	11,250	11,470	11,390	11,390	12,010	12,920	13,840	13,170	..
Total (including pre-primary)	2,510	2,480	2,450	2,400	2,470	2,640	2,860	3,130	..	..
Total (excluding pre-primary)	..	..	..	..	..	2,610	2,820	3,080	3,040	..
Combined LEA and school based expenditure (per FTE pupil)³										
Primary	..	..	..	..	..	2,450	2,650	2,870	..	..
Pre-primary/primary	2,360	2,320	2,300	2,250	2,380	2,460	2,680	2,930	..	..
Secondary	3,200	3,130	3,090	3,040	3,080	3,140	3,340	3,610	..	..
Special	16,760	17,390	17,730	18,260	18,490	18,840	20,300	21,750	..	..
Schools Total	2,870	2,830	2,790	2,760	2,850	2,930	3,150	3,430	..	..
Combined LEA and School Total	3,400	3,270	3,200	3,140	3,210	3,080	3,240	3,500	3,540	..
Unit funding per pupil aged 3-19⁴										
Revenue	3,020	2,920	2,920	2,950	2,980	3,100	3,330	3,480	3,590	3,730
Unit funding (per FTE student)⁵										
FE participation	4,000	3,730	3,620	3,560	3,480	3,630	3,780	4,060	3,820	3,830
FE total funding	4,000	3,730	3,620	3,560	3,480	3,720	3,970	4,300	4,230	4,240
Unit funding (per FTE student)⁶										
Higher Education	5,670	5,400	5,150	5,300	5,300	5,240	5,230	5,250	5,260	5,420

1 Cash figures are adjusted to 2003-04 levels using September 2004 GDP deflators.

2 See footnotes on Table B2.

3 See footnotes on Table B3.

4 See footnotes on Table B4.

5 See Footnotes on Table B5

6 See Footnotes on Table B6

.. Not available

TABLE B2

School based expenditure¹ in real terms² per full time equivalent pupil in local education authority maintained schools³ in England
2003-04 prices

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
School based expenditure⁴ (£m real terms) ²									
Primary	..	..	..	..	..	9,480	10,269	11,151	10,880
Pre-primary/primary	8,557	8,581	8,580	8,433	8,823	9,744	10,635	11,601	..
Secondary	7,018	6,869	6,791	6,692	6,812	9,101	9,908	10,903	10,918
Special	1,008	1,020	1,031	1,025	1,023	1,093	1,164	1,233	1,162
Total (including pre-primary)	16,583	16,470	16,402	16,149	16,659	19,937	21,707	23,737	..
Total (excluding pre-primary)	..	..	..	..	..	19,674	21,340	23,287	22,960
Full-time equivalent (FTE) number of pupils (thousands)									
Maintained Pre-primary	..	..	..	..	..	27	27	26	25
Primary	..	..	..	..	..	4,286	4,261	4,227	4,183
Pre-primary/primary	4,073	4,122	4,160	4,183	4,187	4,313	4,288	4,253	4,208
Secondary	2,443	2,434	2,436	2,444	2,469	3,162	3,215	3,253	3,294
Special	91	91	90	90	90	91	90	89	88
Total (including pre-primary)	6,607	6,647	6,686	6,717	6,746	7,566	7,593	7,595	7,589
Total (excluding pre-primary)	..	..	..	..	..	7,538	7,566	7,569	7,565
Unit Costs (per FTE pupil)⁵ (£ in real terms) ²									
Primary	..	..	..	..	..	2,210	2,410	2,640	2,600
Pre-primary/primary	2,100	2,080	2,060	2,020	2,110	2,260	2,480	2,730	..
Secondary	2,870	2,820	2,790	2,740	2,760	2,880	3,080	3,350	3,320
Special	11,030	11,250	11,470	11,390	11,390	12,010	12,920	13,840	13,170
Total (including pre-primary)	2,510	2,480	2,450	2,400	2,470	2,640	2,860	3,130	..
Total (excluding pre-primary)	..	..	..	..	..	2,610	2,820	3,080	3,040

1 School based expenditure and pupils FTEs in this table and the figures in Table B4 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 2003-04 levels using September 2004 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. Figures for 1999-00 to 2001-02 were drawn from Section 52 (Table 3) outturn statements which LEAs submitted to the DfES. Figures for 2002-03 are taken from Section 52 (Table A) outturn statements. The change in sources is shown by the dotted lines. The pupil data are drawn from the DfES Annual Schools Census adjusted to be on a financial year basis. The 1999-00 figures reflect the return of GM schools to local authority maintenance. Further details are given in paragraph 22 of the accompanying text.

4 School based expenditure is a wider definition than that used in Table A3.

5 Figures are rounded to the nearest £10.

.. Not available

TABLE B3

Combined LEA and school based expenditure¹ in real terms² per full time equivalent pupil in local education authority maintained schools³ in England

	2003-04 prices								
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 ⁷
Combined LEA and school based expenditure									
(£m real terms) ²									
Primary	..	..	..	..	..	10,510	11,311	12,131	..
Pre-primary/primary	9,600	9,580	9,557	9,424	9,951	10,909	11,878	12,887	..
Secondary	7,822	7,628	7,529	7,442	7,613	9,915	10,723	11,758	..
Special	1,531	1,577	1,593	1,643	1,661	1,714	1,828	1,937	..
Schools Total	18,954	18,784	18,679	18,509	19,225	22,539	24,430	26,582	..
Combined LEA and School Total	22,459	21,817	21,490	21,198	21,747	23,821	25,254	27,213	27,562
Full-time equivalent (FTE)									
number of pupils⁴ (thousands)									
Maintained Pre-primary ⁵	..	..	..	..	..	27	27	26	25
PVI ⁵	..	..	..	..	..	121	152	150	163
Primary ⁵	..	..	..	..	..	4,286	4,261	4,227	4,183
Pre-primary/primary ^{5,6}	4,073	4,122	4,160	4,183	4,187	4,434	4,440	4,402	4,370
Secondary ⁵	2,443	2,434	2,436	2,444	2,469	3,162	3,215	3,253	3,294
Special ⁵	91	91	90	90	90	91	90	89	88
Schools Total	6,607	6,647	6,686	6,717	6,746	7,686	7,745	7,745	7,752
Other LEA maintained pupils ⁷	..	32	37	41	38	36	38	41	44
Total	6,607	6,678	6,723	6,758	6,784	7,723	7,783	7,786	7,796
Unit Costs (per FTE pupil)⁶									
(£ in real terms) ²									
Primary	..	..	..	..	..	2,450	2,650	2,870	..
Pre-primary/primary	2,360	2,320	2,300	2,250	2,380	2,460	2,680	2,930	..
Secondary	3,200	3,130	3,090	3,040	3,080	3,140	3,340	3,610	..
Special	16,760	17,390	17,730	18,260	18,490	18,840	20,300	21,750	..
Schools Total	2,870	2,830	2,790	2,760	2,850	2,930	3,150	3,430	..
Combined LEA and School Total	3,400	3,270	3,200	3,140	3,210	3,080	3,240	3,500	3,540

1 LEA expenditure and pupils FTEs in this table and the figures in Table B4 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 2003-04 levels using September 2004 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. Figures for 1999-00 to 2001-02 were drawn from Section 52 (Table 3) outturn statements which LEAs submitted to the DfES. Figures for 2002-03 are taken from Section 52 (Table A) outturn statements. The change in sources is shown by the dotted lines. The 1999-00 figures reflect the return of GM schools to local authority maintenance. Further details are given in paragraph 22 of the accompanying text.

4 All pupil numbers are adjusted to be on a financial year basis.

5 The pupil data for pupils attending maintained schools are drawn from the DfES Annual Schools Census. Private voluntary and independent (PVI) under 5 pupil numbers are taken from the Early Years Census.

6 From 1999-00 pupil numbers include those pupils aged under 5 educated in both maintained and non-maintained establishments.

7 Other LEA maintained pupils includes all pupils attending schools not maintained by the Authority for whom the Authority is paying full tuition fees, or educated otherwise than in schools and pupil referral units under arrangements made by the Authority drawn from the Form 8b submitted to the DfES. Also included are all pupils attending pupil referral units who are not registered at a maintained mainstream school drawn from the DfES Annual Schools Census.

8 Figures are rounded to the nearest £10.

9 In 2002-03 the Section 52 survey form was redesigned. Due to the change in the way the data is now collected it is not possible to calculate an accurate sector breakdown of expenditure. The overall totals include all LEA recurrent expenditure, except youth and community.

.. Not available

TABLE B4Revenue funding¹ in real terms² per full-time equivalent pupil in maintained schools in England

	2003-04 prices									
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
										provisional
Total revenue funding³ (£m in real terms) ²	21,907	21,516	21,748	22,128	22,695	23,744	25,710	27,068	28,093	29,379
Number of pupils aged 3-19 years (thousands) (all maintained pupils for financial year)	7,254	7,362	7,443	7,506	7,615	7,665	7,722	7,778	7,816	7,887
Unit funding⁴ per pupil aged 3-19 (£ in real terms) ²	3,020	2,920	2,920	2,950	2,980	3,100	3,330	3,480	3,590	3,730

1 Total revenue funding per pupil and pupil FTEs in this table have not been calculated on the same basis as in tables B2 and B3, therefore the unit costs and unit funding in the two tables are not directly comparable.

2 Cash figures adjusted to 2003-04 prices using September 2004 GDP deflators.

3 Funding consists of Education Standard Spending/Education Formula Spending plus all schools-related revenue grants in DfES's departmental expenditure limit which are relevant to pupils aged 3 to 19.

4 Rounded to the nearest £10.

TABLE B5Funding in real terms¹ per full-time equivalent student in Further Education in England

2003-04 prices

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 provisional ⁵	2003-04 plans
Expenditure										
(£m in real terms) ¹										
FE participation	3,653	3,685	3,721	3,628	3,493	3,545	3,607	3,942	4,016	4,278
FE total funding ²	3,653	3,685	3,721	3,628	3,493	3,637	3,782	4,169	4,447	4,732
Full-time equivalent number of students (thousands)										
Further Education ³	914	989	1,027	1,020	1,004	977	953	970	1,051	1,117
Unit funding (per FTE student)⁴										
(£ in real terms) ¹										
FE participation	4,000	3,730	3,620	3,560	3,480	3,630	3,780	4,060	3,820	3,830
FE total funding	4,000	3,730	3,620	3,560	3,480	3,720	3,970	4,300	4,230	4,240

1 Cash figures adjusted to 2003-04 levels using September 2004 GDP deflators.

2 Total FE grant to the FEFC or LSC, but not including FEFC or LSC administration costs. The figures include monies provided for FE participation and certain FE funding earmarked purposes, including capital, FE standards Fund and other special grants to colleges.

3 Full-time-equivalent (FTE) students funded by the Further Education Funding Council (FEFC) until 2000-01 and the Learning and Skills Council (LSC) from 2001-02 in either further education sector colleges (further and higher education students) or in external institutions, specialist designated institutions, dance and drama institutions and higher education institutions (further education students only). Dance and drama institutions were not included in previous reports and minor changes may occur to historic figures.

4 Rounded to the nearest £10.

5 The provisional unit of funding figures in 2002-03 comprises of the outturn expenditure in 2002-03, the actual FTE's in 2001/02 and the planned FTEs in 2002/03.

TABLE B6Funding in real terms¹ per full-time equivalent student in Higher Education in England

2003-04 prices

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03 provisional	2003-04 plans
Expenditure										
(£m in real terms) ¹										
Higher Education ^{2,3}	5,355	5,338	5,184	5,404	5,417	5,459	5,570	5,704	5,794	6,042
Full-time equivalent number of students (thousands)										
Higher Education ⁴	944	989	1,007	1,019	1,023	1,041	1,064	1,087	1,101	1,115
Unit funding (per FTE student)⁵										
(£ in real terms) ¹										
Higher Education ⁵	5,670	5,400	5,150	5,300	5,300	5,240	5,230	5,250	5,260	5,420

1 Cash figures adjusted to 2003-04 levels using September 2004 GDP deflators.

2 Publicly planned funding of higher education institutes in England includes block grants from the Higher Education Funding Council for England (HEFCE) and the Teacher Training Agency (TTA), and public and private contributions towards the costs of tuition.

3 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.

4 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. The maximum student contribution to fees of £1,100 in 2002/03 and £1,125 for 2003/04, which forms part of the unit funding shown above and represents around 20 to 25% of the average cost of a course.

5 Rounded to the nearest £10.

GLOSSARY OF TERMS

Aggregate External Finance (AEF)	<p>The majority 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 Formula Spending). AEF also includes certain specific grants earmarked for particular purposes, which are included in the programmes of the relevant spending departments.</p>
Formula spending shares	<p>Formula Spending Shares are the mechanism by which general revenue funding is allocated between local authorities. Education Formula Spending Shares refer to general revenue funding for education. Each authority receives a formula allocation: its share of the £26.4 billion Education Formula Spending pot. The actual money an authority receives is given out through Revenue Support Grant. This takes into account the formula spending share for each service (of which education is just one) and the authority's ability to raise local council tax.</p> <p>There are two main funding blocks within the education formula: one for schools encompassing all pupil provision, and one for LEAs, in order to clearly match funding to the separate responsibilities of schools and LEAs. The main structure of the schools formula delivers a basic entitlement per pupil, plus enhancements for schools and pupils in authorities where significant deprivation adds to education cost; and a separate enhancement for areas where schools need to pay more to recruit and retain staff. The formula for distributing the primary sub-block also has an addition for sparsity, to reflect the higher cost of maintaining small schools in sparse areas.</p>
Fair Funding	<p>Fair Funding is the non-statutory name commonly used to denote the new statutory framework for school funding which took effect on 1 April 1999, superseding the framework introduced in 1990 and commonly known as Local Management of Schools. Within this new framework, the level of financial delegation to schools has been raised considerably; items particularly affected include non-capital building repairs and maintenance, school meals and financial and personnel services. All maintained schools, including former GM schools, came into the scope of the new system from its inception.</p>
Further Education	<p>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 Further Education Funding Council (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 Learning Skills Council (LSC) (which was established as a result of the Learning and Skills Act 2000).</p>

Higher Education	The Higher Education Funding Council for England (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 (as the UK science budget is the responsibility of the Department of Trade and Industry, these figures are not included in 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.
Gross Domestic Product (GDP)	A measure of the economic activity taking place in UK economic territory. Measured by the Office of National Statistics (ONS), GDP is equivalent to the value added to the economy by this activity.
GDP Deflators	The Gross Domestic Product (Market Prices) deflators as published by National Statistics in their Quarterly National Accounts First Releases are used to convert the cash figures to constant 2003-04 price levels by adjusting for the effects of general inflation. 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 September 2004 have been used for this bulletin.
Real Terms	Expenditure measured against a standard base year, making allowances for changes in purchasing power as a result of inflation.
Cash Terms	The actual amount of money spent or planned to be spent, unadjusted for inflation.
Resource Accounting	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. The introduction of resource accounting has brought about a clearer separation of capital and recurrent budgets so that, for example, capital expenditure by the Higher Education Funding Council for England (HEFCE), the Further Education Funding Council (FEFC) and the Teacher Training Agency (TTA) no longer appears as current expenditure. This explains, for example, the switch between central government current and capital expenditure in Table A1 .
Cash Accounting	In cash accounting, expenditure and income is recorded in the period in which cash is actually paid out or received.
Outturn Statements	Annual Financial statements made by LEAs to the DfES, detailing expenditure.
Revenue Support Grant (RSG)	The biggest grant within Aggregate External Finance (AEF) is Revenue Support Grant, which is a block grant within the programme of the Office of the Deputy Prime Minister.

The Statistics in this bulletin were obtained from the following sources:

Maintained school pupil numbers	DfES Annual Schools' Census.
Pre-primary pupils in Private Voluntary and Independent establishments	Early Years Census.
Pupils attending pupil referral units who are not registered at a maintained mainstream school	DfES Annual Schools Census.
Other LEA maintained pupils	DfES Form 8b
Expenditure on schools, adult education centres and local education authority maintained colleges	Revenue Outturn returns and Section 52 surveys. The data to 1998-99 are drawn from the local education authorities' Revenue Outturn returns (the "RO1") made to the DETR (now Office of the Deputy Prime Minister). From 1999-00 data are drawn from the local authorities' Section 52 outturn statements that are submitted to the DfES. The change in source is shown by a vertical dotted line.
School funding	DfES records of Education Formula Spending Shares, special and specific DfES Grants to local education authorities.
Further education	Further Education Funding Council www.fefc.ac.uk
Higher education	Higher Education Statistics Agency www.hefce.ac.uk
GDP deflators	- Office for National Statistics (ONS), First Release: Quarterly National Accounts, 2 nd quarter 2004, published 30 September 2004.

Related publications

The DfES's Departmental Report (Cm 6202) published in April 2004 sets out details of planned expenditure for all the programmes it administers, including 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 Departmental Report also gives a breakdown of outturn expenditure on education since 1998-99, by central government and by local authorities.

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 2004 edition of *Education Statistics for the United Kingdom*. The Stationery Office schedules this volume for publication in November this year.

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 5901).