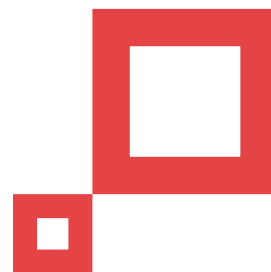


Department for Education and Skills



DEPARTMENTAL REPORT

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2004

This is part of a series of departmental reports which, along with the Main Estimates, the document *Public Expenditure Statistical Analyses 2004–05*, and the Supply Estimates 2004–05: Supplementary Budget Information, present the Government's expenditure plans for 2003 – 2006.

The complete series of departmental reports and *Public Expenditure Statistical Analyses 2004–05* is also available as a set at a discounted price.

Conventions

Dates refer to financial year 2003-04, unless otherwise indicated.

Financial years are shown 2003-04, academic years as 2003/04.

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

The report relates to England, unless otherwise indicated.

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Department for Education and Skills

Departmental Report 2004

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

April 2004

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Foreword

I am pleased to present my 2004 Departmental Report which sets out what we have achieved during 2003-04, progress against our Public Service Agreement (PSA) targets and our expenditure plans based on resources allocated in the Spending Review 2002 settlement.

This has been another year of significant progress due to the hard work and dedication of front line professionals and many others in supporting roles. I am particularly delighted that in June last year the Government brought together responsibility for all children and family policy under the same umbrella. The practical challenge for all of us is to ensure that children's services are coherent in design and delivery and provide the very best for children throughout the system. It is a window of opportunity, which we must take full advantage of.

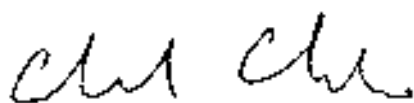
We have made significant progress on a number of fronts:

- Since January 2003, almost all four-year-olds, and 88 per cent of three-year-olds, have been in some form of free early education. From April 2004, all three-year-olds are entitled to a free part-time place if their parents want one.
- Key Stage 3 test results, published in December, were the best on record with increases in every subject and at all levels.
- GCSE examination results, published in January, show that schools continue to make good progress towards challenging targets, helped by policies such as Excellence in Cities and Specialist Schools.
- By autumn 2003, the number of economically active adults lacking Level 2 qualifications had fallen to 6.9 million, a reduction of 5.4 per cent on the autumn 2001 baseline.

We know we still have a long way to go, but I believe that we can be proud of the progress we have made towards delivering the stretching targets set out in this report. Through the implementation of our key strategies, standards will continue to rise and opportunities created for everyone to reach their full potential.

- In July, we published *21st Century Skills – Releasing our Potential* which sets out our aims to ensure that employers have the right skills to support the success of their businesses, and individuals have the skills to be both employable and personally fulfilled.
- In September, *Every Child Matters* set out our proposals for reforming the delivery of services for children, young people, and families.

Our strategic direction has been set and we look forward to continuing to work with our partners in children's services, education, and training, to ensure that resources are used effectively and our ambitious programmes and targets achieved.

A handwritten signature in black ink, appearing to read 'Charles Clarke', written in a cursive style.

CHARLES CLARKE

Secretary of State for Education and Skills

Executive Summary

Introduction

This report sets out the Government's Expenditure Plans for the Department for Education and Skills based on the resources allocated in the Spending Review 2002. It also reports performance against Public Service Agreement (PSA) targets and provides a summary of significant developments in 2003-04.

The Department and its Partners

The Department's Ministers are shown on page 12. The Secretary of State is also the Cabinet Minister responsible for the Sure Start Unit, which is a cross-departmental body, and since June 2003, for children's social services, family policy, teenage pregnancy, family law, and the Children and Family Court Advisory and Support Service (CAFCASS).

An organisation chart of the Department and Government Offices is on page 13.

The Department works closely with a number of government bodies and national partner bodies (see chapter 14) to help deliver its agenda. Our partners are the front-line professionals who deliver services directly to children, young people, families and adult learners throughout the country.

Our Aim and Objectives

The Department for Education and Skills is responsible for education and lifelong learning in England. It also has wider responsibilities for a range of policies, some of which it shares with other government departments, such as the Sure Start programme (shared with the Department for Work and Pensions), to ensure children and young people are safe, well and ready to learn.

Our aim is:

To help build a competitive economy and inclusive society by;

- **Creating opportunities** for everyone to develop their learning.
- **Releasing potential** in people to make the most of themselves.
- **Achieving excellence** in standards of education and levels of skills.

Our objectives are to:

- Give children an excellent start in education so that they have a better foundation for future learning.
- Enable all young people to develop and to equip themselves with the skills, knowledge and personal qualities needed for life and work.
- Encourage and enable adults to learn, improve their skills and enrich their lives.

To achieve these objectives, the Department has in place a wide-ranging policy programme and targets against which to measure progress and achievement.

The targets against which we measure progress and achievement are set out in chapter 1.

Further information about DfES aims, objectives and strategies is also available online at www.dfes.gov.uk/delivering-results/

Section A Better Public Services – Performance Against PSA Targets (Chapter 1)

The Government is investing record sums of money in education. Our Public Service Agreement (PSA) targets set out the outcomes we aim to deliver. The summary tables in this chapter set out progress against targets from the Spending Review 2002 (SR2002) and targets from SR2000 that are still current.

Each of the later chapters discusses progress against relevant targets and explains what we are doing to achieve them.

Section B Expenditure Plans and Investment (Chapters 2 & 3)

In the Budget 2004, the Government published the 2004 Spending Review settlement for the Department, covering the three year period 2005-06 to 2007-8. The outcome of that review means Departmental Expenditure Limits (DEL) spending from 2004-05 to 2007-08 is set to rise by almost 7.5 billion. Capital expenditure within DEL will rise from £5 billion a year in 2004-05 to almost £7 billion a year by 2007-08.

As a result of the Government's continuing investment, the 2004 Spending Review will deliver an increase in education spending in the UK of

£13 billion to £76 billion, between 2004-05 and 2007-08.

Section C Key Policies and Programmes (Chapters 4 to 12)

A Sure Start for Every Child (Chapter 4)

To ensure all children get a sure start in life and to help secure a better future for families, and stronger and safer communities, the Government is committed to improving access to good quality childcare, early learning and family support.

The last of the 524 Sure Start Local Programmes was approved in December 2003 and they are now all up and running, providing a wide range of early years, health and family services in the most needy communities.

Supporting Children, Young People and Families (Chapter 5)

Achieving better outcomes for children, young people and families means involving them in the design and delivery of the services they receive. A good start to this process has been made through our consultation on the Children's Green Paper *Every Child Matters*.

A Strategy for Primary Schools (Chapter 6)

Excellence and Enjoyment was launched in May, outlining the vision for the sector where all schools can achieve high standards building on the progress already made since 1997. This will be achieved by continuing to place literacy and numeracy skills at the heart of our Strategy within a broad and rich curriculum in which every subject is taught outstandingly well.

Transforming Secondary Education (Chapter 7)

The Key Stage 3 National Strategy has seen yearly increases in the national test results and teachers have responded very positively. In 2003, the test results were the best on record with increases in every subject and at all levels. The key priority for the Strategy now is to build on these gains by raising standards even further in 2004.

The 2003 GCSE results show that schools are making good progress, helped by policies such as Excellence in Cities and Specialist Schools to achieve the challenging targets set. Full details of the GCSE results are included in chapter 8 (14-19 Reform). There are now 1,686 designated specialist schools with 1,445 operational and a further 241 to begin operating in September 2004. This means that 54 per cent of maintained secondary schools are now specialist.

The Excellence in Cities (EiC) programme is also having a positive impact with the 2003 GCSE exam results the best yet for EiC schools together with improvements in behaviour and attendance. There has been modest progress towards the overall PSA target for reducing truancy.

14–19 Reform (Chapter 8)

14–19: opportunity and excellence set out wide-ranging plans for the 14–19 phase of education and training. Medium term changes will include reforming the 14–16 curriculum, with fewer compulsory subjects and more freedom for young people to follow individual programmes that meet their needs and aspirations.

Raising Quality and Participation in Post-16 Learning (Chapter 9)

The *Success for All* strategy for reforming further education and training has been in place for over a year and the Government has put together the most comprehensive package of support to date to

encourage all young people to pursue their learning with financial support.

Further education colleges and work-based learning providers are central to our ability to respond to the economic challenges we face and Centres of Vocational Excellence (CoVEs) will play a key role in enabling further education colleges and work-based learning providers across England to be more sharply focused on meeting the skills needs of employers. There are now 251 CoVEs in the programme, with further rounds planned by the Learning and Skills Council.

Modern Apprenticeships (MAs) will also continue to provide quality work-based learning for young people getting them hands-on experience, on-the-job training, and respected qualifications.

The Future of Higher Education (Chapter 10)

The White Paper, *The Future of Higher Education* sets out the Government's strategy for investment and reform in higher education with the aim of creating a sustainable system of higher education, capable of remaining world-class and helping the nation to deal with increasingly rapid global change. It has been developed into a programme for change, jointly run by the Department and the Higher Education Funding Council for England (HEFCE).

Adult Skills – closing the gaps (Chapter 11)

The Skills Strategy White Paper *21st Century Skills: Realising our Potential* sets out the Government's programme to tackle the skills gap between the UK and its main economic competitors. It includes a range of measures to remove barriers to learning and support participation.

The *Skills for Life* Survey published in 2003 reported that the number of adults in England with poor literacy skills stands at 5.2 million. The picture for numeracy needs remains central, with the survey indicating that 6.8 million adults suffer from poor numeracy and, in fact, a total of 15 million adults

would receive functional benefits from improving their numeracy skills.

Since the launch of the strategy to July 2003, 1.5 million adults have started basic skills courses, while more than 500,000 have been awarded *Skills for Life* qualifications. We remain committed to helping over 750,000 adults by the end of this year, and to contribute to our target of helping 1.5 million adults by 2007.

A World Class Workforce for Education and Skills (Chapter 12)

Our policies can only be successfully implemented with an able and motivated workforce of leaders, teachers, trainers, advisers and their support staff, working with learners of all ages. This will involve recruiting and retaining the best people, and investing in their development and career paths and rewarding them for the work they do. They need to be well supported and have access to the information and communication technology that will be increasingly central to their work.

Section D How We Will Work to Make a Difference

The Department (Chapter 13)

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

The Staying Ahead Programme is the Department's change programme, aimed to improve the way the Department delivers its outcomes.

The Department is now focusing on the next stage of Staying Ahead. As part of this it is looking at the overall structure and organisation of the Department to enable it to provide even more effective strategic leadership of the system for children, education and skills.

Details of our progress in these areas are contained in this chapter.

Some of the Partners and People We Will be Working With to Achieve our Objectives (Chapter 14)

The Department works closely with a number of government bodies and national partner bodies to help deliver its agenda, some of whom are shown in this chapter.

Links with Department for Work and Pensions

Joint International Unit

The Department's international agenda focuses in particular on:

- Enabling young people to experience other countries at first hand as an integral part of their education and to acquire the skills and qualifications which are essential in a global labour market.
- Establishing the UK as a world leader in the creative and supportive use of ICT for education.
- Playing a positive and leading role in the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD), and other international organisations, and engaging in constructive bilateral co-operation with partner countries.

Achievements in 2003-04 include:

- The launch of the Global Gateway in February 2004 as an international website to facilitate

links between schools and universities in all countries and the development of an international dimension in the curriculum of UK schools.

- The Commonwealth Education Ministers Conference in October 2003 which gave a new impetus to school links between Commonwealth countries on the basis of the Global Gateway.
- The first UK international Education Week in November 2003 which highlighted the importance of international education links.
- The appointment of Education Attachés in UK Embassies.
- The launch of a new extended International School Award in March 2004 to recognise creative international school partnerships.
- The first International Ministerial seminar on the use of ICT in education in January 2004.
- Achieving and exceeding the 2003 targets for the Prime Minister's initiative for attracting international students to study at UK universities and colleges.
- New ministerial co-operation agreements with Poland and the Czech Republic and a series of successful expert seminars and meetings with the new EU Member States.

Specific priorities for 2004-05 include:

- preparing for a successful UK Presidency of the European Union in the second half of 2005;
- helping UK universities to develop as international hubs for teaching and research; and
- working with the Department for International Development (DFID), particularly in Africa.

Ministerial Team



Rt Hon Charles Clarke MP
Secretary of State for Education
and Skills



Rt Hon Margaret Hodge
MBE MP
Minister of State for Children,
Young People and Families



David Miliband MP
Minister of State for
School Standards



Rt Hon Alan Johnson MP
Minister of State for Lifelong
Learning, Further and Higher
Education



Baroness Cathy Ashton
Parliamentary Under Secretary
of State for Extended and Inclusive Schools
and DWP Minister with responsibility for
Sure Start



Stephen Twigg MP
Parliamentary Under Secretary
of State for Schools



Ivan Lewis MP
Parliamentary Under Secretary of State
for Young People and Adult Skills

Organisation Chart



David Normington
Permanent Secretary



Tom Jeffery
Director General
Children, Young People and Families



Peter Housden
Director General
Schools



Sir Alan Wilson
Director General
Higher Education



Janice Shiner
Director General
Lifelong Learning



Michael Stevenson
Director General Strategy
and Communications



Susan Thomas
Director General Corporate Services
and Development



Peter Makeham
Director General Finance and
Analytical Services

Government Offices Regional Directors

Keith Barnes – North West
Jonathan Blackie – North East
Carline Bowdler – East of England
Felicity Everiss – Yorkshire and the Humber
Graham Garbutt – West Midlands
Jane Henderson – South West
Paul Martin – South East
Liz Meek – London
Jane Todd – East Midlands

SECTION A

Better Public Services

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Performance Against PSA Targets

Public Service Agreements (PSAs) set out what Departments aim to deliver in return for the investment being made. They provide a clear statement of priorities and are an integral part of the Department's spending plans.

The 2002 Spending Review provides the framework for our targets until 2006, including a distinct set for Sure Start. It also subsumed many of the earlier targets set in the 2000 Spending Review.

Since June 2003, the DfES has had lead responsibility in government for children, young people and families policies. The Department is now responsible for the target (previously owned by the Department of Health) related to improving the lives of children in care. We also share a target with the Department of Health for reducing teenage pregnancies.

This chapter includes latest achievement against targets in all these areas with more detailed information within individual chapters.

The Government is keen to enable the public to view progress towards Public Service Agreement targets in public services and all the Government's key performance data is now available on a single Public Service Performance website.

www.hm-treasury.gov.uk/performance/.

Table 1.1 | Summary Table – Spending Review 2002 Targets

	Latest Achievement	More information
1. Raise standards in English and maths so that: <ul style="list-style-type: none"> by 2004, 85% of 11-year-olds achieve level 4 or above and 35% achieve level 5 or above with this level of performance sustained until 2006; and by 2006, the number of schools in which fewer than 65% of pupils achieve level 4 or above is significantly reduced. 	2003 Test Results English - 75% English - 27% maths - 73% maths - 29% SLIPPAGE ON COURSE	Chapter 6
2. Raise standards in English, maths, ICT and science in secondary education so that: <ul style="list-style-type: none"> by 2004, 75% of 14-year-olds achieve level 5 or above in English, maths and ICT (70% in science) nationally and by 2007, 85% (80% in science); by 2007, the number of schools where fewer than 60% of 14-year-olds achieve level 5 or above is significantly reduced; and by 2007, 90% of pupils reach level 4 in English and maths by age 12. 	2003 Test Results English - 69% ICT - 67% 2004 - SLIPPAGE maths - 71% science - 68% 2004 - ON COURSE 2007 - ALL ON COURSE NOT YET ASSESSED NOT YET ASSESSED	Chapter 7 <i>Key Stage 3 Strategy</i>
3. By 2004, reduce school truancies by 10% compared to 2002, sustain the new lower level, and improve overall attendance levels thereafter.	0.70% (2002/03) ON COURSE	Chapter 7 <i>Behaviour and Attendance</i>
4. Enhance the take-up of sporting opportunities by 5- to 16-year-olds by increasing the percentage of school children who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum from 25% in 2002 to 75% by 2006. (Joint target with Department for Culture, Media and Sport).	NOT YET ASSESSED	Chapter 7 <i>PE and School Sport</i>
5. Raise standards in schools and colleges so that: <ul style="list-style-type: none"> between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to five GCSEs at grades A*-C rises by 2 percentage points each year on average and in all schools at least 20% of pupils achieve this standard by 2004 rising to 25% by 2006; and the proportion of 19-year-olds who achieve this standard rises by 3 percentage points between 2002 and 2004, with a further increase of 3 percentage points by 2006. 	52.9% (2002/03) SLIPPAGE 76% (Autumn 2003 LFS) ON COURSE	Chapter 8 <i>General Certificate of Secondary Education</i>
6. By 2004, at least 28% of young people to start a Modern Apprenticeship by age 22.	23% (2002/03) ON COURSE	Chapter 9 <i>Modern Apprenticeships</i>
7. By 2010, 90% of young people by age 22 will have participated in a full-time programme fitting them for entry into higher education or skilled employment.	Around 80% ON COURSE	Chapter 8
8. Challenging targets will be set for minimum performance and value for money in FE colleges and other providers by the Government and the LSCs (this is also the department's value for money target).	ON COURSE	Chapter 9 <i>Further Education</i>
9. By 2010, increase participation in higher education towards 50% of those aged 18 to 30. Also, make significant process year on year towards fair access, and bear down on rates of non-completion.	43.5% (2001/02) ON COURSE	Chapter 10
10. Improve the basic skill levels of 1.5 million adults between the launch of Skills for Life in 2001 and 2007, with a milestone of 750,000 by 2004.	470,000 achievements by July 2003 has been met ON COURSE	Chapter 11 <i>Adult Basic Skills</i>
11. Reduce by at least 40% the number of adults in the workforce who lack NVQ 2 or equivalent qualifications by 2010. Working towards this, one million adults already in the workforce to achieve level 2 between 2003 and 2006.	209,000 more economically active adults were qualified at Level 2 than in 2002 ON COURSE	Chapter 11 <i>Skills Strategy</i>

Table 1.2 | Summary Table – Spending Review 2000 Targets that were not subsumed as SR2002 targets and remain live

	Latest Achievement	More information
<p>Increase the percentage of 11-year-olds at or above the expected standard of literacy and numeracy for their age. By 2004:</p> <ul style="list-style-type: none"> Reduce to zero the number of local education authorities where fewer than 78% of pupils achieve level 4 or above. 	<p>English (78%) 36 LEAs (2000) 33 LEAs (2003) maths (78%) 12 LEAs (2000) 15 LEAs (2003) SLIPPAGE</p>	Chapter 6
<p>Increase the percentage of 14-year-olds at or above the standard of literacy, numeracy, science and information and communications technology (ICT) for their age. Subject to consultation:</p> <ul style="list-style-type: none"> by 2004, as a minimum performance target at least 65% to achieve level 5 and above in English and maths, and 60% in science in each LEA; and by 2004, no more than 15% of pupils will fail to attain at least one level 5. 	<p>English (65%) 68 LEAs (2000) 100 LEAs (2003) maths (65%) 67 LEAs (2000) 112 LEAs (2003) science (60%) 65 LEAs (2000) 120 LEAs (2003)</p> <p>20% (2003)</p>	Chapter 7 <i>Key Stage 3 Strategy</i>
<p>Increase the percentage of pupils obtaining five or more GCSEs at grades A* to C (or equivalent);</p> <ul style="list-style-type: none"> at least 38% to achieve this standard in every local education authority by 2004. 	<p>91% of LEAs achieved target (2002/03) SLIPPAGE</p>	Chapter 8 <i>General Certificate of Secondary Education</i>
<p>Increase the percentage of pupils obtaining five or more GCSEs at grades A* to G (or equivalent), including English and maths: by 2004 92% of 16-year-olds should reach this standard.</p>	<p>86.3% (2002/03) SLIPPAGE</p>	Chapter 8 <i>General Certificate of Secondary Education</i>
<p>On pupil inclusion:</p> <ul style="list-style-type: none"> Ensure that all pupils who are permanently excluded obtain an appropriate full-time education. 	MET	Chapter 7 <i>Behaviour and Attendance</i>

A reconciliation table between SR2000 and SR2002 PSA targets is available at www.hm-treasury.gov.uk/media//1DDCD/PSA%20reconciliation.pdf

Children, Young People and Families

Table 1.3 | Summary Table – Spending Review 2002 targets transferred from Department of Health

	Latest Achievement	More information
<p>Improve life chances for children including by:</p> <ul style="list-style-type: none"> Improving the level of education, training and employment outcomes for care leavers aged 19, so that levels for this group are at least 75% of those achieved by all young people in the same area by 2004. Substantially narrowing the gap between the educational attainment and participation of children in care and that of their peers by 2006. Target achieved if: <ul style="list-style-type: none"> (a) outcomes for 11-year-olds in English and maths are at least 60% as good as those of their peers; (b) the proportion who become disengaged from education is reduced, so that no more than 10% reach school leaving age without having sat a GCSE equivalent exam; and (c) the proportion of those aged 16 who get qualifications equivalent to five GCSEs graded A*-C has risen on average by 4 percentage points each year since 2002; and in all authorities at least 15% of young people in care achieve this level of qualification. Narrowing the gap between the proportions of children in care and their peers who are cautioned or convicted. Target met successfully if the proportion of children in care who were cautioned or convicted in the year to 30 September is reduced by a third i.e. from 10.8% to 7.2% by 2004. 	<p>SLIPPAGE</p> <p>NOT YET ASSESSED</p> <p>SLIPPAGE</p>	Chapter 5
Reducing the under-18 conception rate by 50% by 2010 (Joint target with Department of Health)	ON COURSE	Chapter 5

Children, Young People and Families

Table 1.4 | Summary Table – Spending Review 2000 targets transferred from Department of Health

	Latest Achievement	More information
<p>Improve the life chances for children in care by maximising the contribution adoption can make to providing permanent families for children without compromising on quality, so maintaining current levels of adoptive placement stability. Specifically, by bringing councils' practice up to the level of the best, by 2004-05:</p> <ul style="list-style-type: none"> to increase by 40% the number of looked after children who are adopted, and aim to exceed this by achieving, if possible, a 50% increase, up from 2,700 in 1999-00; and to increase to 95% the proportion of looked after children placed for adoption within 12 months of the decision that adoption is in the child's best interests, up from 81% in 2000-01. 	<p>3,500, 29% increase (2002-03)</p> <p>81% (2002-03)</p>	Chapter 5

Sure Start

Table 1.5 | Summary Table – Spending Review 2000 Targets

	Latest Achievement	More information
<p>Objective 1. Improving children's social and emotional development.</p> <ul style="list-style-type: none"> Reduce the proportion of children aged zero to three in the 500 Sure Start areas who are re-registered within the space of twelve months on the child protection register by 20 per cent by 2004. 	AHEAD	Chapter 4
<p>Objective 2. Improving children's health.</p> <ul style="list-style-type: none"> Achieve by 2004 in the 500 Sure Start areas, a 10 per cent reduction in mothers who smoke in pregnancy. 	ON COURSE	Chapter 4
<p>Objective 3. Improve children's ability to learn.</p> <ul style="list-style-type: none"> Achieve by 2004 for children aged zero to three in the 500 Sure Start areas, a reduction of 5 percentage points in the number of children with speech and language problems requiring specialist intervention by the age of four. 	WILL NOT BE ASSESSED	Chapter 4
<p>Objective 4. Strengthening families and communities.</p> <ul style="list-style-type: none"> Reduce the number of zero to three-year-old children in Sure Start areas living in households where no-one is working by 12 per cent by 2004. 	SLIPPAGE	Chapter 4

Sure Start

Table 1.6 | Summary Table – Spending Review 2002 Targets

	More information
An increase in the proportion of children aged five with normal levels of personal, social and emotional development for their age.	Chapter 4
A 6 percentage point reduction in the proportion of mothers who smoke during pregnancy.	Chapter 4
An increase in the proportion of children aged five with normal levels of communication, language and literacy for their age and an increase in the proportion of young children with satisfactory speech and language development at age 2 years.	Chapter 4
A 12% reduction in the proportion of young children living in households where no-one is working.	Chapter 4

SECTION B

Expenditure and Investment

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Expenditure Plans

The Government is committed to securing a well-educated, highly skilled workforce in a knowledge driven economy. It has demonstrated that commitment through the resources for education and skills it has allocated in each of its Spending

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

All tables in this chapter show expenditure plans to 2005-06, allocation decisions beyond 2005-06 will be announced later in the year.

Table 2.1 | Summary of Resource and Capital Tables 1998-99 to 2005-06 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans
Total Spending in Departmental Expenditure Limits (DEL)^{1,2}								
Sure Start ³	179	213	368	467	680	745	890	1,158
Schools, including Sixth Forms	1,810	2,267	4,439	5,421	8,040	9,222	9,853	11,029
Support for Children, Young People and Families ^{4,5}	1,066	1,269	1,446	1,131	1,564	1,807	1,280	1,428
Higher Education	5,956	6,237	5,887	6,006	6,626	6,771	7,324	8,142
Further Education, Adult Training and Skills and Lifelong Learning	3,499	3,672	4,156	5,850	6,540	7,239	7,750	8,359
Activities to Support all Functions ⁶	248	263	277	284	277	286	403	837
Total Department for Education and Skills Resource Budget	12,759	13,921	16,572	19,159	23,727	26,070	27,500	30,954
Total Central Government Spending on Education in England⁷	11,303	12,174	14,511	16,834	20,967	23,167	24,525	27,258
Local Government Formula Spending								
Education ^{8,9}	19,384	20,414	21,479	22,513	22,502	25,018	26,341	27,963
Children's Social Services ^{10,11}	1,829	1,900	1,998	1,833	1,909	3,038	3,737	4,016

1. This table only includes figures within DEL. Therefore this table is not directly comparable with annexes A, B and C, as they include figures within AME.
2. Includes both resource and capital expenditure.
3. Includes expenditure on early years and childcare.
4. Includes expenditure on the Children's Fund.
5. Includes Educational Maintenance Allowances 2001-02 and 2002-03 which have been reclassified as Resource AME from 2003-04 onwards.
6. In 2005-06 includes the Service Development Fund which is used to support innovative projects.
7. Total central government spending on education includes DfES spending on schools, further and higher education (including the student loans resource budget charge, which from 2003-04 onwards is no longer comparable to earlier years due to the effect on the resource budget charge of the drop in the Treasury discount rate from 6% to 3.5%), plus New Deal for Schools capital, the Children's Fund and Sure Start.
8. These figures are not comparable with the local authority recurrent spending in tables 2.3 and 2.4.
9. The figures from 2003-04 onwards reflect the transfer of responsibility from DfES to LEAs of costs relating to pensions and nursery education.
10. In 2003-04, FSS replaced SSAs. FFS figures reflect the level of actual spending by councils which tended to be higher than the level of government provision. 2003-04 and subsequent year figures are not therefore comparable with previous years.
11. The 2004-05 Children's FSS figures includes £524m funded through the Quality Protects in 2003-04.

Table 2.2 | Expenditure by Function within Departmental Expenditure Limit 1998-99 to 2005-06 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans
Sure Start	179	213	368	467	680	745	993	1,287
<i>of which</i>								
Sure Start ^{1,2}	#	7	56	134	216	745	993	1,287
Childcare ³	45	56	65	109	158			
Nursery Education ³	134	150	247	224	306			
Schools^{2,4,5}	1,810	2,267	4,439	5,421	8,040	9,222	9,786	10,793
<i>of which</i>								
Investment in School Buildings ⁶	924	1,012	1,810	1,860	2,425	3,105	3,634	4,122
<i>of which</i>								
Voluntary Aided Schools	118	130	106	171	311	461	591	1,412
Capital Grants within Standards Fund	67	71	382	784	1,302	1,611	1,585	1,418
Credit Approvals	376	450	540	559	812	1,033	1,458	1,292
New Deal for Schools	231	234	702	316				
Other Standards Fund (including Excellence in Cities) ⁷	264	530	1,305	1,491	1,820	1,623	1,521	1,868
School Standards Grant	–	–	–	683	668	756	806	830
Schools Sixth Form Funding (through the Learning and Skills Council)	–	–	–	–	1,398	1,534	1,514	1,612
Information and Communications Technology	51	59	127	155	239	395	422	443
Modernising the Teaching Profession	224	260	668	982	1,138	1,474	1,575	1,600
Other miscellaneous programmes ⁸	348	406	529	250	351	334	314	319
Support for Children, Young People and Families¹	1,066	1,269	1,446	1,131	1,564	1,807	1,280	1,428
<i>of which</i>								
Work-Based Training for Young People ⁹	712	799	837					
Careers Service ¹⁰	205	228	239					
Education Maintenance Allowances ¹¹	–	–	–	109	120			
Connexions Service	–	–	15	332	441	505	533	570
Children & Family Court Advisory Support Service (CAFCASS)	–	–	–	81	84	95	95	95
Children's Services Grant ¹²	–	71	120	291	460	564	66	115
Neighbourhood Support Fund	–	10	5	19	22	14	10	10
Millennium Volunteers	#	4	14	19	17	16	15	15
Youth Services	4	5	4	5	8	28	42	43
Children's Fund	–	–	–	37	140	284	195	195
Other miscellaneous programmes	146	152	211	238	272	302	323	385
Higher Education^{2,4}	5,956	6,237	5,887	6,006	6,626	6,771	7,662	8,417
<i>of which</i>								
Higher Education Funding Council for England, etc	3,540	4,414	4,273	4,572	4,932	5,310	5,766	6,263
Student Loans RAB charge	410	604	794	733	968	703	952	1,026
Mandatory Awards and Student Loan Company Paid Grant	1,877	1,073	671	581	572	584	787	913
Access Funds and Bursaries	39	82	87	88	97	98	82	75
Student Support Administration	18	36	31	31	38	55	44	45
British Academy	29	31	34	36	13	13	13	13
Other miscellaneous programmes (including CFERs)	42	-3	-3	-34	7	7	18	82

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans
Further Education, Adult Learning and Skills and Lifelong Learning²⁴	3,499	3,672	4,156	5,850	6,540	7,239	7,828	8,320
<i>of which</i>								
Further Education ⁹	3,148	3,275	3,551					
FE Student Support ^{10, 13}	24	52	90					
Learning and Skills Council (except Sixth Form Funding)	–	–	45	5,294	6,115	6,828	7,178	7,615
Adult Education and Skills Strategy	93	70	147	353	199	111	185	224
Adult Learning Inspectorate/ Training Inspectorate ¹⁴	5	7	10	33	25	24	24	24
Union Learning Fund	2	3	4	6	7	2	8	8
Learning Partnership Fund	–	5	10	10	10			
Training and Enterprise Council Strategy Budget ⁹	114	118	118					
Career Development Loans	12	13	16	14	14	14	25	25
Ufi Learndirect	5	42	58	57	50	47	44	40
Prisoners' Learning and Skills	–	–	–	57	70	115	127	142
Other miscellaneous programmes	96	87	106	27	49	98	236	241
Activities to Support All Functions¹⁵	248	263	277	284	277	286	403	837
<i>of which</i>								
Research and Publicity	17	19	25	22	27	31	35	32
Emergency Reserve	–	–	–	–	–	–	100	30
Administrative Costs	223	237	246	249	236	240	253	261
Other miscellaneous programmes ¹⁶	8	6	6	12	14	14	15	515
Planned use of earlier years' accumulated underspends²	–	–	–	–	–	–	-451	-129
Total Department for Education and Skills	12,759	13,921	16,572	19,159	23,727	26,070	27,500	30,954

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

2. Some of the resource allocated to Departmental budgets is money the Department plans to draw down from previous years' underspends.

3. From 2003-04 the funding for Childcare and Nursery Education has been merged into that for Sure Start.

4. The function totals differ from those in table 2.1 as technical adjustments are required to correct the data source for table 2.1.

5. The schools figures exclude the extra resources the Department is making available, through re-prioritisation and the use of End Year Flexibility, between 2004-05 and 2005-06 to ensure stability in school budgets.

6. Figures do not include Public Finance Initiative Credit Approvals as only DEL is shown.

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

8. 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..

9. Funding from April 2001 became the responsibility of the Learning and Skills Council.

10. From 2001-02 the activities of the Careers Service was taken over by the Connexions Service.

11. From 2003-04 these will be funded from Annually Managed Expenditure (AME).

12. In 2004-05, the Quality Protects and Care Leavers components of the Children's Service Grant have ended and the amounts rolled into formula spending.

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

14. This work and other smaller programmes was taken over by the Adult Learning Inspectorate from April 2001.

15. Figures for 1998-99 to 2000-01 differ from last year's as they include the administration costs associated with the functions transferred as part of the machinery of government changes.

16. Figures include Service Development Fund allocations in 2005-06 of which £350 million will be allocated to schools and £50 million to the QCA.

Funding for Education and Skills in England

In the Budget 2004, the Government published the Spending Review 2004 settlement for the Department for Education and Skills, covering the three year period 2005-06 to 2007-08. The outcome of that review means DfES Departmental Expenditure

Limits (DEL) spending from 2004-05 to 2007-08 is set to rise by almost 7.5 billion. Capital expenditure within DfES DEL will rise from £5 billion a year in 2004-05 to almost £7 billion a year by 2007-08.

Within the funds announced above Sure Start resources will rise from 2004-05 to 2007-08 by £669 million, an average annual real terms rise of 17 per cent.

Table 2.3 | Education Expenditure¹ by Central and Local Government² by Sector in Real Terms³ in England 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 provisional outturn	2003-04 estimated outturn
Schools⁴						
Capital ⁵	1,322	1,429	1,743	1,984	2,156	2,628
Current	20,973	22,460	24,431	26,723	27,608	29,763
<i>of which:</i>						
Under Fives ⁶	2,012	2,235	2,501	3,007	3,051	3,436
Primary ⁶	7,475	7,751	8,410	9,060	9,454	10,031
Secondary ⁶	9,361	9,769	10,513	11,525	11,901	12,594
Other ⁷	2,124	2,705	3,007	3,131	3,202	3,701
Further Education, Adult Learning and other Education Initiatives⁸	3,702	3,738	4,003	4,773	5,194	5,671
Higher Education^{9,10}	5,022	5,330	4,948	5,181	5,345	5,589
Student Support	1,536	1,346	1,379	1,176	1,527	1,058
<i>of which:</i>						
Further Education ¹¹	79	103	198	195	266	159
Higher Education ¹²	1,457	1,243	1,181	981	1,261	900
Administration, Inspection Costs and miscellaneous services¹³	1,526	1,011	1,057	1,213	1,449	1,592
Total						
Real Terms	34,080	35,315	37,560	41,050	43,278	46,301
Cash	31,023	32,860	35,401	39,704	43,278	47,592

- 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.
- The recurrent local authority figures in this table are drawn from Table 2.4; the footnotes to that table set out the underlying data sources. The dotted lines denote the changes from LEAs' 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.
- All figures have been converted to 2002-03 price levels using the March 2004 gross domestic product (GDP) deflators.
- 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 education expenditure on Sure Start. Secondary school figures include expenditure on Assisted Places and Music and Ballet schemes.

- 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 Initiative (PFI) credits (£130 million in 1998-99, £350 million in each of 1999-00 and 2000-01, £450 million in 2001-02 and £850 million in 2002-03 and in 2003-04).
- 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 financing employers' contributions.
- Includes local authority expenditure on meals, transport, non-maintained school fees, teacher development, pupil support and other support services (as defined in Table 2.4). 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 school sixth forms. Also includes 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 2.7 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.
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 Department'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.

United Kingdom Funding for Education

As a result of the Government's continuing investment, the 2004 Spending Review will deliver an increase in education spending in the UK of £13 billion, from £63 billion to £76 billion, between 2004-05 and 2007-08. By 2007-08 education spending in the UK will be 5.6 per cent of GDP up from 5.4 per cent in 2004-05. The Government is therefore on course to meet its pledge to increase the proportion of national income spent on education.

In England, education expenditure will grow by an average of 4.4 per cent across the Spending Review period: that is by 6.0 per cent in 2005-06, 3.8 per cent in 2006-07 and 3.5 per cent in 2007-08.

Local Authority Expenditure

In the local authority finance settlement for 2004-05 for England, the Government has set the national total of local authorities' Formula Spending Shares at £60.6 billion. Within that total, Education Formula Spending (the total of Education Formula Spending Shares) accounts for £26.4 billion.

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

Table 2.4 | Local Authority Expenditure¹ on Education, 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 provisional outturn	2003-04 estimated outturn
Current Spending²						
Schools						
Under Fives ^{3,4}	1,765	2,010	2,233	2,698	2,755	3,013
Primary Schools ⁴	6,397	6,806	7,496	8,298	8,967	9,792
Secondary Schools ^{4,5}	7,633	8,210	8,999	10,172	10,877	11,883
Special Schools ⁴	1,156	1,166	1,251	1,373	1,456	1,556
Meals ⁶	357	348	336	331	349	336
Transport ⁷	485	531	587	613	717	771
Non-Maintained School Fees ⁸	248	273	277	312	309	355
Teacher Development ^{2,9}	76	74	106	73	18	20
Pupil Support ¹⁰	39	30	39	37	22	27
Other Support Services ^{2,11}	479	939	997	981	848	892
Adult and Community Learning¹²	163	183	209	141	282	301
Miscellaneous Services and Administration						
Youth Service	257	268	272	288	309	360
Other Community Services ¹³	70	51	61	62	51	57
Central Administration ^{2,14}	872	381	366	389	565	589
Total Current Spending less Expenditure Funded by Specific Grants outside AEF^{5,15}	19,996	21,269	23,229	25,766	27,527	29,951
Technical and Vocational Education Initiative	2	0	0	0	0	0
Adult Education funded by LSC ¹⁶	60	59	77	153	165	206
Receipts from HEFCE ¹⁷	11	11	12	12	0	0
HE Student Support ¹⁸	1,877	796	318	127	76	68
Total Current Spending on Education	21,947	22,136	23,635	26,059	27,767	30,225
Capital Spending¹⁹						
Gross Capital Spending on Education (excluding New Deal for Schools) ²⁰	1,027	1,184	1,016	1,746	2,287	2,946
Local Authority Receipts	-82	-102	-119	-146	-233	-186
Total Net Capital Spending on Education	945	1,082	897	1,600	2,054	2,760
New Deal for Schools	224	207	702	316	0	0
Total Net Authority Capital Spending	1,169	1,289	1,599	1,916	2,054	2,760
Total Local Authority Expenditure on Education	23,116	23,425	25,234	27,975	29,821	32,985

Sources: 1998-99 LEAs' education Revenue Outturn Statements to the Department of Environment, Transport and the Regions. 1999-00 to 2001-02 Section 52 Outturn statements Table 3. 2002-03 Section 52 Outturn statements Table A. Figures are provisional. 1998-99 to 2002-03 LAs Capital Outturn Returns (COR) to the Office of the Deputy Prime Minister.

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 2.2 include only the first of these elements.
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 provisional and include estimates for 4 LEAs that failed to submit outturn statements on time for the DAR publication. As such the figures are likely to change.
3. Includes expenditure on under fives in nursery schools, in primary schools and in the private, voluntary and independent sectors.

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 financing 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. Excludes Education Maintenance Allowances (EMAs).

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. From 1999-00 onwards include 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. In 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.
18. Local authority support to HE students, including fees for EU students and mandatory awards. Includes mandatory awards in Wales.
19. Includes expenditure from the education component of the Urban and Regeneration Programme.
20. Gross education capital spending includes schools, youth and other education services.

Schools

Between 1997-98 and 2002-03 real-terms funding has increased by £630 per pupil (22 per cent). By 2004-05, funding per pupil will be £870 higher in real-terms than in 1997-98 and well over £1,000 higher by 2005-06.

Table 2.5 | Revenue Funding^{1,2} per School Pupil³ 1998-99 to 2005-06

	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 plans	2004-05 plans	2005-06 plans
Funding per pupil								
Real Terms (£)	2,900	3,020	3,240	3,380	3,500	3,620	3,740	3,930
Real Terms year-on-year change (£)	30	120	220	140	120	120	120	190
Real-Terms Index ⁴	101	105	113	118	122	126	130	137

1. Figures are rounded to nearest £10.
2. 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 3-19. Funding excludes Childcare and Sure Start.
3. Calculations are based on full-time equivalent pupils aged 4-19 in maintained schools in England plus estimated number of three-year-olds funded through state support in maintained and other educational establishments.
4. The real-terms index has been calculated using March 2004 gross domestic product deflators and shows the percentage increase in real-terms spending compared with the base year of 1997-98.

Further Education

Assumed funding for further education allocated to the LSC is £4,732 million in 2003-04, £5,174 million in 2004-05 and £5,579 million in 2005-06. The funding for 2003-04 represents a £405 million increase over 2002-03. This will be followed by further increases of £442 million in 2004-05 and £405 million in 2005-06. That is a real-terms year-on-year increase of six per cent in 2003-04, seven

per cent in 2004-05 and a further increase of five per cent in 2005-06. This is in addition to a six per cent real-terms increase in 2002-03 compared to 2001-02.

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

Table 2.6 | Funding per Full-Time Equivalent Student¹ in Further Education, 1998-99 to 2005-06

	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 provisional ⁷	2003-04 plans	2004-05 plans	2005-06 plans
Funding per funded full-time equivalent student¹								
Funding for participation (£) ^{2,3,6}	3,090	3,290	3,470	3,830	3,720	3,830	3,990	4,160
Real-Terms Index ⁴	100	104	109	117	110	110	112	114
Total Funding ^{2,3,5,6}	3,090	3,380	3,640	4,050	4,120	4,240	4,460	4,650
Real-Terms Index ⁴	100	107	114	123	121	121	125	127

Source: Learning and Skills Council's individualised student record (ISR) and DfES estimates and projections. Further Education Funding Council¹ was previously responsible for the ISR.

1. Full-time equivalent (FTE) students funded by the FEFC until 2000-01 and the LSC from 2001-02 in either further education sector colleges or in external institutions, specialist designated institutions, dance and drama institutions and HE institutions. Dance and drama institutions were not included in previous reports and minor changes may occur to historic figures.
2. Rounded to the nearest £10.
3. From 1999/00 onwards, the figures exclude 18,500 FTE Higher National Certificate and Higher National Diploma students and their associated funding which has been transferred to the Higher Education Funding Council for England (HEFCE).

4. The real-terms funding index has been based with 1998-99 as 100 and calculated using March 2004 gross domestic product (GDP) deflators and projections.
5. Total further education (FE) grant to FEFC or LSC, but not including FEFC or LSC administration costs. The figures include monies provided for FE participation and certain FE funding for earmarked purposes, including capital, FE Standards Fund and other special grants to colleges.
6. Unit funding figures for 1998-99 to 2002-03 are based on cash payments from the Department to FEFC or LSC rather than actual expenditure by FEFC or LSC included in some other tables in the report.
7. The provisional unit of funding figures in 2002-03 comprises of the outturn expenditure in 2002-03, the actual FTEs in 2001/02 and the planned FTEs in 2002/03.

Table 2.6 contains two series of figures which show the unit of funding per full-time equivalent student in further education. The first shows assumed funding for further education participation allocated to the Learning and Skills Council. This series shows a trend of growth in participation funding. The second line shows total funding to the sector. This includes funding for participation; funds that are targeted on areas such as raising standards and increasing capital investment; and

substantial additional funding to support the Success for All reform agenda.

Real-terms variations in unit funding are influenced by a number of factors which are difficult to predict, including Full Time Equivalent (FTE) student number fluctuations and the timing of when funding is brought to account. FTE student numbers fell in the academic year 2001/02 and is due entirely to a reduction in adult FTE numbers.

There was actually an increase in the number of adult learners. However, there has been a shift in participation towards shorter courses which has brought about the reduction in FTE numbers. This impacts on both financial years 2001-02 and 2002-03 and has the effect of increasing the unit of funding per FTE in those two years. The 2001-02 increase in the unit of participation funding is also partly explained by a number of other changes. These include the delivery of a greater number of short courses that are more expensive per FTE; a higher proportion of students receiving widening participation funding; a shift towards subject areas that are relatively expensive in terms of funding per FTE; and the consolidation of previously targeted funds for pay and staff training.

The planned increases over the 2003-04 to 2005-06 period are consistent with the Spending Review 2002 settlement for Further Education and continue the trend of increased investment.

Higher Education

The Government is committed to advancing progress towards its target that 50 per cent of young people should have the opportunity to benefit from higher education. To support that commitment, publicly planned funding for higher education in 2003-04 was £6.5 billion, an increase of around £0.5 billion (eight per cent) over 2002-03 funding levels. There will be a further planned increase of £0.5 billion in 2004-05 so that publicly planned funding in that year is almost £7 billion. These increases will mean that even with the expansion of student numbers, funding per student will continue to grow in real-terms in 2004-05.

Table 2.7 | Funding¹ per Student² in Higher Education, 1998-99 to 2004-05

	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 plans	2004-05 plans	2005-06 plans ⁵
Funding per student³								
Real Terms (£)	5,160	5,110	5,090	5,100	5,120	5,270	5,300	5,450
Real-Terms Index ⁴	100	99	99	99	99	102	103	106

1. Publicly planned funding on higher education institutions in England includes block grants from the Higher Education Funding Council for England (HEFCE) and the Teacher Training Agency, and public and private contributions towards the costs of tuition.
2. Full-time equivalent students.
3. The maximum student contribution to fees in 2003/04 is £1,125. This forms part of the funding above and represents between 20 and 25 per cent of the average costs of a course.

4. Real-terms index has been based with 1998-99 set as 100 and using the March 2004 gross domestic product deflators.
5. The unit costs in 2005-06 are based on the funding levels published in the grant letter issued to HEFCE in January 2002. The funding per student in that year will be updated as part of the allocation of the 2004 Spending Review settlement.

Investment

It is vitally important that investment is maintained in the places in which children and adults learn and the equipment which supports them. This investment aims to ensure the Department meets its objectives. We are keen that more use be made of the education and skills estates and are working towards better and more joined up services across sectors to support different types of learning and to promote learning centres as hubs of their local communities.

The Department delivers almost all of its services through local education authorities (LEAs) and Non-Departmental Public Bodies (NDPBs), notably the Learning and Skills Council (LSC) and the Higher Education Funding Council for England (HEFCE). Local managers of schools, colleges and universities have considerable freedom to manage their own budgets, but we work with them to ensure that they achieve good value for money.

The current *Departmental Investment Strategy* (DIS), covering the period 2003-04 to 2005-06, published in December 2002, has a number of themes which will run through our investment:

- Modernisation to allow institutions to deliver learning in the 21st Century.
- Rationalisation to allow institutions to support our aims more efficiently, providing good value for money.

Details of the Department's capital spending for the period 1998-99 to 2002-03 and our plans for 2003-04 to 2005-06 are set out in Annex C. The Department will increase capital investment, with spending rising from £3.2 billion in 2002-03 to £4.2

billion in 2003-04, £5 billion in 2004-05 and £5.7 billion in 2005-06.

Sure Start (including Early Years Education and Childcare)

Services for young children and their families promote the physical, intellectual and social development of young children – particularly those who are disadvantaged – and play a vital part in giving them the best possible start in life, helping to narrow the achievement gap in later years.

- All 524 Sure Start local programmes are now up and running.
- The Early Excellence Centre programme has built a network of good practice in the delivery of integrated early years services.
- The Neighbourhood Nurseries initiative is substantially expanding day care in disadvantaged areas. There are 1,073 Neighbourhood Nurseries now open, providing over 36,000 places.

The 2002 Spending Review settlement provided a more than doubling in childcare spending by 2006:

- the establishment of integrated children's centres in disadvantaged areas providing good quality childcare with early education, family and health; and
- the creation of additional 250,000 new childcare places in children's centres and elsewhere.

The 2004 Budget statement signalled a further increase in investment in the early years.

- There will be £669 million additional funding for Sure Start by 2007-08 compared with 2004-05, an average annual real growth rate of over 17 per cent. This will support 100,000 childcare places by 2008, (many of which will be in primary schools), with a particular focus on areas of disadvantage, and the commitment that by that year all the 20 per cent most disadvantaged wards will be covered by a network of 1,700 children's centres.

Schools

Since 1997, substantially increased capital support has enabled schools to address the backlog of building needs built up through years of under-funding. All schools now receive direct capital funding for their building needs, as well as the funding that is allocated to LEAs. Overall, direct capital funding for investment in school buildings, including PFI credits, was £3.8 billion in 2003-04, rising to £4.5 billion in 2004-05 and over £5 billion in 2005-06. In 2004-05, a typical secondary school will receive direct capital funding of around £85,000 and a typical primary school around £25,000. Schools will, from 2004-05, be able to use this money for investment in ICT equipment as well as buildings.

We aim to support the move from an incremental approach to improving school buildings to making a step change that reflects a strong educational vision, meets the needs of all users of the school, and will have a deep and lasting impact. Therefore in July 2003, after wide consultation, the new Building Schools for the Future (BSF) programme was launched to renew all secondary schools in England in a ten to fifteen year period from 2005-06, subject to future public spending decisions. BSF will reform the way that capital funding is allocated,

that schools are designed and that school buildings are procured. All authorities were invited to apply for funding in the first wave of projects, or to express interest for later prioritisation. In February 2004, a total of £2.2 billion of funding, including PFI credits, was allocated to the first wave of 19 authorities, including six pathfinder authorities, prioritised on educational and social need, and on educational vision and capacity to deliver. Future prioritisation is aimed to be on educational and social need, and we do not anticipate requiring further information from authorities for announcements of wave 2 and 3 prioritisation later in 2004.

We will also continue to address the renewal of the secondary school estate by expanding the number of Academies. These are publicly-funded independent schools which offer a broad and balanced curriculum with a specialist focus in one or more areas. There were 12 Academies opened by September 2003 and there are a further 33 in development. We aim to have 53 open by 2007.

In 2003-04 and 2004-05, we have allocated exceptionally high levels of formulaic funding to authorities to enable them to address their priority backlog of need. From 2005-06, we expect the bulk of capital funding (almost £3 billion in 2005-06) to continue to be allocated by formula to schools and authorities to support the needs of their primary and secondary schools not prioritised in BSF.

Research shows that ICT has a positive impact on pupil attainment and motivates, stimulates and engages them. Investment in ICT has improved computer to pupil ratios to 1:7.9 in primary and 1:5.4 in secondary schools at April 2003 and over 99 per cent of schools have been connected to the Internet since April 2002. At December 2003, 49 per cent of schools were connected to the Internet at broadband speeds.

In December 2003, we significantly enhanced the search and browse functions of Curriculum Online. This makes sourcing resources quicker and easier. We currently have nearly 1,000 suppliers and continue to add both resources and subjects.

The British Educational Communications and Technology Agency (Becta) concluded a landmark deal with Microsoft to achieve significant reductions in the cost of a wide range of Microsoft licenses for all schools. A memorandum of understanding was signed in December 2003 which would achieve total estimated cash savings to schools over three years of £46 million. From January 2004, there is easier access to the lowest cost licensing option for schools, which is potentially more advantageous to smaller primary schools.

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

Further Education

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

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

Increased capital investment is an essential part of our strategy to transform standards in education

and to engage disadvantaged pupils in learning. Investment in the adult and community learning sector and in UK online will play an increasingly important role in promoting basic skills.

Capital investment in the post-16 learning and skills sector will rise to over £400 million by 2005-06. Priority will be given to rationalise and modernise the FE estate, allowing colleges to focus on their strengths; enable an increase in the provision of dedicated/distinct provision for 16-19 learning; and to ensure that resources are used effectively in collaboration with capital investment in schools (including school sixth forms funded via local education authorities). The engagement of employers is crucial in this sector and investment will help to update vocational training facilities. To assist in this process 400 Centres of Vocational Excellence (CoVEs) will be established by 2005-06. They will focus on enhancing the employability of new entrants, on developing the skills of those in work and on enhancing the employment prospects of those seeking work (including self employment).

Higher Education

Investment in the higher education (HE) estate will play an important part in encouraging young people into HE and reducing non-completion rates. A modern estate will be needed if we are to achieve the Public Service Agreement (PSA) target to increase participation in HE towards 50 per cent of 18- to 30-year-olds by 2010. Investment since 2000 has also improved the infrastructure for ICT and e-learning in the sector.

The Government is committed to enhancing excellence in higher education research, essential to realise our aspirations for science and innovation. It is vital for the productivity and economic well-being of the country that our universities are able to compete with the best international institutions. This requires the long-term sustainability of our research base. The

investment in universities' infrastructure through the Science Research Investment Fund (SRIF) will increase to £500 million a year by 2004-05, of which £200 million will be from this Department. Significant sums will also be invested in the wider HE estate.

We will continue the work with the Office of Science and Technology, Higher Education Funding Council for England (HEFCE), other government departments and key stakeholders to ensure the successful implementation of Full Economic Costing (FEC) in universities in September 2005, in order that they can recover the full costs of their research activities.

Public-Private Partnerships/Private Finance Initiatives

Public Private Partnerships (PPPs) and Private Finance Initiatives (PFI) have become well-established procurement methods for the construction of new schools and the refurbishment of existing ones. There are 67 signed contracts in the schools sector covering over 632 schools, with a total value of £1.8 billion. Services have started in over 41 projects with more than 100 new or substantially refurbished schools open. In addition, 36 school projects have been approved by the Project Review Group (PRG) and are in procurement. The total capital value for the building projects is over £1.8 billion and they involve more than 300 schools. A further nine projects covering some 80 schools have been prioritised for support by the Department.

There are 14 signed projects in the FE sector and 12 in the HE sector. They include complete campus relocation, sport and leisure facilities for college and community use and provision of state-of-the-art ICT facilities.

The Building Schools for the Future (BSF) programme to rebuild or refurbish every secondary school in England launched in February 2004 will represent £2.2 billion of capital investment for 2005-06 (of which at least £1.2 billion is PFI credits). The first wave of this programme includes 17 authorities with an estimated 180 schools benefiting.

Investment through PFI generally focuses on major modernisation of premises through the replacement or substantial improvement of existing schools, increasingly as part of wider rationalisation projects. In the future, we are looking to make PFI more flexible so that it can more easily support smaller projects.

Following consultation with various public and private sector bodies, the Treasury has decided to make a small number of changes to Standardisation of PFI contracts (SoPC).

In 2001-04, PFI credits will be approximately 25 per cent of the total capital available to schools. This is a significant resource for LEAs to assist them in delivering their asset management planning objectives, and by improving school buildings, providing an environment that supports improved educational standards. PFI credits availability is enabling more strategic asset utilisation across all LEAs and creating wider benefits. Many projects, in addition to addressing the core issues of sufficiency, condition and suitability, also emphasise other priorities such as increasing community use, improving special educational needs (SEN) and early years provision and linking to Education Action Zones (EAZs) and Excellence in Cities (EiC).

Following the success of the Dudley Grid for Learning project, which used PFI to provide ICT for schools across Dudley LEA, the use of PFI to procure ICT for schools is being expanded. Four

ICT projects have been approved and are on procurement with a capital value of £45.45 million.

Invest to Save

The Invest to Save Budget funds innovative projects, which bring together two or more bodies to deliver better public services.

In Round 6 of The Treasury's Invest to Save Budget, the Department and its external partners were allocated just over £458,000 over three years starting 2004-05 to fund the Stay Safe – Stay Put project, which aims to reduce the incidences of running away amongst young people in Warrington.

Capital Modernisation Fund

The Capital Modernisation (CMF) was a cross-government fund which supported innovative capital projects. The Department is currently monitoring and evaluating a number of projects that are now coming to an end.

SECTION C

Key Policies and Programmes

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A Sure Start for Every Child

Sure Start

Sure Start is for children, parents and communities across the country. It helps children – and their families – from before birth through to age 14; and up to age 16 for those with special needs or disabilities.

As well as increasing the supply of good quality early learning, childcare and health and family support, the Government has encouraged the development of integrated and joined up services for young children and families. It has introduced initiatives to ensure provision is of good quality, and delivered by a skilled and committed workforce; and provided substantial assistance with the childcare costs of working families through the tax credit system.

The Government continues to invest heavily in the early years. The 2004 Budget announced £669 million additional funding for Sure Start by 2007-08 compared to 2004-05, an average annual real growth rate of 17.3 per cent.

The Sure Start Agenda

Free part-time early education for three- and four-year-olds

Since January 2003, almost all four-year-olds, and 88 per cent of three-year-olds, have been in some form of free early education. From April 2004, all three-year-olds are entitled to a free part-time (two and a half hours daily) place if their parents want one, a right guaranteed to all four-year-olds since 1998.

Free early education for three and four-year-olds is offered by maintained, independent and voluntary

nursery providers who have to show through regular Ofsted inspections that they are meeting the requirements of the Foundation Stage and the Early Learning Goals. We published a Foundation Stage information pack for parents in June 2003 which staff can use to help parents understand, and become more involved in, their children's early learning and development.

Childcare Provision

The Government has funded a substantial expansion in childcare in the private, voluntary and maintained sectors, and with a wide variety of types of childcare providers, including nurseries, childminders and before and after school provision. Since 1997, more than 920,000 new childcare places have been created benefiting well over 1.6 million children. This means we have met our target of creating new places for 1.6 million children by March 2004 and are on track to create places for over two million children by 2006.

There has been a large increase in out of school clubs, from 3,500 in 1997 to over 10,000 to date. To sustain and extend this growth, we have introduced a Government funded out of school childcare programme for the first time, to replace the four year Lottery funded scheme established in 1999. Through this new programme, 95,000 new out of school places will be created by 2006, of which around 40,000 will be in disadvantaged areas. Local authorities received their financial allocations under the new programme in September 2003.

We are continuing to expand and strengthen childcare through: start-up and sustainability grants; business support; investing in the recruitment and training of skilled and committed people to work with young children and families; helping parents find out what is available through local Children's Information Services; supporting the ChildcareLink national information service; and linking employment advice to information on childcare.

We are working with Ofsted to improve the quality of childcare provision. Following the initial phase of our promised review of the National Daycare Standards in July 2003, revised guidance and regulations came into force in September 2003. Ofsted registration, and inspection against the National Standards is being applied to day care facilities provided by independent and maintained schools. Regulation will be phased in over a two year period, starting with the youngest and most vulnerable children.

The Government provides £2 million assistance per day with childcare costs through the tax credit system. At January 2004, 300,000 lower and middle income families were benefiting from the childcare element of the new Working Tax Credit (WTC), which offered improved and more flexible assistance from April 2003, including payment directly to the main carer.

We have also extended the Credit to cover approved childcare in the home, to help particularly with the childcare needs of parents working unsocial hours or shifts or with disabled children.

The 2004 Budget announced a light touch, voluntary scheme to enable accreditation, for financial support purposes, of a broad range of childcare. The Government will bring forward consultative proposals in summer 2004, for implementation by April 2005. Before then, from June 2004, parents using schools' breakfast clubs,

and childcare provided by foster carers, will be eligible for the childcare element of WTC.

Helping Disadvantaged Communities and Groups

The Government has increased childcare across the country as a whole, but has, in particular, targeted its efforts towards disadvantaged communities and families.

The last of the 524 Sure Start Local Programmes was approved in December 2003 and they are now all up and running in our most disadvantaged areas, providing a range of early years, family and health support to local children and families. They are offering services to around 400,000 under fours, including a third of all those living in poverty. In addition, 1,073 new Neighbourhood Nurseries had been opened by March 2004 providing over 36,000 new day care places in the most needy communities. We will have reached our target of creating 45,000 new places through this initiative by the end of 2004.

The Government is establishing a network of children's centres initially in the most disadvantaged areas offering childcare alongside early learning, health and family support. The centres are building on existing good practice, in successful initiatives such as Sure Start Local Programmes, Neighbourhood Nurseries and Early Excellence Centres. A significant number of families with young children already benefit from good quality integrated services and children's centres will enhance these services and extend the benefits to more families in communities where it is most needed.

Each children's centre will offer:

- good quality early education combined with full day care provision for children (for a minimum of ten hours a day, five days a week, 48 weeks a year);

- good quality teacher input to lead the development of learning;
- family support services, including parental outreach;
- child and family health services;
- support for children and parents with special needs; and
- effective links with Jobcentre Plus, local training providers and further and higher education institutions.

The first children's centres were established in 2003 and there are now a total of 67. The increased Sure Start funding announced in the 2004 Budget will support the Government's commitment to establish 1,700 children's centres by March 2008, covering all the 20 per cent most disadvantaged wards, a significant step towards the goal of a centre for every community.

Spending Review 2002 Targets

Our targets are to achieve the following by 2005-06, in areas covered by Sure Start local programmes and children's centres: (the progress below refers to establishing the baseline for each target).

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

Data from the 2003 Foundation Stage Profile (FSP) will form the baseline.

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

Data for 2002-03 will form the baseline. This shows that the mothers of 29 per cent of babies in Sure Start Local Programme areas smoked during pregnancy.

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

Normal levels of Communication, Language and Literacy

Data from the 2003 Foundation Stage Profile (FSP) will form the baseline.

Satisfactory Speech and Language Development at age 2 years

In February/March 2003 the percentage of children with a word count above 21 and whose parents had no concerns about their language development was 71 per cent.

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

In April 2003, 43 per cent of children aged 0-4 in Sure Start Local Programme areas lived in households dependent on income support or workless benefits.

Spending Review 2000 Targets

Objective 1.

Improving children's social and emotional development.

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

The incidence of children re-registered is very small, with typically one or no child per programme area.

Those programmes reporting saw a reduction of 23 per cent in re-registrations on the child protection register between 2000-01 and 2002-03, but on very small numbers of children.

Objective 2.

Improving children's health.

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

Programmes reported, again on a small sample, a six percentage point reduction in women smoking in pregnancy between 2000-01 and 2002-03.

Objective 3.

Improve children's ability to learn.

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

The absence of comparable national data from schools' baseline assessments of pupils means that no assessment will be made against this target.

Our nearest available proxy is the Sure Start language measure (SSLM), which measures the change in the language skills of two-year-old children in Sure Start communities. Between the baseline in November 2001 and the repeat survey in February/March 2003, the percentage of children with higher word count scores and parents free of concerns about their language has risen one percentage point from 70 to 71 per cent.

Objective 4.

Strengthening families and communities.

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

Between 2001 and 2003, the proportion of children in Sure Start programme areas in households dependent on income support or out of work benefits fell by 1.3 per cent.

Comprehensive Spending Review (CSR) 1998 Targets

The Department's Autumn Performance Report 2003, reporting final progress against the CSR targets noted that the target that at least 90 per cent of children would have normal speech and language development at 18 months and three years had not been assessed.

No assessment will be made against this target. It was decided that measurement of language at age two would be more appropriate. The Sure Start language measure was developed for this age group, but the first study was not undertaken until November 2001.

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Supporting Children, Young People and Families

Children and young people now enjoy unprecedented opportunities. Most thrive in childhood, but a significant minority face high levels of risk of damaged childhoods, disaffection and social exclusion later in life. All children are entitled to certain services – education and health – and our starting point must be to ensure that they are receiving them. Bringing together family support, social care and health services with early education and schools is vital to the education and wider life chances of all children and young people, and in particular for those at risk.

Subject to Parliamentary approval the current *Children Bill* will enable or require:

- greater local accountability;
- cooperation between local authorities and other public, private and voluntary organisations;
- the pooling of resources and the sharing of information between agencies;
- improved child safeguarding arrangements; and
- improved educational outcomes for certain disadvantaged groups.

Achieving better outcomes for children, young people and families also means actively involving them in the design and delivery of the services they receive. A good start to this process has been made through our consultation on the Children's Green Paper *Every Child Matters*.

Supporting Families and Parents

The role of parents and carers is of crucial importance in terms of children's life chances. Recent research has found that what parents do with their children at home is much more significant to educational attainment than any other factor.

Parenting Fund

The Parenting Fund has begun to make a real difference to families, especially those that are struggling. The Fund will pay for voluntary and community organisations to deliver parenting services and just over £2 million was distributed to 14 national organisations in 2003-04 through a limited preliminary distribution focused on strengthening the national infrastructure of the sector. The Parenting Fund will be unique in that the majority of funds will be delivered via a fundholder based in the voluntary and community sector.

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The Family Support Grant

The Family Support Grant is available to voluntary sector parenting organisations that between them provide half of all parenting support. Funding in 2003-04 has been for up to three years, and up to £55,000 per project per year.

The grant programme provides infrastructure funding to national organisations, and funding to test

out innovative ways of supporting socially excluded parents and parents in difficulties. In 2003-04 27 new grants worth £1.3 million were allocated under three strands: delivering innovative and original work; developing and replicating previously funded Family Support Grant work that has been successful; and delivering services to black and minority ethnic parents.

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Marriage and Relationship Support (MARS)

Family breakdown has pervasive ill effects on children as well as having an impact on the family and its economy.

Family fragmentation is a major cause of poverty, inequality and social exclusion. Its direct effects in terms of reduced income are compounded by the longer-term indirect effects via lowered educational achievement, low self-esteem and low aspirations.

The MARS Grant Programme seeks to address this by allocating funding to a variety of voluntary sector organisations to provide help, advice, or information that helps people to establish and maintain successful relationships with their partners.

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Child Contact and Supporting Families

A key target for family policy in the courts has been to increase contact between children and their non-resident parents after divorce or separation.

Child Contact centres are places where non-resident parents and their children can meet in a safe environment. Our plan is to continue to work

in partnership with the voluntary sector to meet our shared objective of ensuring the best services for children. To develop a network of contact centres across the country, funding of £3.5 million has been secured from the Children's Fund and Sure Start.

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Parental Involvement in Children's Education

Recent research demonstrated the importance of good at home parenting and indicated that parents need more support in knowing how to support their child's learning. The *Materials for Schools – Involving Parents Raising Achievement* booklet, training pack and video, supported by the Working with Parents area of TeacherNet, looks at developing the initial partnership with parents around children's learning in order to gain parental confidence and in improving schools' capacity for involving parents in their children's education.

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The Local Network Fund for Children and Young People

The Local Network Fund is the Department's largest single initiative for engaging with the voluntary sector. It is a small grants and development programme enabling local community and voluntary organisations to tackle the effects of child poverty and youth disadvantage. Its premise is that local people are best placed to plan and run activities that meet the needs of children and young people. The Fund aims to improve outcomes for young people by providing funding for project activities, and is

managed by voluntary organisations with grant making and community development experience.

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Helping children be healthy and safe

Safeguarding Children

We want to ensure that proactively safeguarding children is a priority in the work of all relevant agencies and in how they work together.

The *Children Bill* includes proposals to require each local authority to establish a local safeguarding Children Board, to co-ordinate and ensure the effectiveness of local arrangements and services to safeguard and protect children. The Boards will also be responsible for the establishment of child death screening teams.

From 1 June 2004, Section 175 of the *Education Act 2002* introduces a duty on LEAs and the governing bodies of maintained schools and further education institutions to have arrangements to ensure that they exercise their functions with a view to safeguarding and promoting the welfare of children, and to have regard to guidance issued by the Secretary of State.

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Helping Children and Young People Enjoy, Achieve and Make a Positive Contribution to Society

SR2002 PSA Targets (transferred from the Department of Health)

Improve life chances for children including by:

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

Care Leavers

This target remains challenging but progress has been made. In 2002-03, the level of training, education and employment amongst care leavers was 58 per cent of the level amongst all young people of the same age.

Offending Rates of Looked after Children

There has been steady progress in this area. The proportion of looked after children convicted or subject to a final warning or reprimand has reduced from 10.4 per cent to 9.7 per cent, whilst offending rates amongst their peers have remained around the same level.

SR2000 PSA Target (transferred from the Department of Health)

Improve the life chances for children in care by maximising the contribution adoption can make to providing permanent families for children without compromising on quality, so maintaining current levels of adoptive placement stability. Specifically, by bringing councils' practice up to the level of the best, by 2004-05:

- to increase by 40 per cent the number of looked after children who are adopted, and aim to exceed this by achieving, if possible, a 50 per cent increase, up from 2,700 in 1999-00;
- to increase to 95 per cent the proportion of looked after children placed for adoption within 12 months of the decision that adoption is in the child's best interests, up from 81 per cent in 2000-01.

Adoption

Figures for the year ending 31 March 2003 show further progress towards the target on the number of adoptions, up three per cent on the previous year and 29 per cent more than in 1999-00. Eighty-one per cent of looked after children adopted during the year were placed for adoption within 12 months of the decision that adoption is in the child's best interests, a slight increase on the previous year (80 per cent). The *Adoption and Children Act 2002* received Royal Assent in November 2002 and the Government has already implemented a number of key provisions of the Act.

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We want all children and young people to thrive at school, achieve the highest possible standards and to continue learning and contribute to society. The Department supports a range of programmes which support children and young people in their development, choices and learning.

Children Missing from Education

Attendance at school is critical to children's life chances. All local authorities now have a designated person responsible for brokering services for children missing from education and for providing a clear point of contact to which these children can be referred. The Department has also worked closely with LEAs to draw together what is recognised as best practice in managing the referral and re-integration of these children. Proposals set out in the Green Paper will build further on these developments.

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Special Educational Needs and Disabilities

Our aim is to secure excellent educational opportunities and improved life chances for all children and young people who have special educational needs, including those who have a disability. We do this through:

- support for programmes such as the Early Support Pilot Programme and the Communication Aids Project;
- the development of standards for Health and Social Care as part of the Children's National Service Framework; and
- guidance for LEAs, Social Services and Special Needs organisations.

The SEN Strategy *Removing Barriers to Achievement*, launched in February 2004, has four main strands:

- Early intervention – to ensure children who have difficulties learning receive the help they need as soon as possible.
- Removing barriers to learning – by embedding inclusive practice in all schools and early years settings.
- Raising expectations and achievement – by developing teachers' skills and sharpening our focus on children's progress and outcomes.
- Delivering improvements in partnership – a hands-on approach to improvement to build parental confidence.

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Connexions Service

Connexions is the Government's front line support service for young people aged 13-19 in England. The Connexions Service budget in 2003-04 was around £472 million, the vast majority of which

goes direct to Connexions Partnerships through the Connexions grant.

Connexions' overarching objective is to reduce the proportion of 16- to 18- year-olds not in education, employment or training (NEET). Connexions Partnerships, by employing a wide range of activities with young people, schools and other stakeholders, are on track to achieve their target of reducing the proportion not in education, employment or training by ten per cent by November 2004.

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Youth Service

The Youth Service is a key delivery partner of Connexions, providing informal personal and social education for young people and helping them prepare for adult life. Local Authorities and a range of voluntary organisations provide the Youth Service, and it delivers youth work through programmes and projects, through youth clubs, youth centres, and detached/outreach work. In 2003-04 local authorities allocated £345 million to their Youth Services.

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Teenage Pregnancy Strategy

SR2002 PSA Targets

Reducing the under-18 conception rate by 50% by 2010. (Joint target with Department of Health)

The Teenage Pregnancy Strategy is the first cross government strategy to tackle the unacceptably high rates of teenage pregnancy in England, which is the highest in Western Europe.

There are signs that the overall Teenage Pregnancy Strategy is working. Provisional data for 2002 shows a 9.4 per cent reduction in the under 18 conception rate. There was also an eleven per cent fall in the under 16 conception rate between 1998 and 2001 (latest year for which under 16 conception rate is currently available). Participation of teenage parents in education, training or employment has increased from 16 per cent to 26 per cent in the period 1997 to 2003.

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The Children's Fund

Launched in 2000, the Children's Fund is a universal preventative service for children and young people at risk. Under the 2002 Spending Review the programme has an allocation of £450 million. In 2003-04 it became clear that the programme's funds were over committed. This situation developed from steps taken to minimise the large underspends in the programme's early years. Revised allocations were agreed with partnerships and key stakeholders to ensure the programme lives within its financial limits over the Spending Review while honouring all its commitments. In all, no less than £470 million will be spent between 2003-04 and 2005-06 instead of the £450 million originally planned. In his Budget statement this year, the Chancellor of the Exchequer has indicated a commitment to the Children's Fund until 2008, to ensure a smooth transition to Children's Trusts, with £150 million available in each of 2006-07 and 2007-08. Between now and then the Department will be discussing with partnerships their potential transition to Children's Trusts.

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Youth Volunteering

There is a range of departmental initiatives which promote voluntary activity by young people, including the established Millennium Volunteers programme and pilots such as Active Citizens in Schools and the Young Volunteer Challenge.

Millennium Volunteers (MV) achieved its target of supporting 100,000 volunteers by the end of 2003, six months early, and by the end of 2003-04 120,000 young people had volunteered. Over 64,000 young people have volunteered 100 hours of their time and 44,000 have reached 200 hours to achieve an Award of Excellence. Evaluation shows that 65 per cent of volunteers agreed that being on the programme had increased their chances of employability. MV has been particularly successful in attracting those young people who have never volunteered before: 60 per cent of young people had no previous volunteering experience and 68 per cent agreed that they had become more committed to volunteering as a result of MV.

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Diversionsary Activities

Total funding available for 2003-04 was £25 million with an additional £13.75 million for the recruitment of key workers to provide targeted one to one support for the hardest to help young people. At least 75,000 young people participated during summer 2003 and almost 50,000 in October and December holiday periods in line with planned delivery targets.

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Improving Information Sharing and Assessment

In the *Children Bill* introduced on 3 March 2004, we aim to provide a legal framework that will enable practitioners to share early information to ensure that children and families get the support they need. We will drive and support change in professional practice through the introduction of a common framework for assessing children.

The Government has provided up to £1 million each to ten Trailblazers, involving 15 local authorities, to test new ways of information sharing and multi-agency working. In addition, other upper tier local authorities have been allocated funding of up to £100,000 each to improve information sharing between health, education and social care, leading to better services for children who display one or more risk factors.

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A Strategy for Primary Schools

SR2002 PSA Targets

Raise standards in English and maths so that:

- By 2004, 85% of 11-year-olds achieve level 4 or above and 35% achieve level 5 or above with this level of performance sustained until 2006; and
- By 2006, the number of schools in which fewer than 65% of pupils achieve level 4 or above is significantly reduced.

SR2000 PSA Targets carried forward as SR2002 supporting targets

Increase the percentage of 11-year-olds at or above the expected standard for literacy and numeracy for their age. By 2004:

- Increase the percentage of children who achieve level 4 in the Key Stage 2 maths tests beyond the targets for 2002 of 75% to 85% by 2004; and (*carried forward as SR2002 PSA target see above*)
- Reduce to zero the number of local education authorities where fewer than 78% of pupils at level 4 or above achieve these, (*carried forward as a SR2002 supporting target*).

Primary schools maintained world class standards in reading, writing and maths at age 11, with 75 per cent of pupils achieving Level 4 in English, and 73 per cent in mathematics. These figures sustain the good performance of 2002, and represent impressive progress since 1998, with 84,000 more 11-year-olds achieving the expected level in maths

and 60,000 more doing so in English than did so five years ago. However we know that there will be still more to do to improve performance further towards our ambitious targets.

In 2003, 92 local education authorities (LEAs) improved their performance in English. 118 of 150 LEAs however remain below the target for 78 per cent or more of pupils to achieve level 4 or above in English with 139 LEAs remaining below the same 78 per cent target in maths.

For the first time in 2003, a Key Stage 1 to Key Stage 2 value-added measure was published with the performance tables for primary schools.

Primary education in England is in a strong position with improving results and good comparisons internationally. We want to build on that success, and challenge primary schools to take the lead themselves in going further. We want schools to maintain their prime focus on raising standards while not being afraid to combine that with making learning fun. Our goal is for every primary school to combine excellence in teaching with enjoyment of learning.

Excellence and Enjoyment – A Strategy for Primary Schools in May 2003 sets out the vision for the future of primary education built on what we have already achieved. We are confident that the Strategy puts in place the measures which will deliver the further progress needed to achieve the national improvements. Our aim is still to achieve the national target for 85 per cent of 11-year-olds to reach level 4 in English and mathematics and we

Table 6.1 | National Results of 7- and 11-year-olds in England 1998¹ to 2003²

	1998	1999	2000	2001	2002	2003
The attainment of 7-year-olds: percentage of pupils achieving Level 2 or above						
<i>Test/Task</i>						
English						
Reading	80	82	83	84	84	84
Writing	81	83	84	86	86	81
Spelling	66	71	72	75	78	³
Mathematics	84	87	90	91	90	90
<i>Teacher Assessment</i>						
English	81	82	84	85	85	85
Speaking and Listening	84	84	86	86	87	87
Reading	80	82	84	84	85	85
Writing	79	80	82	83	84	82
Mathematics	85	86	88	89	89	89
Science	86	87	88	89	89	89
The attainment of 7-year-olds: percentage of pupils achieving Level 2B or above						
<i>Test/Task</i>						
English						
Reading	62	66	68	69	69	69
Writing	48	53	57	59	60	62
Mathematics	61	64	73	75	76	74
The attainment of 11-year-olds: percentage of pupils achieving Level 4 or above						
<i>Test</i>						
English	65	71	75	75	75	75
Mathematics	59	69	72	71	73	73
Science	69	78	85	87	86	87
<i>Teacher Assessment</i>						
English	65	68	70	72	73	72
Mathematics	65	69	72	74	74	74
Science	71	75	79	82	82	82
The attainment of 11-year-olds: percentage of pupils achieving Level 5 or above						
<i>Test</i>						
English	17	22	29	29	29	27
Mathematics	17	24	25	25	28	29
Science	16	27	34	34	38	41
<i>Teacher Assessment</i>						
English	17	20	22	23	24	24
Mathematics	18	22	24	26	27	28
Science	18	23	27	29	31	31

Source 2003 data: Statistical First Release, National Curriculum Assessments 7, 11 and 14-year-olds by Local Education Authority 2003.

1. Includes results from all maintained schools (including Special Schools) and the results for independent schools that made a return.

2. Figures for 2003 are provisional.

3. No longer reported separately at Key Stage 1.

hope to do so by 2006. Higher standards for all children will be achieved by:

- continuing to place literacy and numeracy skills at the heart of our Strategy, but within the context of a broad and rich curriculum in which every subject is taught outstandingly well;
- putting schools in the lead in the drive for higher standards by supporting leadership, collaboration, encouraging teachers' own professional judgement and giving them a deeper understanding of the best learning and teaching practice;
- enabling schools to set their own challenging, but realistic targets at Key Stage 2;
- trialling a new approach at Key Stage 1, where national curriculum tests underpin teachers' assessment rather than being reported separately; and
- having a more joined up approach to what happens across the whole school.

We have made good progress since the publication of *Excellence and Enjoyment*:

- Launched the Pupil Achievement Tracker (PAT), which assists schools in setting targets and allows them to compare their performance to other schools in similar circumstances.
- The Key Stage 1 trial is now up and running in 36 LEAs.
- The Primary Leadership Programme began in September 2003 in every LEA with around 4,000 schools and 1,000 Primary Strategy Consultant Leaders taking part.
- Provided specific training and support for teachers, for example, through new speaking and listening materials, and a new five-day course for teaching maths.

- Providing an additional £25 million to expand the provision of interactive whiteboards in primary schools and setting up a national whiteboard network for LEAs. Funding to establish a programme of hands-on support for schools has also been provided.
- Announced that we will be extending the Excellence in Cities Primary support to target disadvantage wherever it occurs. Over 1,000 schools will benefit from this additional funding.
- Begun to work with 25 LEAs on a behaviour and attendance pilot, to develop children's social, emotional and behavioural skills.
- Running an Ethnic Minority Achievement pilot in 20 LEAs to support learners with English as an additional language.

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Extended schools

By April 2006, all local education authorities (LEAs) will receive support to plan, set up and manage extended services – through a major roll-out programme which the Department is funding over this period. Funding of £52.2 million has been made available to create up to 240 'full service' extended schools, with at least one in each LEA. These schools will offer a prescribed core range of services:

- childcare;
- health and social care;
- lifelong learning and family learning;
- study support;
- sports and art facilities; and
- ICT access.

In addition, funding has been made available for extended schools co-ordinators/managers, to assist with the strategic planning of services in other schools. Separate funding has been made available for co-ordination of childcare services in extended schools up to 2006. We want all schools to develop the extended services that are right for their pupils, families and the wider community.

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Transforming Secondary Education

Key Stage 3 National Strategy

SR 2002 PSA Targets

Raise standards in English and maths so that:

- By 2004, 75% of 14-year-olds achieve level 5 or above in English, mathematics and ICT (70% in science) nationally and by 2007, 85% (80% in science);
- By 2007, the number of schools where fewer than 60% of 14-year-olds achieve level 5 or above is significantly reduced; and
- By 2007, 90% of pupils reach level 4 in English and maths by age 12.

SR2000 PSA Targets carried forward as SR2002 supporting targets

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

- by 2004, as a minimum performance target at least 65% to achieve level 5 and above in English and maths, and 60% in science in each LEA; and
- by 2004, no more than 15% of pupils will fail to attain at least one level 5.

The Key Stage 3 National Strategy is designed to raise standards for all 11- to 14-year-olds by spreading excellent teaching and learning to every classroom.

Prior to the Strategy's introduction, national test results for pupils at the end of Key Stage 3 were variable and lacked steady year on year progression in some cases. The Government introduced the Key Stage 3 Strategy on a national basis in 2001 to address this issue. Since then, there have been yearly increases in the national test results and teachers have responded very positively to the Strategy. In 2003, the test results were the best on record with increases in every subject and at all levels. These include particularly significant gains in pupils' attainment at Level 6 and above, with seven and four percentage point increases in science and maths respectively.

The Strategy comprises of six strands: English, Mathematics, Science, ICT, the Foundation Subjects and Behaviour and Attendance. The Behaviour and Attendance Strand, and Assessment for Learning being introduced into schools spring 2004, are key programmes for developing the Strategy as a whole-school approach to school improvement.

The key priority for the Strategy is to build on the gains made in 2003 by raising standards even further in 2004. Whilst science is well placed to achieve its target and maths is on a firm footing, the target for English remains challenging.

Therefore the Strategy is focusing attention in 2004 on making a more significant impact in this area.

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Table 7.1 | National Results of 14-year-olds in England 1998¹ to 2003²

	1998	1999	2000	2001	2002	2003
The attainment of 14-year-olds: percentage of pupils achieving Level 5 or above						
<i>Test</i>						
English	65	64	64	65	67	69
Mathematics	59	62	65	66	67	71
Science	56	55	59	66	67	68
<i>Teacher Assessment</i>						
English	62	64	64	65	67	68
Mathematics	63	64	66	68	70	72
ICT ³	56	58	62	65	66	67
Science	62	60	62	64	67	69

Source 2003 data: Statistical First Release, National Curriculum Assessments 7, 11 and 14-year-olds by Local Education Authority 2003.

1. Includes results from all maintained schools (including Special Schools) and the results for independent schools that made a return.

2. Figures for 2003 are provisional.

3. ICT results are based on teacher assessment.

Behaviour and Attendance

SR 2002 PSA Targets

By 2004, reduce school trancies by 10% compared to 2002, sustain the lower level, and improve overall attendance levels thereafter.

The Secretary of State launched the Improving Behaviour and Attendance Programme in December 2002. It is a wide-ranging strategy designed to improve pupil behaviour, reduce exclusions and raise attendance with both universal and targeted elements.

The behaviour and attendance strand of the Key Stage 3 Strategy provides all secondary schools with audit and training materials and consultancy support. The Primary Strategy also has a behaviour and attendance strand, which has started by piloting curriculum and training materials for primary schools in 25 LEAs.

The targeted element focuses on particular schools in disadvantaged areas. These schools receive more intensive support through the Behaviour Improvement Programme (BIP). The BIP is currently operating in 60 LEAs, including all EiC LEAs, and will be extended to all Excellence Clusters by 2005-06.

There has been some progress towards the PSA target, with a modest reduction in truancy.

Unauthorised absence fell from 0.72 per cent in 2001/02 to 0.70 per cent in 2002/03, a reduction of 700 in the number of pupils truanting each day.

The impact of the Behaviour and Attendance programme is expected to reduce truancy further in 2003/04 although achieving the target will be very challenging.

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Physical Education (PE) and School Sport

SR2002 PSA Target (joint target with Department for Culture, Media and Sport)

Enhance the take up of sporting opportunities by 5- to 16-year-olds by increasing the percentage of school children who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum from 25% in 2002 to 75% by 2006.

All children, whatever their circumstances or abilities, should be able to participate in and enjoy PE and sport.

The PE, School Sport and Club Links (PESSCL) Strategy was launched in October 2002. It is being delivered by this Department and the Department for Culture, Media and Sport (DCMS) through eight programmes.

Over the three years, from April 2003, the Government is investing £459 million to transform PE and school sport. This funding is on top of £686 million being invested to improve school sport facilities across England. Together, this means that over £1 billion is being made available for PE and school sport, and all schools in England will benefit in some way.

A national infrastructure for PE and school sport has been established creating:

- 400 Specialist Sports Colleges, subject to sufficient high quality applications, by September 2005; and
- 400 School Sport Partnerships, with 3,200 School Sport Coordinators in secondary schools and 18,000 Primary or Special School Link Teachers by 2006 (subject to the outcome of the 2004 Spending Review). There will be 2,400 School Sport Coordinators and 13,500 Primary or Special School Link Teachers by September 2005.

The 2003/04 PE, School Sport and Club Links survey sought information from all 8,105 schools that currently belong to one of the 222 School Sport Partnerships. It found that, overall, 62 per cent of their pupils spend at least two hours in a typical week on high-quality PE and school sport within and beyond the curriculum. The full results of the survey are available online at www.teachernet.gov.uk/pe

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New Relationship with Schools

A new relationship with schools and LEAs is being created which will enable schools to focus more keenly on raising standards for all through personalised learning.

It will provide robust support where it is needed most, while reducing bureaucracy and simplifying school improvement processes. There will be greater freedom and flexibility for schools and more time to focus on teaching and learning, coupled with more intelligent accountability against a smaller, more focused range of performance indicators.

Eight LEAs will be running field trials to develop and test the different aspects of the new relationship from September 2004 onwards. We are consulting widely with the profession and also involving LEAs outside of the trials in the development of specific aspects of the new relationship.

Key Aspects of the New Relationship:

- A greater emphasis on self-evaluation.
- Development of a single plan, informed by a smaller number of DfES desired outcomes, to replace multiple bidding and reporting arrangements.
- A single conversation between schools, LEAs and the department about development priorities, targets and support. For secondary schools this will be through a school improvement partner – usually a leading head teacher, employed by the LEA, on contract to the Department. There will be a similar coherent line of support tailored to the needs of the primary sector.
- Continuing simplification and rationalisation of funding support for school improvement.

- Shorter, sharper Ofsted inspections focused on helping schools improve while reducing the burden of inspection.
- A new School Profile, capturing a balanced assessment of each school's ethos, characteristics, performance and improvement priorities in a clear, accessible format.
- An Amazon-style ordering system for DfES publications and a single Schoolsweb portal of choice for school leaders.
- Tighter management of data, organised around the principle of collect once, use many times.

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Excellence in Cities

Excellence in Cities (EiC) is a targeted programme which focuses funding on schools in disadvantaged areas. It is designed to raise standards, improve behaviour and attendance and reduce exclusions.

EiC is making a positive impact. The 2003 GCSE exam results were the best yet for EiC schools. The average rate of improvement across whole authority partnerships, in Excellence Clusters, in EiC Action Zones and in Education Action Zones (EAZs) was faster than in schools outside the programme. There was also a significant impact on behaviour and attendance – with standards again improving fastest in EiC schools – and evidence to show that the good work at Key Stage 4 is beginning to cascade down and inspire similar gains at Key Stages 3 and 2. Full details of the GCSE results are included in chapter 8 (14-19 Reform).

Schools in EiC whole authority partnerships improved at more than twice the rate of schools elsewhere in terms of the percentage of pupils attaining five or more GCSEs A*-C or equivalent, with average gains of 2.5 percentage points

compared to 1.2 percentage points in non-EiC schools.

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Gifted and Talented

The national gifted and talented strategy focuses on three areas:

- Intensive area-based programmes in disadvantaged areas (EiC, Excellence Clusters and EAZs) – from September 2003, the Gifted and Talented strand of EiC is operating in over 1,000 maintained secondary schools and over 900 primary schools in 96 LEAs.
- National resources that support teaching and learning – the National Academy for Gifted and Talented Youth (NAGTY) focuses on the five per cent most able 11- to 19-year-olds nationally, through residential summer schools and online learning trials with mentor support. Other national resources include a national programme of 500 summer schools available to every LEA and EAZ in England and online working guidance on teaching the national curriculum.
- Regional support, initially in London – the Gifted and Talented Education Arm (GATE A) of the London Challenge has three elements: a small pan-London centre; sub-regional clusters developing collaborative programmes; and a cutting-edge managed learning environment to provide e-learning with mentor support and e-Continuing Professional Development (CPD).

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Schools Causing Concern

Departmental policies on schools causing concern aim to help turn around all schools that are underperforming and failing to support their pupils. The Department works closely with LEAs to consider appropriate options in cases of failure such as the use of intervention powers, Fresh Start, federations, or closure of the school with an Academy established in its place.

The downward trend in the number of schools judged by Ofsted to require special measures or to have serious weaknesses levelled off with 282 schools in special measures and 337 schools with serious weaknesses at the end of 2002/03.

There have also been big reductions in the average times spent in special measures by schools and most LEAs are now very effective in challenging, monitoring and supporting schools using their intervention powers to which additional measures were added to the *Education Act 2002*.

The Fresh Start policy has been effective overall. There is evidence that the Department's support programme helped raise standards and on re-inspection most Fresh Start schools have had successful inspections.

The LSC has powers of intervention, set out in the *Learning and Skills Act 2000* and the *Education Act 2002*. The Council takes into account the quality of provision in school sixth forms and 16-19 institutions (schools) as part of its remit to improve the quality of provision which it funds. LEAs consult and work with the LSC on all post-16 provision causing concern.

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Academies

Academies are established by sponsors from business, faith or voluntary groups working with partners from the local community to replace schools that have the most intractable problems of low achievement or where there is an additional need for school places. The Department and sponsors provide the capital costs for the Academy and the running costs are met in full by the Department.

They provide a radical solution to the long term problems of low aspiration and low attainment, particularly in London. Academies are publicly funded independent schools that provide a first class free education to local pupils of all abilities.

Academies receive the same revenue funding as comparable local maintained schools. They also have admissions arrangements consistent with the code of practice on admissions and with admissions law.

Twelve Academies are now open and we are well on our way to the target to establish 53 by 2007 and 30 in London by 2008 which will bring in about £100 million of capital investment from the private sector.

We have commissioned an extensive longitudinal evaluation of the Academies programme (over seven years). The first annual report on the progress of the policy is due later in 2004.

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Specialist Schools

The Specialist Schools Programme helps schools, in partnership with private sector sponsors and supported by additional Government funding, to establish distinctive identities through their chosen specialisms and achieve their targets to raise standards.

Any maintained secondary school in England can apply to be designated as a specialist school in one of ten specialist areas: arts, business & enterprise, engineering, humanities, language, mathematics and computing, music, science, sports and technology. Schools can also combine any two specialisms. They must also meet the National Curriculum requirements and deliver a broad and balanced education to all children.

In addition to using specialisms to drive innovation and raise standards throughout the school, specialist schools work with named partner schools and groups in the wider local community. This ensures that the programme has an impact by helping to create a diverse network of secondary provision through the sharing of good practice and expertise.

To help them develop their specialism, specialist schools receive additional funding from the Government. The school itself must raise unconditional sponsorship towards the capital project. All specialist schools are expected to target around one third of their specialist school recurrent funding on sharing resources and expertise in their specialist area with partner schools and the wider community.

The Specialist schools programme has become increasingly popular and successful since its inception in 1994. There are currently 1,686 designated specialist schools, 1,445 of these are operational and a further 241 will begin operating as specialist schools in September 2004, meaning that 54 per cent of maintained secondary schools are now specialist.

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Citizenship Education

The introduction of citizenship as a national curriculum subject will help young people to:

- develop the knowledge, skills and understanding to play an effective role in society;
- understand the nature and roles of democratic institutions;
- become informed, thoughtful and responsible citizens aware of duties and rights, through promoting their spiritual, moral, social and cultural development and making them more self-confident;
- develop knowledge and understanding of their duties, rights and responsibilities as active citizens in our democracy;
- develop the values, skills and knowledge to deal with the difficult moral and social questions they face as they grow up; and
- develop understanding of, and mutual respect for, diversity and the need and skills to combat prejudice, including racism and bullying.

A non-statutory national framework for personal, social and health education (PSHE) and citizenship was introduced in primary schools in September 2000. Citizenship became a compulsory subject in secondary schools from September 2002.

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Drug and Alcohol Education

Drug, alcohol and tobacco education is a statutory part of the National Curriculum at Key Stages 1 to 4. Drug education is also delivered through the non-statutory framework for PSHE which has been in place since September 2000 for pupils aged five to 16.

All schools should have drug education policies, which also cover drug related incidents, developed in consultation with pupils, parents, governors and the wider school community. Schools have a vital role to play, alongside parents and a wealth of agencies in educating and helping young people to protect themselves from the risks and harm of illegal drugs, alcohol and tobacco.

Many schools are already doing excellent work in relation to drug education. Almost all schools have drug policies and Ofsted reports (2002) that the quality and quantity of drug education has never been better.

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14-19 Reform

14-19: opportunity and excellence was published in January 2003, setting out wide-ranging plans for the 14-19 phase of education and training.

Medium term changes include:

- Reforming the 14-16 curriculum, with fewer compulsory subjects at 14-16 and more freedom for young people to follow individual programmes that meet their needs and aspirations (effective from September 2004).
- From September 2004, a new requirement for work-related learning for all pupils at Key Stage 4.
- A new £60 million Enterprise Education entitlement which will, from 2005/06, provide all Key Stage 4 pupils with the equivalent of five days' enterprise activity.
- Making high quality vocational options available to all students, with clear progression routes through to skilled employment, further and higher education.
- Providing Education Maintenance Allowances to young people who need financial support to remain in education.

Longer term changes:

In March 2003, a Working Group on 14-19 Reform was established under the chairmanship of Mike Tomlinson to consider long-term development of the framework for 14-19 learning programmes and qualifications. The terms of reference identified three strands for the group's work:

- coherent 14-19 learning programmes;
- 14-19 assessment arrangements; and

- a unified framework of qualifications.

In an interim report published in February 2004, the Working Group proposed a 14-19 phase of learning organised around diplomas at the first four levels of the National Qualifications Framework, and that all 14-19 programmes and diplomas should comprise:

- A prescribed core of generic skills, knowledge and experience common to all programmes and diplomas at a given level.
- Main learning comprised of specific subjects or areas of learning mainly chosen by the learner to suit their personal aptitudes, preferences and ambitions.

The Working Group proposes pre-16 learners will continue to follow programmes covering the statutory curriculum, gaining recognition towards the award of a diploma where appropriate. They will be able to opt for a substantial element of vocational learning, but will not be able to specialise in specific occupational areas.

The Secretary of State has welcomed the publication of the interim report and its emerging proposals. The Working Group is currently consulting a wide range of partners and stakeholders to seek their views, and to help prepare for their final report due in the autumn.

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Increased Flexibility for 14- to 16-Year-Olds

The Increased Flexibility for 14- to 16-year-olds programme seeks to create enhanced vocational and work-related learning opportunities for 14- to 16-year-olds who can benefit most – including provision of GCSEs in vocational subjects. The programme began in September 2002 and has led to the creation of almost 300 partnerships between further education colleges, schools and training providers.

In most cases young people on the programme will study off-site at a college or with a training provider for one or two days a week throughout Key Stage 4.

The objectives of the programme are to:

- raise the attainment in national qualifications of participating pupils;
- increase their skills and knowledge;
- improve social learning and development; and
- increase retention in education and training after 16.

The targets are:

- one third of the young people involved in the project should gain at least one GCSE in a vocational subject at Level 2 (over and above their predicted GCSEs);
- one third should gain at least one NVQ at Level 1 (over and above their predicted GCSEs);
- three quarters of the young people involved should progress into further education or training; and
- attendance rates of the young people involved should match that of the year group overall at participating schools.

GCSEs in vocational subjects are available in eight subjects.

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Key Stage 4 Changes

14-19 Opportunity and Excellence confirmed our commitment to ensuring that all young people should follow a broad and balanced curriculum and to introduce greater flexibility and choice in the Key Stage 4 curriculum. Changes have been made to the Key Stage 4 curriculum from September 2004 so that schools can offer programmes that better meet young people's individual needs and strengths.

There will be new entitlements to the arts, humanities, modern foreign languages and design and technology. Pupils will be entitled to study a course in each area leading to an approved qualification. All young people will also have to include some work-related learning in their programmes at Key Stage 4 and work has begun on a new initiative to extend the principles of the Modern Apprenticeships to students at Key Stage 4. This will mean that some students will, in future, divide their time between school, college and a local employer as Young Apprentices.

The details of this initiative are currently being discussed with LSC, the Qualifications and Curriculum Authority (QCA) and Ofsted and we anticipate a start on a small scale in September 2004 with about 1,000 students and 40 partnerships.

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General Certificate of Secondary Education

SR2002 PSA Target

Raise standards in schools and colleges so that:

- between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to 5 GCSEs at grades A* to C rises by 2 percentage points each year on average and in all schools at least 20% of pupils achieve this standard by 2004 rising to 25% by 2006 (*replaces and updates SR2000 PSA target see below*).
- the proportion of 19-year-olds who achieve this standard rises by three percentage points between 2002 and 2004, with a further increase of three percentage points by 2006 (*replaces and updates SR2000 PSA target*).

SR2000 PSA Targets carried forward as SR2002 supporting targets

Increase the percentage of pupils obtaining five or more GCSEs at grades A* to C (or equivalent);

- increase the proportion achieving the standard by 4 percentage points between 2002 and 2004; and (*carried forward as SR2002 PSA target see above*).
- at least 38% to achieve this standard in every local education authority by 2004 (*carried forward as a SR2002 supporting target*).

Increase the percentage of pupils obtaining five or more GCSEs at grades A* to G (or equivalent), including English and maths: by 2004 92% of 16-year-olds should reach this standard (*carried forward as a SR2002 supporting target*).

SR 2002 Supporting Target

Increase the proportion of 19-year-olds achieving a level 3 qualification to 55% by 2004. We will set a target for the increase in level 3 achievement between 2004 and 2006 after targets for FE have been agreed.

Table 8.1 | GCSE Examination Results¹ 1998 to 2003²

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Percentage of 15-year-olds ³ achieving GCSE ⁴						
1 or more G or better	93.4	94.0	94.4	94.5	94.6	94.8
1 or more C or better	71.4	72.6	73.6	74.0	75.2	75.6
5 or more G or better	87.5	88.5	88.9	88.9	88.9	88.8
5 or more C or better	46.3	47.9	49.2	50.0	51.6	52.9
5 or more G or better (incl English and maths)	83.8	85.8	86.8	86.9	87.1	86.6

Source: DfES database of School Performance Tables.

1. Includes maintained, independent and special schools.

2. Figures for 2003 are revised.

3. Age at beginning of the academic year.

4. GCSE or GNVQ equivalent.

The General Certificate of Secondary Education (GCSE) is the principal means of assessing the National Curriculum at the end of Key Stage 4 and achievement at GCSE is an important measure of the school system's effectiveness.

16-year-olds

The latest figures show that schools are making good progress, helped by policies such as Excellence in Cities and Specialist Schools to achieve the challenging targets.

Table 8.2 | Proportion of 19- to 21-year-olds¹ in England, achieving a qualification equivalent to NVQ level 2 (percentage)

19- to 21-year-olds	2000	2001	2002	2003
NVQ level 2 or equivalent	75.3	74.8	74.8	76.0

Source: Labour Force Survey, England, autumn quarters.

1. The achievement of 19- to 21-year-olds is used as a proxy for attainment at age 19.

19-year-olds

In autumn 2003, the proportion of 19-year-olds achieving a qualification equivalent to national vocational qualification (NVQ) level 2 was 76.0 per cent.

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SR2002 PSA Target

By 2010, 90% of young people by age 22 will have participated in a full-time programme fitting them for entry into higher education or skilled employment.

Enterprise Education

SR2002 Supporting Target

By 2005-06, ensure that every secondary school can offer five days enterprise activity to pupils.

Enterprise education is central to the future prosperity of us all as individuals, as communities, and as a nation. Young people must gain experience and understanding of enterprise, business and the economy, if they are to develop the skills, knowledge and attitudes essential in a changing labour market.

A new £60 million Enterprise Education entitlement will, from 2005/06, provide all Key Stage 4 pupils with the equivalent of five days' enterprise activity. This will develop enterprise capability, innovation, creativity, risk-management and risk-taking, along with financial capability, and economic and business understanding. One hundred and fifty one Pathfinder projects were approved for September 2003 start, embracing nearly 400 secondary schools. A second set of Pathfinders will start by September 2004.

Progress towards achieving this target is a critical measure of the success of our 14-19 reforms. Maximising the impact of major 14-19 policies such as Education Maintenance Allowances (EMAs) and Connexions, along with improvements at Key Stage 4 will take us a long way towards the 90 per cent figure.

Current estimates suggest that around 80 per cent of people aged 16 in 2002/03 will have participated in full-time learning by the age of 22.

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Ethnic Minority Pupils

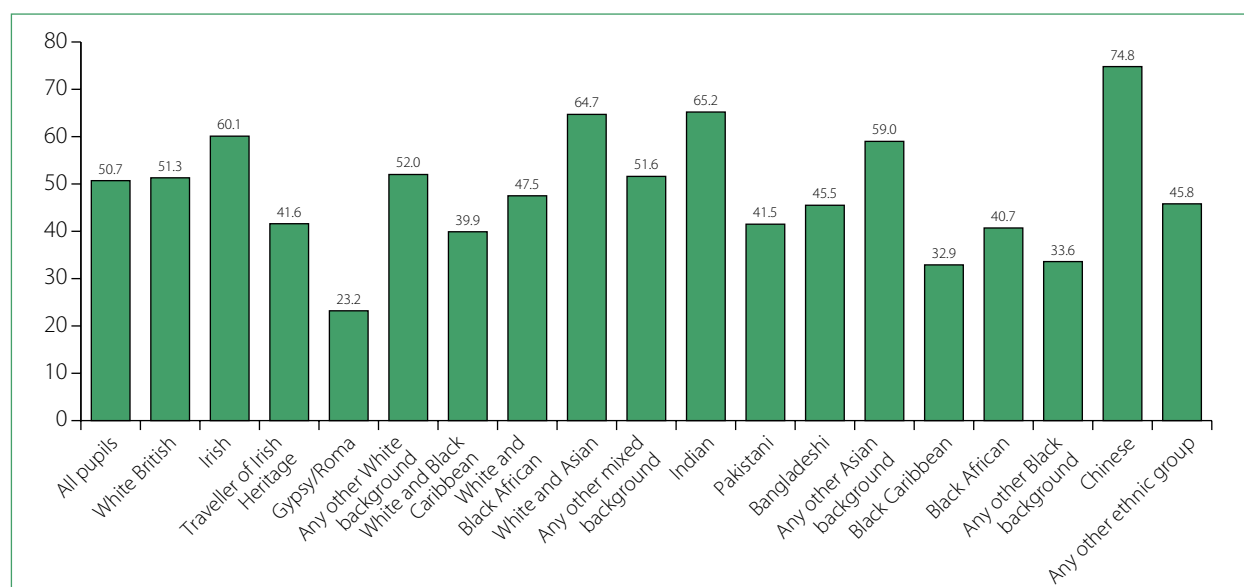
On 24 October 2003, Schools Minister Stephen Twigg outlined the Government's *Aiming High* National Strategy for raising the academic achievement of minority ethnic pupils in our schools. The strategy aims to ensure, over time, that the participation and achievement of minority ethnic pupils matches that of the population as a whole and includes:

- Development of a national approach to training and support for specialist English as an Additional Language (EAL) staff including development of nationally-recognised professional qualifications for teachers and teaching assistants.
- Support and training for mainstream teachers in meeting the needs of bilingual pupils through a pilot project recruiting EAL specialist consultants as part of the Primary Strategy in 21 LEAs.
- A project to raise African-Caribbean Achievement covering 30 secondary schools which focuses on providing support for senior managers to take a whole schools approach to raising the achievement of African-Caribbean pupils.
- Specific projects for pupils from Gypsy/Traveller backgrounds to promote access to and achievement in education.
- Reconfiguring the Ethnic Minority Achievement Grant (EMAG) to allow for allocation on a needs-based formula backed up by joint DfES/Ofsted good practice guidance on effective use of the grant to raise standards in schools. (The ethnic minority achievement strategy as a whole is worth an extra £10 million in 2004-05).

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Figure 8.1 | Percentage achieving Five or More A*-C GCSE/GNVQs by Ethnic Group in Maintained Schools in 2003.



Raising Quality and Participation in Post-16 Learning

Further Education

In November 2002, the Secretary of State announced the *Success for All* strategy for reforming further education and training. The strategy aims to:

- reform the pattern, workforce and leadership of further education and training so that it meets the current and future needs of learners, employers and communities;
- drive up standards and embed better teaching and learning; and
- ensure that all publicly funded providers of further education deliver a distinctive and effective contribution to one or more of the Government's strategies for 14-19 learning, skills and higher education.

The Strategy has four main elements:

- meeting needs and improving choice, in particular through local LSC led Strategic Area Reviews to improve the match between the education and training offered and local needs;
- putting teaching, training and learning at the heart of what we do, in particular through the development and of best practice approaches to teaching and learning in priority curriculum areas;
- developing the leaders, teachers, trainers and support staff of the future; and
- developing a framework for quality and success, based on greater partnership and trust.

The strategy has been in place now for over a year and a first year report was published in November 2003 setting out the significant progress that has been made.

SR2002 PSA Target

Challenging targets will be set for minimum performance and value for money in FE colleges and other providers by the Government and the LSCs (this is also the department's value for money target).

Minimum Performance

Targets were set with each college and work-based learning provider by the LSC in May 2003. Each has been set a minimum standard of learner achievement.

Based on the latest available data from 2001/02 from further education providers (including general further education and tertiary colleges, specialist colleges, sixth form colleges and funded further education provision in former external institutions):

- 16 per cent of providers are below the floor target for long qualifications.
- 12 per cent of providers are below the floor target for short qualifications.
- 24 per cent of providers are below the floor target for either long or short qualifications.

(Please note: funded further education provision in former external institutions was not included in earlier calculations which showed 14 per cent of

providers were below the floor target for either long or short qualifications.)

Based on data for 2002/03 for work-based learning providers:

- 40 per cent of providers are below the floor target set for the following areas of learning – land-based provision, engineering, technology and manufacturing, business administration, management and professional, ICT, visual and performing arts.
- 46 per cent of providers are below the floor target set for the following areas of learning – science and mathematics, construction, retailing, customer service and transportation, hospitality, sports, leisure and travel, hairdressing and beauty therapy, health, social care and public services, English, languages and communications.
- 55 per cent of providers are below one or both of the floor targets outlined above.

By 2006, we aim to ensure that every further education provider and no fewer than 90 per cent of work-based learning providers meet this standard.

Developing a Framework for Quality and Success

The LSC is responsible for contracting with providers to deliver sufficient high quality provision to meet the needs of learners, employers and the local community. The primary responsibility for improving the quality of provision and resolving any complaints rests with the providers, supported by the LSC.

All providers must build and sustain continuous improvement through three year development plans and funding agreements with performance targets, monitored by the LSC. Rapid and robust action will be taken where providers are failing learners – intervention will be in inverse proportion to success.

To address wide variations in performance, new floor and improvement targets have been introduced for colleges and other providers from September 2004 to ensure that all education and training is brought up to an acceptable standard. Through our reforms, a stronger clearer accountability framework has been established, where good performers are able to grow and excellence is recognised.

Learning and Skills Beacon Status

To encourage and recognise excellence, Ministers award Learning and Skills Beacon status to providers that demonstrate excellent teaching and learning, supported by strong leadership and management. These providers share their good practice across the sector and are helping to develop curriculum specialisms and undertake innovative approaches to institutional improvement.

By February 2004, 38 providers had received the award. They include three general further education colleges, four tertiary colleges, 13 sixth form colleges, 17 work-based learning providers and one adult and community learning provider.

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Value for Money

The Department and LSC will develop a measure of value for money by 2005/06, following consultations on measuring success within the learning and skills sector. The LSC looks to secure value for money from providers through its planning and funding regime. For example, colleges have agreed targets for learner numbers, staff qualifications, employer engagement and learner success rates with the LSC as part of their three year development plans. Progress against these plans is monitored regularly.

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Centres of Vocational Excellence

Centres of Vocational Excellence (CoVE) status means that there is an investment in the development of excellent, specialist, vocational provision that meets employers' skills needs across a range of sectors. CoVEs will play a key role in enabling further education colleges and work-based learning providers across England to be more sharply focused on meeting the skills needs of employers.

Over £240 million is available to support the development of a network of 400 CoVEs by March 2006. There are now 251 CoVEs in the programme, with further rounds planned by the LSC.

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Modern Apprenticeships

SR2002 PSA Target

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

Modern Apprenticeships (MAs) provide quality work-based learning for young people aged 16 to 24 and are an excellent way for business to enable

employees to gain the skills and experience they need. Modern Apprentices get hands-on experience and on-the-job training, and at the same time gain respected qualifications.

Employers receive financial assistance towards the cost of the training and assessment from the Learning and Skills Council (LSC).

Apprenticeships normally last between a minimum of one and three years and there are two levels: Foundation (FMA) and Advanced (AMA) at NVQ Levels 2 and 3 respectively. Both lead to:

- National Vocational Qualifications – providing practical skills in specific occupational areas.
- Key Skills qualifications – transferable work-related skills like IT and communication, application of number, problem solving, teamwork and improving learning and performance.
- Technical certificates – vocationally related qualifications that provide the underpinning knowledge of the NVQ.

Modern Apprentices are guaranteed a basic wage or training allowance of at least £40 a week. These could be more depending on the employer.

In 2002/03, 24 per cent of young people started a Modern Apprenticeship. Progress towards the target is therefore encouraging.

As part of the continuing improvement of MAs we are taking account of the work of the employer-led Modern Apprenticeship Task Force to increase employer engagement; and a joint Department/LSC end to end delivery review of MAs focused on attuning delivery processes to achieving policy objectives.

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Entry to Employment (E2E)

The new Entry to Employment (E2E) programme was launched nationwide in August 2003 and aims to enable young people aged 16 to 18 to progress to Foundation MAs, sustained employment or further vocational learning opportunities. A high demand is expected for E2E and in January 2004 32,000 young people started this new programme which is 11.2 per cent over profile. Already retention is good with the average length of stay now 17 weeks. The LSC National Office has given a guarantee that no young person who is eligible for, and will benefit from E2E will be turned away.

E2E learners can access a training allowance of £40 per week providing they are attending for a minimum of 16 hours per week.

In August 2003, the pilot for childcare support was extended to include non-employed young people on work-based learning programmes, which included E2E and non-employed modern apprentices.

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Area Inspections

Area Inspections were introduced in October 1999 and originally covered 16-19 learning. The original target, to inspect all phase 1 and 2 Excellence in Cities areas by the end of 2002, was met. From March 2003, the scope of Area Inspections was extended to cover 14-19 learning to support the Government's overall 14-19 agenda, and they were rolled out to other areas in England. They now give us the opportunity to drive the development of a distinctive 14-19 phase in inspection areas.

Area Inspections are an objective assessment of 14-19 provision. The inspections cover collaboration, strategic planning, quality, coverage and cost-effectiveness of 14-19 education and training across a whole area, not just individual institutions.

Area Inspections are undertaken jointly by Ofsted (in the lead) and the Adult Learning Inspectorate (ALI), under the Common Inspection Framework (CIF). Ofsted produced a supplement to the CIF for 14-19 Area Inspections in September 2003. Ofsted and ALI are responsible for the inspection of provision in colleges and in sixth form colleges in schools.

The *Learning and Skills Act 2000* gave the Secretary of State power to direct both LEAs and the LSC to prepare and implement an action plan, following an Area Inspection. The two bodies are expected to work together with local partners, to produce a co-ordinated, locally developed and robust action plan. All action plans have to be accepted by the Minister and implementation typically lasts three to five years from the date of acceptance. This encourages the LEA and the LSC to take a proactive approach to strategic planning in order to achieve maximum benefit for the learner and value for money.

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Further Education – Financial Help for Students

The Government has put together the most comprehensive package of support to date to encourage all young people to pursue their learning with financial support to help them to overcome financial constraints. There will be a range of entitlements, incentives and discretionary support: the Education Maintenance Allowance (EMA); Connexions Card; and Learner Support Funds. Taken together, this package means that all

young people can get some help with their financial costs, but it is targeted most where it is needed, either because of economic circumstance or short-term needs.

Education Maintenance Allowances

The Educational Maintenance Allowance (EMA) is the Department's principle initiative in this field. It represents one of the most radical initiatives in post-16 education for years, and the Government believes that as the national scheme beds in, it will have a major impact on levels of participation and student retention.

EMA involves weekly payments of up to £30 per week to young people aged 16 to 19 in further education. There is also the opportunity to earn periodic bonus payments of £100. EMA can be available to cover qualifications at different levels, whether academic or vocational, in schools and in colleges. Payments are means tested on the basis of household income.

Pilot schemes have been running since 1999. The Department has published all the evaluation reports. On the basis of the pilots the national EMA scheme is expected to increase participation in education at Year 12 by 3.8 per cent, and by 4.1 per cent amongst Year 13s, across the full cohort.

The scheme is being introduced nationally to successive cohorts of 16-year-olds from September 2004. This means that in its first year (2004/05) it is estimated that EMA will allow an additional 35,000 young people to participate in further education, and reduce the number not in education or employment by 9,000. When fully implemented in 2006/07 it is estimated that EMA will allow an additional 72,000 young people to participate in further education.

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Connexions Card

The Connexions Card is an innovative smartcard which supports the Government's aim to help and encourage all young people to continue in learning after the age of 16.

Young people can collect points on their Connexions Card for three types of learning activity: for attending sessions at school, college or work-based learning; for undertaking voluntary activities; or for achieving specific goals agreed with a Connexions Service Personal Adviser or other learning adviser. They can then redeem their points for rewards shown on the Connexions Card website.

The roll out of the Connexions Card began in January 2002 and it is now available to all 16- to 19-year-olds throughout England. A significant proportion of cardholders agreed that the Card would have a positive effect on their attitude to learning, punctuality and reducing the financial cost of being a student.

For further information on Connexions, see Chapter 5 page 51.

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Learner Support Funding

The Learner Support Funds (LSF) provide specific funding to students aged 16 and over in further education for both transport and childcare, and a discretionary element that allows local learning institutions to provide targeted help and support where it is needed.

The LSF contains four funding blocks; funding for hardship and general costs, childcare, transport and residential/lodging funds for learners who need to travel beyond daily travel to attend courses. Research into students' income and expenditure shows that transport is the biggest

single financial burden faced by young students. In order to increase participation, retention and achievement, the Department has secured an additional £39 million of Learner Support Funds in 2003-06 to help LEAs provide affordable transport support and services for students who would otherwise not be able to access or complete their courses.

Priority groups for learner support funds include: students with disabilities and/or learning difficulties; those leaving care; probationers; and students reaching 19 and losing benefits during their courses.

Findings from an evaluation of learner support by the Institute for Employment Studies (IES), show that 15 per cent of students aged 16-19 in further education are benefiting from discretionary funding. Evidence also shows that the funding has a positive effect on student retention, as the at risk group who are in receipt of Learner Support funding have a higher retention rate than the general student group. The drop out rates for those in receipt of funds at 12.7 per cent compares favourably with 18.5 per cent for the whole student population. The funds also have a disproportionate impact on students assessed as disabled and those who are otherwise disadvantaged and who need additional support.

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The Future of Higher Education

The White Paper, *The Future of Higher Education* published in January 2003 set out the Government's strategy for investment and reform in higher education. The aim is to create a sustainable system of higher education, capable of remaining world-class and helping the nation to deal with increasingly rapid global change.

SR2002 PSA Target

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

Expansion

We have continued to increase participation in higher education (HE) at a steady rate. The HE Initial Participation Rate (HEIPR) is the measure we use to assess progress towards our target of 50 per cent participation amongst 18-30 year olds. This has increased from 41 per cent in 1999/00 to 44 per cent (provisionally) in 2002/03.

In November 2002, the Department commissioned a quality review of the Initial Entry Rate (IER) Statistic. The review was carried out independently and, in accordance with Office for National Statistics guidelines, was designed to ensure the rigour and transparency of the statistic.

The findings of the review were published in November 2003. The review recommended that the IER should measure initial participation rather than initial entry and as such be re-named Higher

Education Initial Participation Rate (HEIPR). The first statistical release (SFR) providing a historic time series of HEIPR was published in April 2004.

Freedoms and Funding

We have made significant progress in introducing measures towards expanding HE and giving universities a sustainable financial base, while ensuring wider access. Some of these measures, proposed in the White Paper, require legislation. On 8 January 2004 we published the *Higher Education Bill*, currently before Parliament.

Subject to Parliamentary approval, from September 2006 the Government intends to give higher education institutions (HEIs) the freedom to vary the level of tuition fees up to a ceiling in order to provide them with a source of income independent of government, and to address the historical under-funding of the higher education sector.

We will achieve that aim without compromising on fair access, by ensuring young people are not deterred by up-front fees, and by introducing measures to protect those from poorer backgrounds.

Under the measures proposed in the Bill:

Fees

- HEIs will be allowed to charge tuition fees up to a maximum of £3,000 a year, capped for the duration of the next Parliament following their introduction.

- HEIs will only be able to charge tuition fees above the current standard rate if their plans to safeguard fair access are approved by the Office for Fair Access (OFFA).

Living cost support

- In 2006, for all new low income students the Government proposes providing a new non-repayable maintenance support grant of up to £2,700. All universities charging the full £3,000 fee to these students would also have to provide them with a bursary of at least £300. This means that all low income students attending a university charging the maximum fee, and in receipt of the full maintenance support grant, would receive at least £3,000 in non-repayable support each year.
- The Government proposes raising the maximum rate of the student maintenance loan to match the median essential student expenditure from 2006. The biggest increase will be in London. The loans will continue to be means tested as now for those from higher family income backgrounds.

Repayment

- The requirement to pay fees up front will be abolished for all full time undergraduate students from 2006. Instead, students will be able to defer paying their tuition fees until after they leave higher education, by taking out a fee loan from the Student Loans Company (SLC) in much the same way as they currently take out a maintenance loan now.
- Students choosing to defer their fees will repay them through the tax system, related to their income after graduation.
- Students will not be charged a real rate of interest on any fee contribution they decide to defer. The amount will only be uprated to take account of inflation.

- For students commencing studies in 2006 all student loan balances left unpaid 25 years after leaving the course will be written off.
- The income threshold at which students start to repay their loans will be raised from £10,000 to £15,000 in April 2005.
- The Government proposes transferring to the National Assembly for Wales responsibility for:
 - student support for students domiciled in Wales wherever they study in the UK; and
 - higher education tuition fee level for institutions in Wales, including variable fees.
- Powers to collect repayments of student loans from graduates through the tax system will remain a UK Government responsibility, in line with the devolution settlement for Scotland and Northern Ireland.

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Widening Participation

The opportunity to enter higher education should be open to anyone who has the potential to benefit from it, regardless of background. All HEIs need to identify, encourage to apply, admit and support to graduation all those who have the potential to succeed. Fair access is integral to the Government's programme of expansion of higher education, and to its commitment to high standards of research and teaching in HEIs.

Our *Aimhigher* campaign is being extended to provide a focus for the many and varied widening participation activities going on at institutional, local and regional level. Applications to university in *Aimhigher* areas rose by 4.2 per cent between 2002 and 2003, higher than the 1.6 per cent rise in non *Aimhigher* areas. We are close to creating a unified

programme under the *Aimhigher* brand, bringing together a number of complementary initiatives and funding streams.

In addition to the changes in student support for students from lower-income families we have also:

- launched a new higher education portal with, in due course, a complementary National Union of Students (NUS) -led guide, which will help prospective students ask the right questions and find their way through the mass of information already available;
- published a report on post qualification applications to higher education, which may have the potential to give more students who are unsure of their own abilities the confidence to go on to higher education and to apply to top-quality institutions; and
- noted the Schwartz Group's draft recommendations in its second consultation paper on fair admissions. Professor Schwartz is leading an independent review of the principles which HEIs should consider in assessing the merit of applicants for their courses. We have welcomed the wide consultation which the Schwartz Group is undertaking and anticipate receiving its final report later in the year.

Also, HEFCE has increased the widening participation allocation and extended it to fund institutions on the basis of student type and retention.

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Foundation Degrees

The development of Foundation Degrees is an important step towards defining vocational higher education qualifications valued by institutions, employers and students alike, with employer involvement in the design of the curriculum.

We successfully launched *Foundation Degrees – Meeting the need for higher level skills* in October 2003. This report sets out progress to date and plans for the coming years. Provisional *Higher Education Students Early Statistics* (HESES) figures for 2003/04 show that the number of students studying for Foundation Degrees has almost doubled since last year – 24,400 in 2003/04 compared with 12,400 in 2002/03. Just under half of these students are studying part time. In addition, HEFCE has made available up to 10,000 new places for Foundation Degrees from 2004/05 which will contribute significantly to ensuring there are 50,000 full-time equivalent Foundation Degree places available by 2005/06.

Foundation Degree courses are funded via HEFCE in the same way as other undergraduate programmes. HEFCE have recently announced a ten per cent premium for Foundation Degrees in recognition of the additional costs of partnership working involved in their development and delivery.

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Excellence in Research

The Government is committed to supporting research excellence. In order to sustain and improve on our world class position we will continue with a policy of selective funding so that we back the best research, wherever it is located. The 2002 Spending Review announced that government support for science, engineering and

research will increase by £1.25 billion a year between 2002-03 and 2005-06. Research funding has enjoyed a sustained increase, with total publicly planned funding for institutions increasing by £2.9 billion between 1997-98 and 2005-06, an increase of 34 per cent in real terms.

The Research Assessment Exercise (RAE) enables HEFCE and the other UK higher education funding bodies to distribute public funds for research on the basis of quality. HEFCE distributes over £1 billion per year for research in universities and higher education colleges in England. Sir Gareth Roberts completed a review of research assessment for the UK funding bodies in May 2003, which proposed several fundamental changes to the current system. Following a wide-ranging consultation exercise the UK funding bodies announced in February 2004 the framework and timing for the next RAE in 2008. The outcome of this will inform the allocation of research funding for the next six-year period.

Building on the success of the Research Councils in promoting scientific and technological research, we are now in the process of establishing an Arts and Humanities Research Council, subject to Parliamentary approval. We have increased funding for knowledge transfer encouraging HEIs to develop closer links with business, industry and their regional economies.

The Government has set up the new Higher Education Research Forum jointly with the Department of Trade and Industry (DTI) in November 2003 to enable dialogue with the sector as we take forward our research policies. Chaired by Sir Graeme Davies, Vice-Chancellor of the University of London, its membership is representative of the broad interests of the sector. It is important that there is a shared understanding of our plans to ensure the continued excellence and long term sustainability of our research base.

In January 2004, the Chancellor announced a ten-year investment framework for science and innovation. This framework articulates the Government's ambition for UK science and its contribution to economic developments and public services over the next decade; and the attributes and funding prospects of a research system capable of achieving this goal.

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Adult Skills – closing the gaps

The Skills Strategy

The Skills Strategy White Paper *21st Century Skills: Realising our Potential* was published in July 2003. It sets out the Government's programme to tackle the skills gap between the UK and its main economic competitors. It commits the Government and its key partners to a radical strategy of demand-led provision of skills, recognised by reformed qualifications, steered by the needs of employers as expressed through a powerful new Skills for Business Network and given a sharp regional focus through new Regional Skills Partnerships. The whole strategy is overseen at a national level by the Skills Alliance.

It includes a wide range of interlinked measures to remove barriers to learning and support participation for individuals, as well as re-focusing public investment in those areas of skill provision where it is most needed – namely, a universal entitlement to a first full Level 2 qualification, (the platform of skills for employability), and in specific shortage areas above Level 2 (NVQ Level 2 is equivalent to five GCSEs A-C).

The Skills Strategy also looks beyond the economic benefits of moving UK individuals and employers up the skills ladder, and encompasses the social benefits accruing from increased skill levels, particularly *Skills for Life* (Adult Basic Skills) and skills for employability.

SR2002 PSA Target

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

2006 Target

The Autumn 2003 Labour Force Survey shows that 187,000 more economically active adults were qualified at Level 2 or above than in 2002 (the baseline year for the target). This increase means we are very close to the necessary trajectory to hit this target.

2010 Target

By autumn 2003 the number of economically active adults lacking Level 2 qualifications had fallen to 6.7 million, a reduction of 5.4 per cent on the autumn 2001 baseline (rebased to 2001 census data). This is on the planned trajectory to hit the target.

Skills Alliance

The Skills Alliance is a new Social Partnership for Skills which brings together government, the Confederation of British Industry (CBI), the Trades Union Congress (TUC) and the Small Business Council. It is co-chaired by the Secretaries of State for Education and Skills and Trade and Industry and reports annually to a Cabinet Committee chaired by the Chancellor. It pursues a shared agenda in raising skills for productivity and is supported by two sub-groups focused on Partnership and Delivery.

The National Employment Panel (NEP) review was designed to make recommendations on how to strengthen links between skills/training and labour market activity. The final NEP report was received by the Secretaries of State for Work and Pensions and Education and Skills on 16 December 2003. The Skills Alliance is tasked with implementation; more details can be found at www.nationalemploymentpanel.gov.uk.

Regional Skills Partnerships

Led by Regional Development Agencies (RDAs), with Learning and Skills Council (LSC), Jobcentre Plus, Small Business Service and the Sector Skills Development Agency (SSDA), new Regional Skills Partnerships (RSPs) will integrate action on skills, training, business support and labour market services at regional level. The first RSPs were established in April 2004, and it is envisaged that others will follow in the course of the year to April 2005.

Employer Training Pilots

Employer Training Pilots (ETPs) were introduced in September 2002 to encourage employers to invest in skills and qualifications, particularly for low skilled trainees. They are testing out a package of financial support measures to improve access to training and enable employees to attain basic and NVQ Level 2 skills.

ETPs were fully operational in 12 LSC areas by September 2003, and six further pilots are due for September 2004, by which time over one third of England will be covered. Of those employers taking part, 70 per cent have fewer than 50 employees.

An interim Evaluation Report was published in December 2003. Headline conclusions were that there were early signs of success with over 3,000 employers and 14,000 employees signed up in the first year and indications of high levels of satisfaction; and that there were still important

lessons to be learnt about completion rates, deadweight, the impact of different elements of the offer and the longer term impact on learners and employers. The final evaluation is due March 2005. Evaluation will inform the development of future national programmes to support skills training.

Adult Learner Support

The new Adult Learning Grant (ALG) will provide weekly support to adults studying full time for their first Level 2 qualification and for young adults studying for their first Level 3 qualification.

ALG pilots began in ten pilot areas from September 2003, with 86 colleges and further education providers involved. Early management information shows that 55 per cent of ALG applicants are female and nearly two thirds are aged between 19 and 21, showing that it is reaching key target audiences.

We will evaluate the impact of these pilots to establish, in the light of the conclusions of the next spending review, the best operational design for ALG with the intention of implementing a national roll-out.

The new Level 2 Entitlement will guarantee free learning for adults to achieve their first full Level 2 qualification to provide a platform of skills for employability. The entitlement will be phased in from autumn 2004, starting in two regions, the North East and the South East. Within the entitlement, we are aiming to focus particularly on those vocational qualifications most in demand from employers, as identified through RSPs, sectors and the ETPs.

Fees and Funding Simplification

The Department is committed to reforming the funding arrangements for adult learning and skills to give providers stronger incentives to respond to employer needs. The Learning and Skills Council's

Consultation on Funding by Plan ended 23 December 2003, with a positive reaction to commitments to simplification. The Department and the LSC will issue a consultation document on new approaches to fees in 2004.

Qualifications Reform

Qualification reform is underway to make the system more flexible and more responsive to the needs of employers and learners. The LSC are examining the application of credit to learning and qualifications outside the National Qualifications Framework and the possible links to qualifications within it. A planned programme of work will culminate in advice to ministers in March 2005. The Qualifications and Curriculum Authority (QCA), LSC and the Sector Skills Development Agency are also working on a wider reform of vocational qualifications to ensure the best match between assessment and content.

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Modern Apprenticeships for Adults

Our Skills Strategy: *21st Century Skills – Realising Our Potential*, explained that we are committed to removing the age limit on Modern Apprenticeships in response to industry's concern that it constitutes a barrier to meeting their skill needs. As a first step, we have changed the rules so that from 1st August 2003 young people who start their Modern Apprenticeship at any point up to their 25th birthday can complete it. Beyond that, we will invite the Sector Skills Councils (SSCs) to put forward their proposals to design and implement a Modern Apprenticeship programme for adults in their sector as part of the new Sector Skills Agreements. Preparatory work is under way involving the Department, LSC, SSDA and partner organisations.

For more information on Modern Apprenticeships and the associated target, see chapter 9 page 75.

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Adult Basic Skills

Millions of adults in England have literacy skills below Level 1, or the level we expect of an average 11-year-old. Even more have problems with numbers. The *Skills for Life* survey published in October 2003 showed that in England 5.2 million adults aged 16 to 65 have literacy levels below Level 1. In terms of numeracy it showed that 6.8 million adults aged 16 to 65 have skills below Entry Level 3 and 15 million below Level 1.

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

Our Public Service Agreement target is:

SR2002 PSA Target

To improve the literacy and numeracy skills of 1.5 million adults between the launch of *Skills for Life* in 2001 and 2007, with a milestone of 750,000 by 2004.

Skills for Life caters for the literacy, language (English for Speakers of Other Languages – ESOL) and numeracy needs of all post-16 learners, including those with learning difficulties or disabilities, from pre-entry level up to and including Level 2.

From April 2001 to July 2003, it is estimated that a projected 1.9 million learners have taken up

Learning and Skills Council (LSC) funded basic skills learning opportunities. Projections show the milestone of 470,000 achievements by July 2003 will be met. In the same period, 3.09 million LSC-funded learning opportunities are estimated to have been provided.

The *Get On* campaign continues to encourage adults to overcome their fears of learning and 'get rid of their Gremlins'. Recent surveys have suggested that the Gremlins campaign now has a 91 per cent recognition rate among the general public.

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Offender Learning and Skills

The Offenders' Learning and Skills Unit (OLSU) is a joint Department/Home Office Unit working with key partners to ensure that the best possible service is delivered to meet the educational needs of offenders. Our aim is to provide an integrated service focused on individual need so that we can improve offenders' skills, enhance their employability and prevent them from re-offending.

With the support of OLSU's regional advisers, prisoners achieved over 41,000 nationally recognised qualifications in literacy, language and numeracy and nearly 90,000 in work-related skills in 2002-03, exceeding their targets in both cases.

Funding for learning and skills has increased significantly to extend the range and quality of learning and skills opportunities for offenders. As a result of increases from the 2002 Spending Review, the Unit has been able to provide additional funding for priority areas in 2003-04 – for Young Offender Institutions, women's prisons and local prisons, and to roll out a secure version of Ufi/**learn**direct to 20 prison establishments. Increases have also enabled the Prison Service to appoint over 100 Heads of

Learning and Skills throughout England and Wales, who will be responsible for raising standards, widening access and improving continuity.

From April 2004, OLSU's remit includes the delivery of learning to offenders under supervision, in partnership with the Probation Service and Learning and Skills Council. Targets and funding for community-based offender learning for 2004-05 for England and Wales have been agreed. Basic skills targets have been set at 32,000 starts and 8,000 achievements. A budget of £17.4 million is allocated to this programme for England.

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Sector Skills Councils

Sector Skills Councils (SSCs) have been set up to be influential employer bodies. SSCs are experts on their sectors and understand the key drivers influencing sector development and the implications for the demand, supply and use of skills. Working with employers, trade unions, government, and other partners to deliver key skills and productivity priorities, and licensed by Government, they will lead the drive to significantly improve skills and productivity in industry and business sectors across the UK.

SSCs have four key goals to deliver across the UK:

- A reduction of skills gaps and shortages and anticipation of future needs.
- An improvement in productivity, business and public services performance through specific strategic and targeted skills and productivity action.
- Increased opportunities to develop and improve the productivity of everyone in the sector's workforce, including action to address equality and support inward investment.

- An improvement in the quality and relevance of public learning supply, including the development of apprenticeships, higher education and of national occupational standards.

There are 12 licensed SSCs and 11 in development. It is planned that a network of around 20 SSCs will be in place by summer 2004.

The Skills for Business network has replaced the former National Training Organisation network with fewer, larger, more effective Sector Skills Councils. Their establishment is overseen by the Sector Skills Development Agency (SSDA) a new non-departmental public body (NDPB) set up in April 2002.

It will be a key means of:

- encouraging employers to take ownership of skills issues and to offer credibility and leadership and the resource and capacity to deliver;
- developing sector strategies to address specific productivity/public sector delivery issues and associated skill needs; and
- developing skills development solutions with training providers across the UK to match sector needs in a regional, sub-regional and local context.

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Union Learning Fund

The Union Learning Fund (ULF) is a source of funding to help trade unions use their influence with employers, employees and others to encourage greater take up of learning at work, and boost their capacity as learning organisations.

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Ufi/learn direct

Ufi is the Government's vision of a 'University for Industry'. It aims to work with partners to boost people's employability and organisations' productivity and effectiveness.

Ufi's learning services are delivered through the **learn direct** network, which currently numbers more than 2,000 centres, grouped into 'Hubs'.

These offer over 700 courses, covering a variety of areas including IT skills; business and technical skills and the basics of reading, writing and numbers.

Key priorities for Ufi/**learn direct** in 2003-04 included focusing upon learner progression and achievement, helping employers to improve productivity and widening participation in learning. For 2003-04, £56 million was made available for the development and operation of Ufi in England, Wales and Northern Ireland. A further £12.35 million was made available for the **learn direct** information and advice service. Money is also available from the Learning and Skills Council (LSC) to fund **learn direct** learners in England.

As part of the Skills Strategy, The Department will work with Ufi and the Learning and Skills Council (LSC) to integrate the national **learn direct** advice service with the work of the local IAG services. The aim is to deliver an integrated service offering easy access for adults to IAG on skills, training and qualifications with particular emphasis on the priority groups identified in the White Paper.

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UK online centres

The Skills Strategy White Paper formally recognised that ICT skills stand alongside literacy and numeracy skills as essential for both employment and social inclusion.

UK online (UKOL) centres provide introductory information and communication technology (ICT) skills training for adults from disadvantaged groups. The centres provide free or low cost access to the Internet and e-mail, and deliver online learning to help and encourage learners to progress on to further learning opportunities.

Evaluation evidence has demonstrated that the centres have largely been successful in meeting the ICT needs of learners from the target groups within areas of deprivation.

UK online centres and Ufl/**learndirect** centres will become major providers of ICT skills programmes.

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A World Class Workforce for Education and Skills

The Government believes that it can only implement its policies successfully with an able and motivated workforce of leaders, teachers, trainers, advisers and their support staff, working with learners of all ages.

The Children's Workforce

By 2008, the Government wants there to be a more coherent, stable and flexible children's workforce that:

- is delivering better outcomes for children and young people;
- has enough people with the right mix of skills, professional training and core competences;
- has effective leadership at all levels;
- works across professional and institutional boundaries in the interests of children;
- is trusted by children, families and communities, highly motivated, and held in high esteem;
- works efficiently, with less bureaucracy, more face to face contact and access to the right information;
- has highly skilled people on the front line; and
- can offer an attractive career, with flexible entry routes, high quality training, coherent pathways and progression, and fair pay and rewards.

A Children's Workforce Unit has been created within the Department, reporting to the Minister for Children, Young People and Families and bringing together responsibility for a number of

sectors of the children's workforce and maintaining a strategic role in relation to the workforce as a whole.

Children and Young People's Sector Skills Council

An early priority for the Unit is to establish, through the Sector Skills Development Agency and in partnership with key stakeholders, a framework to link all Sector Skills Councils holding a remit for the broad range of services and professions working with children and families. A Children and Young People's Sector Skills Council, operating on a federated basis across England, Scotland, Wales and Northern Ireland, will lead on skills for social care, childcare and related services.

Pay and Workforce Strategy

A second priority will be the development of a pay and workforce strategy for the children's workforce, to deliver the vision set out in *Every Child Matters*. The Unit is working with partners in local and central government and in the private and voluntary sectors to develop a common understanding of the workforce, and of the pay, standards, qualifications and career issues that affect recruitment and retention within it. We will look to develop innovative ways of ensuring that the extra skill and competence required to work in child protection is rewarded, and that the most able and experienced social care workers have incentives to do this vital work.

The strategy will also recognise fully the fact that services to children are not delivered exclusively by a narrowly defined children's workforce. A number

of professions come into regular contact with children and young people, such as general practitioners, and their skills and competencies, as well as the other pressures on them, have to be understood. Similarly, linkages to related government strategies, such as the National Health Service (NHS) national service framework for children, will be made.

Core Competencies and Common Standards

A further priority will be to lay the groundwork for a coherent career structure. This includes agreeing the common core of skills, knowledge and competence for those who work with children, young people and their families. It also includes mapping existing occupational standards and devising common standards and an appropriate qualifications structure, and deciding how best to open up entry routes.

Leadership and Professional Supervision

Reforming the children's workforce requires skilled and committed leadership, at a number of levels. The Department will be working with partners in local government, the NHS and the voluntary sector to support the development of the skills and competencies needed to lead successful multi-agency services for children and families. Similarly, alongside a focus on those leading multi-agency work from a strategic viewpoint, we are also working with specific occupational groups to ensure that the supervision of professionals working with children supports both an individual's continuing professional development and the delivery of multi-agency interventions.

Workload Survey

To understand how we need to reform roles and to reduce bureaucracy, in order to release essential resources to where they are most needed, a workload survey will be completed.

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Within Schools

As in any organisation, the people who work in a school are its most valuable resource. Our aim is therefore to improve recruitment, retention, quality and status for the whole of the school workforce. The focus is on developing a workforce that can deliver the personalised learning that pupils and parents deserve and are entitled to expect. Workforce reform therefore underpins schools policy and aims more generally.

School Workforce Remodelling

Raising Standards and Tackling Workload – the National Agreement with local authority employers, and support staff, teacher and headteacher unions – is now over a year old. Remodelling is a key part of the drive for further improvements in standards. It is about ensuring that teachers have more time to concentrate on their core professional responsibilities and can focus on personalised teaching and learning for all pupils. Teachers are now no longer expected routinely to undertake administrative and clerical tasks. From September 2004 there will be limits on the extent to which they will have to cover for absent colleagues and from 2005 they will enjoy guaranteed time for planning, preparation and assessment.

A National Remodelling Team, established as part of the National College for School Leadership (NCSL), is working with LEAs to deliver the training, guidance and support necessary to make workforce reform a reality in schools.

In April 2003, an Implementation Review Unit (IRU) of practising heads and senior staff was established to scrutinise policy initiatives impacting on schools. Building on work carried out by the School Workforce Unit in the Department for Education and

Skills in 2002–03, the IRU has exerted a significant influence over the Department and its partner bodies in terms of reducing burdens on schools, pressing successfully for the introduction of a system to assess the impact of new initiatives on schools. The IRU has also been an important catalyst in the development of the New Relationship With Schools Programme.

More support staff

At the heart of the workforce reform agenda is the Government's commitment to a wider role in schools for support staff. As well as expanding numbers, this is about improving training, qualifications and career opportunities. The purpose is to help teachers to concentrate on teaching, but also to broaden the range of adults who can support good learning and make an even more significant impact on school improvement. To this end we have:

- introduced regulations which clarify the respective roles of teachers and support staff;
- produced guidance on the management and supervision of support staff;
- revised induction training for teaching assistants and introduced induction training for all other support staff;
- worked with the Teacher Training Agency (TTA) on training for higher level teaching assistants which is available from April 2004;
- more generally, asked TTA to expand its remit to cover the whole of the school workforce – support staff as well as teachers; and
- established school support staff as a national priority for the LSC which has now developed a school sector plan.

Reform is already underway, e.g. a primary school survey conducted for the Department showed that: use of support staff has increased in seven out of

ten primary schools over the last three years; 97 per cent of headteachers said the increase had improved learning and teaching; and one in ten said they used teaching assistants to run classes in the absence of teachers.

Leadership

Leadership is a key part of the Government's programme for education reform – raising standards, supporting informed professionalism and developing the school workforce are not possible without effective school leadership. Inspirational leadership and management at all levels is key to transforming the school workforce and raising the attainment of pupils.

The Government set up the NCSL in 2000 to provide a single national focus for school leadership development and research and to be a driving force for world class leadership in our schools, a catalyst for innovation, and a focus for national and international debate on leadership issues. The College delivers a wide range of professional development and leadership training for headteachers, aspiring heads and other school leaders at every stage of their careers.

The National Professional Qualification for Headship (NPQH) is a core programme for aspiring headteachers. From 1 April 2004 it is mandatory for all those taking up a first time headship post in LEA maintained schools or in non-maintained special schools to hold the NPQH or be working towards it.

The Department's grant to the NCSL in 2003-04 was £94 million. The college has, among other things:

- developed a Leadership Development Framework which offers a flexible and accessible series of pathways for the growth of leadership talent in every school;

- developed with KPMG (Klynveld Peat Marwick Goerdeler) and the headteacher associations a package of support on budget management for schools. It includes a website offering all schools advice and support on financial management;
- managed the NPQH programme, which over 8,200 candidates are currently undertaking;
- developed the Leading from the Middle programme, aimed at increasing the leadership potential of middle level school leaders, which began to be rolled out nationally from September 2003, with 2,000 participants in the first cohort;
- trained 1,000 Primary Consultant Leaders to support 3,500 schools designated for additional support within the first year of the Primary Strategy Leadership Programme; as well as 1,319 NCSL Consultant Leaders; and
- developed training for bursars – the Certificate and Diploma of School Business Management courses. Two Certificate pilots took place in 2002 for the first 200 trainees. The Certificate course was rolled out nationally in May 2003 and the 1,000th trainee started in November 2003 – due to complete by the end of 2004, achieving the target two years early. The first Diploma pilot started in September 2003, with a second commencing in November 2003 – 100 trainees in total.

Teacher Supply, Recruitment and Retention

We need to ensure that there are sufficient well-trained teachers to support the Government's standards agenda.

In January 2003, there were 423,600 full-time equivalent regular teachers employed in maintained schools in England – a rise of more than 13,000 since 2001 and around 25,000 since 1997. This means that the manifesto commitment

for 10,000 more teachers by 2006 has been met three years early. Teacher vacancies fell 25 per cent between January 2002 and January 2003. In addition, the number of people leaving the profession for reasons other than retirement has stabilised in the last two years. Over 33,900 people were recruited to conventional teacher training courses in 2003/04, an eight per cent rise on the previous year.

The Department continues to support a range of activities, including:

- £6,000 training bursaries for eligible primary and secondary Postgraduate Certificate in Education (PGCE) students and £4,000 golden hellos for newly-qualified teachers (NQTs) who train in, and go on to teach, the priority subjects – maths, science, English, modern languages and technology;
- from September 2002, paying off over time the student loans of teachers of priority subjects under a three year pilot scheme;
- funding more employment-based training places in schools from 5,500 in 2003/04 to 6,250 in 2004/05 and 7,250 in 2005/06;
- an increase in the number of places on TTA-funded courses for returners to the profession from 2,000 in 2003/04, to 2,250 in 2004/05 and 2,500 in 2005/06. Participants receive £150-a-week bursaries plus help with childcare costs where appropriate;
- funding 35,800 college-based teacher training places in England in 2004/05, over 1,100 more than the previous year;
- funding a network of recruitment managers who work alongside LEAs to support a strategic approach to teacher recruitment;
- funding the Recruitment and Retention Unit in the Government Office for London, to look at a pan-London strategy for issues like the use of

supply teachers, overseas recruitment, transport and housing;

- identifying the key reasons why teachers leave the profession to inform policy development e.g. the Starter homes Initiative provided £250 million to key workers, including 3,500 teachers, to buy their first home in areas of high price or demand; and
- funding the first stage of a £2 million Well Being project in London, initially enabling around 400 schools in 15 LEAs to work with trained co-ordinators to develop and improve whole school solutions to school improvement, staff development, health and safety, equal opportunities and work/life balance.

Initial teacher training (ITT)

The Government is committed to ensuring that all newly qualified teachers (NQTs) have the skills to carry out their professional duties more effectively, by improving the quality of people entering teacher training and the quality and relevance of the ITT they receive.

Ofsted inspections show schools now have the best NQTs ever and that improvements have been made across all areas of teacher training.

Skills tests in literacy, numeracy and ICT need to be passed by all trainees before they can be awarded qualified teacher status (QTS). They provide additional reassurance that NQTs have the necessary skills to perform their wider professional duties to a high standard.

Shortage subject areas have been targeted – maths, science and technology in particular – through programmes such as the Student Associate Scheme. The delivery of language learning has been supported through a series of initiatives including the Primary Modern Foreign Languages programme.

Training Schools demonstrate excellent teacher training practice, especially in ITT and continuing training of the whole school workforce. Further expansion of the programme is planned and it is expected that there will be at least 260 Training Schools operating by September 2005. The aim is to ensure that schools in every area have access to at least one Training School.

Continuing Professional Development (CPD)

All teachers have had professional development opportunities through initiatives like literacy and numeracy in primary schools, specialist schools, the Leading Edge Partnership Programme, Excellence in Cities, and the Key Stage 3 and 14-19 strategies. These are in addition to a range of work-related programmes – including Professional Bursaries, Sabbaticals, Best Practice Research Scholarships, and a pilot Early Professional Development programme. These initiatives have helped teachers to keep their skills and subject knowledge up to date.

From 1 April 2004, support for CPD will be delivered through schools' own budgets, rather than through centrally funded programmes. We are therefore seeking to develop a climate in which school leaders create and support opportunities for professional development for all their staff; and teachers pursue their own development and contribute to that of their colleagues.

There are to be four strands to the Department's work in this area – closer integration of CPD, performance management and school improvement; building stronger CPD infrastructures in schools; encouraging schools to focus on CPD that leads to sustained changes in practice; and developing clearer expectations of the skills, knowledge and understanding that teachers should develop over the first five years of their career.

Advanced Skills Teachers (ASTs)

The Advanced Skills Teacher (AST) scheme offers excellent teachers the chance to move onto a higher salary scale while continuing to teach their own classes. Their outreach work also supports colleagues in their and other schools. ASTs are also increasingly taking on a leadership role and may be involved in school or LEA projects such as raising the achievement of boys.

The number of ASTs continued to rise over the year from just over 3,000 who had passed AST assessment in January 2003 to almost 4,400 in January 2004. Funding for existing posts will continue to be available through the Standards Fund for the next two years but in line with the overall decision to move funding decisions to school and LEA level, new AST posts created from 1 April 2004 will mainly be supported through normal school funding mechanisms.

Fast Track Teaching

The Fast Track Teaching programme is a long term investment in the training and professional development of potential school leaders. It identifies some of the most talented serving teachers, new graduates and career changers, and provides them with the support they need to progress rapidly to become leaders in the teaching profession, both in the classroom and in management positions.

Fast Track offers enhanced ITT for new entrants to the teaching profession and 300 trainees are undertaking Fast Track ITT during 2003/04. Fast Track also provides a series of local, regional and national professional development events and bespoke individual professional development opportunities.

Fast Track teachers took up posts in schools for the first time in 2002 and by September 2003, one in three had gained promotion to middle leadership.

The first Fast Track teacher to be promoted off the programme took up post as an Assistant Head of a primary school in September 2003. Currently there are around 600 Fast Track teachers and trainees. The programme continues to expand and is on course to deliver 1,200 Fast Track teachers and trainees by September 2004.

Pay and Performance

We support a performance management and pay system that aims to support school improvement by setting the agenda for the professional development of teachers and by securing a fair and equitable pay system with the highest rewards for our best teachers.

We have made teaching a more attractive profession, helping to address recruitment and retention issues and contributing to rising school standards.

On performance related pay, as part of the drive to raise standards and reward excellence, we provide funding to enable schools to reward teachers who pass the threshold and move from the main scale to the upper pay scale. This amounts to £557 million in 2003-04 for the 191,000 teachers who have benefited.

Since the introduction of the upper pay scale in September 2000, 259,000 teachers have passed the threshold and £1,723 million of grant has been paid. We also provide grants to contribute to the award of performance points, which in the main is used for post threshold teachers moving up the upper pay scale and for Leadership Group progression. This amounts to £205 million in 2003-04.

We have recruited and trained 400 serving headteachers to support school governors as they review headteacher performance and have provided new training and guidance materials for

school leaders and LEAs to help them embed performance management in school culture.

In December 2003 the Secretary of State endorsed the changes to teachers' pay based on the School Teachers' Review Body's recommendations. A multi year pay award – up to the end of August 2006 – has been achieved, which will bring a new era of stability by giving schools and LEAs a firm foundation on which to plan and budget. Furthermore, from 2005, September will be the new date for all future pay awards. Teachers' salaries will rise by 2.5 per cent from April 2004, to be increased to 3.25 per cent in September 2005, in addition to the annual incremental rise of seven to eight per cent which many teachers receive.

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Within Further Education

Reforms for further education and training

The Government launched its *Success for All* strategy in November 2002 with a massive investment package to reform the post-16 learning and skills sector to raise standards, increase participation and improve outcomes for learners.

The learning and skills sector provides some excellent quality learning but problems remain. There are widely diverging standards of learner achievement and in recent years insufficient attention has been given to improving teaching, training and learning and to modernising and upgrading the workforce.

In January 2003, the Department set up the Standards Unit to transform teaching, learning and leadership across the whole of the learning and skills sector. The Unit leads on themes two and three of *Success for All*: putting teaching and

learning at the heart of what we do and developing the leaders, teachers, lecturers, trainers and support staff of the future. The Unit's role is to act as a catalyst, harnessing the work of partner organisations to improve quality in further education and training in colleges, adult and community learning, work-based learning and school sixth forms, identifying and disseminating best practice, developing teaching materials and resources and arranging associated teacher/trainer training.

Staff Qualifications and Development

In November 2003, the Secretary of State launched the STAR awards which are designed to recognise and reward the high quality work that has made a positive difference in the learning and skills sector. Nominees can range from teachers and managers to support staff, and the first year's winners will be recognised at a national ceremony in London in October 2004.

Ofsted published their first national survey of further education Initial Teacher Training in November 2003. They found good practice within fundamental structural weaknesses. In response to this, the Department launched a consultation document on the future of initial teacher education for the learning and skills sector. The Department hoped to encourage wide debate on these issues, and the consultation closed on 29 February 2004. The Department will publish a summary of the response and an agenda for action in the spring.

Leadership

The Centre for Excellence in Leadership was launched in October 2003. The Centre will provide training programmes which can be accessed in a range of ways to suit every learner.

The Centre's first set of programmes began in November 2003 and included a new Senior Leadership Programme. This programme supports

Section 137 of Education Act 2002, which provides for regulations to require all newly appointed college principals to hold a specified qualification.

A Leadership Development Framework is currently being developed for the Department by the Hay Group Limited but will ultimately be managed by the Centre for Excellence in Leadership. The Framework will be designed to encourage transparency and understanding of the different requirements of the multitude of leadership roles found in the disparate types of organisations.

The Leadership Development Framework will aid succession planning in the learning and skills sector by ensuring there is clarity about what is needed to perform effectively in different leadership roles at different levels in a variety of contexts.

Recruitment, reward and retention

In summer 2003 a two year pay deal was negotiated and agreed between the Association of Colleges (AoC) and the trade unions of the National Joint Forum. The deal paves the way for colleges to develop pay modernisation within the framework of the *Success for All* strategy. The Sixth Form Colleges Employer Forum and unions agreed a pay increase of 2.9 per cent from 1 September 2003 for teaching and support staff for 2003-04.

The ability for colleges to recruit and retain staff is a central part of our vision for a confident learning and skills sector. There is a recognised recruitment and retention problem for teachers in the further education sector. The vacancy rate currently averages 2.4 per cent, with average turnover at 10 per cent, with turnover significantly higher in some subject areas. A number of measures have been introduced to help colleges increase the attractiveness of teaching in the sector as a profession:

- Golden Hellos and the repayment of teacher loans (RTL) were introduced in September 2002 to help the sector recruit new teachers into the

profession to teach in designated shortage subject areas.

- From April 2004 subject to meeting eligibility criteria, many further education teachers in London, South East and Eastern regions will be able to apply for help with housing costs under the new Key Worker Housing initiative.
- Officials in the Standards Unit and Schools Communications Unit are working together to consider how further education professionals may benefit from Teachers' TV. The initiative is currently being piloted and if successful it is anticipated that the channel will be launched towards the end of 2004.
- The further education Teacher Training Bursary Pilot was introduced in September 2000 to encourage high calibre students to enter post - 16 teaching through suitable further education Initial Teacher Training courses. Evaluation was completed in March 2004 and ministers have decided to extend the pilot for two more years.

Investment in professional development

Success for All sets out a target that by July 2006, 90 per cent of full-time teachers and 60 per cent of part-time teachers will be qualified to teach. This follows the 2001 regulations which require new full-time teachers to be qualified in two years and part-time in four years.

Work is in progress to enable us to reach this target and studies in July 2003 indicated that 79 per cent of full-time and 54 per cent of part-time teachers were qualified to teach.

These new arrangements are integral to raising quality and standards and are designed to lead to a more highly qualified, trained and motivated workforce in further education colleges. In turn, these staff will be more able to help increase student recruitment, retention and achievement rates and improve students' satisfaction with their

education. Three year development plans, agreed with local LSCs set out progress in each college towards this target.

Standards for literacy and numeracy teachers

For the first time, all new teachers who wish to teach adult literacy or numeracy in the post-16 sector are now required to gain qualifications that meet the subject specifications for literacy, language and numeracy. The LSC has taken responsibility for the funding and delivery of all teacher training and continuing professional development. It is estimated that 25,000 teachers will have made use of the continuing professional development programme by 2007 and be able to demonstrate skills at the appropriate level. The work to raise the standards of teaching and learning in literacy, language and numeracy will play a key part in delivering the Government's *Success for All* agenda.

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Within Higher Education

Research and teaching excellence

The Government is committed to investing in the whole workforce within our institutions: research leaders, other research staff; academics, research students and support staff. In the Higher Education White Paper, we set out measures to increase and improve the recruitment, training and retention of researchers. These initiatives, jointly funded with Department of Trade and Industry and the Office of Science and Technology, include improvement in the minimum standards for post graduate training and postdoctoral researchers as well as PhD students; increases in the average Research Council postdoctoral salary by £4,000 by 2005-06;

funding for promising researchers; and the creation of 1,000 new Academic Fellowships.

The Government places great importance on the quality of teaching in higher education and the HEFCE has introduced the Teaching Quality Enhancement Fund which encourages and rewards excellence in teaching at institution, subject and individual levels. It also supports numerous other areas of activity aimed at improving the quality of teaching. Over 80 per cent of higher education institutions have introduced programmes of training for their academic staff which have been accredited by the professional body for learning and teaching, the Institute for Learning and Teaching in Higher Education (ILT HE). These programmes are usually mandatory for staff new to the sector.

The Government also announced measures in the White Paper, *The Future of Higher Education* to improve the quality of teaching in higher education. Measures include designating the best teaching in higher education departments as centres of excellence; the proposed introduction of a new unified body, the Teaching Quality Academy, to promote the professional development of teaching and learning in higher education and the development of nationally recognised professional standards for teachers in higher education.

Teaching quality

The UK is renowned throughout the world for the quality of its higher education and the Government is committed to maintaining this reputation by promoting excellence in higher education. Academic standards and the quality of the student experience must be maintained and enhanced whilst widening participation.

Measures to achieve this objective to date include:

- detailed proposals developed by HEFCE for the way ahead on Centres of Teaching Excellence,

with extra funding so that they can both reward existing staff and fund extra staff to promulgate good pedagogical practice;

- launching a consultation with the sector on e-Learning and doubling the size of the National Teaching Fellowship Scheme that rewards outstanding teachers;
- incorporating the new Higher Education Academy to promote teaching quality and disseminate best practice across the sector.
- the pilot for the National Student Survey – providing direct feedback on the quality of provision, and driving up quality through better-informed consumers has been completed and consultations are underway with a final report in the spring. We are on track to have the survey in place for January 2005.

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The consultation document set out a vision to enable the educational workforce to gain the skills, qualifications and career paths they need if e-learning and e-teaching are to succeed. It recognised that to empower learners the education workforce needs to be supported so that it can adapt to change, and has the skills and confidence to exploit e-learning to the full in an ever-changing environment.

The effective use of ICT can help to automate administrative processes, reduce bureaucracy and save time. The consultation proposed that e-learning should be utilised to open a range of more flexible options for the deployment of teachers, lecturers and support staff. This would enable teachers to explore more innovative ways of teaching and encouraging active learning, and to enable them to respond more effectively to the needs of all their learners.

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ICT and the Workforce

The consultation *Towards a Unified e-Learning Strategy* ended in January 2004. The aim of the consultation was to help shape an e-learning strategy, for all learners and potential learners and all sectors of education and training, from early years through to higher education and lifelong learning. There were seven proposed action areas, set out in the consultation. The action areas together provide a unified, systemic and sustainable strategy for e-learning, addressing the needs of education leaders, the education and training workforce, learners, employers and suppliers.

SECTION D

How We Will Work to Make a Difference

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The Department

The Board leads the work of the Department by charting the overall strategic direction, and providing direction on major operational and management issues. They also create a culture of learning within which all staff can develop to their full potential, and actively promote the Department's 'Behaviours'. Members of the Board (heads of the Department's Directorates) meet with the Permanent Secretary every month. Two non executive members also sit on the Board to provide external perspectives and act as 'critical' friends.

The Staying Ahead Programme (the Department's change programme, aimed at improving the way the Department and the system for children, education and skills delivers its outcomes) is managed by the Staying Ahead Board (this is chaired by the Permanent Secretary and members include the heads of the Department's Directorates and some Directors).

The Staying Ahead change programme has three key focuses:

- leading reform in the education and training system ('our role')
- improving the way we work with partners ('our partners')
- making sure that within the Department we have the right people with the right skills in the right place ('our people')

Our Role

Progress has been made across these areas in the last twelve months. The Department is now focusing on the next phase of Staying Ahead. As

part of this it is looking at the overall structure and organisation of the Department and the system to enable it to provide even more effective strategic leadership of the system for children, education and skills. The Department is, therefore, taking forward work to:

- build its capacity to develop strategic policy across the Department;
- slim down delivery chains to reduce the burden and bureaucracy on front line services in each of its four main policy delivery areas;
- develop a more strategic focus in its main corporate functions; and
- examine the scope for efficiencies across the Department to ensure that it reduces its costs and releases more resources in front line services.

In taking this work forward, the Department has committed itself as part of its Spending Review settlement to staff reductions of 1,460 by April 2008 (of which 800 are to be achieved by April 2006). Work is in train to develop detailed plans for taking this forward.

Our Partners

The Department is committed to working more effectively with all of its delivery partners. A set of standards – *The Delivery Partnership Framework* – has been developed and a number of initiatives have been put in place to improve the management of partnerships through professional support and guidance. Much effort has also gone into raising the level of skill which staff have in

areas such as procurement, contract management and influencing/negotiating.

Many of the existing initiatives were developed in response to the findings of a survey of partners carried out in 2002. A new survey was completed in April 2004 and the results are due to be published in May 2004. The survey will measure the improvement made since 2002 and identify areas of partnership management still requiring further attention.

Our People

The Department's Human Resource Strategy

The Department's Human Resource Strategy – *Delivering Through People*, which was launched on 7 April 2003 sets out how the Department expects managers to manage and people to be developed to deliver our stretching delivery objectives. The strategy is an ambitious one, aimed at creating a department; where managers inspire, develop and manage the performance of their people; where all staff are expected to develop the skills they need to do their jobs and to live the Behaviours; where human resource systems are unbureaucratic and human resource support is focused on the business; and where all staff have the opportunity to have broad, fulfilling careers. In focusing on our people in this way, we can ensure that the Department is best placed to provide the necessary leadership to the education and skills sector.

Management and Leadership Programme

This is a flagship product, supporting all four of the 'goals for people' contained in the Department's Human Resource Strategy, and utilising a significant investment of time and money. It is a development centre based programme, and evaluation evidence shows the programme impacting positively on people's performance. Participants report increased management and leadership confidence and use of newly acquired leadership tools, techniques and

feedback to deliver tasks and objectives more effectively, and to improve individual and team performance. They also report enhanced relationship management with staff and customers, increased assertiveness, and greater motivation of teams and individuals.

Core Business Skills

A Core Business Skills programme has run since September 2002, again supporting all four of the 'goals for people' contained in the Department's Human Resource Strategy, and evaluation evidence shows it making a real difference to the way people do their jobs. Participants are using new skills and knowledge to deliver outcomes and objectives. These include increased confidence in managing performance, chairing meetings, coaching and staff induction. There is also evidence of increased efficiency, effectiveness and independent working.

Behaviours

As well as building up skills in the organisation, we have also sought to improve the way in which we work with customers, partners and inside the Department. We have focused our attention on this and have adopted a set of behaviours which we want to characterise the way we work.

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

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Recruitment

The Department opened up a significant proportion of employment opportunities at all levels, to external applicants. The number and

range of vacancies advertised demonstrated the diverse nature of the Department's business and the range of challenging opportunities open to people. Table 13.1 shows the external recruitment undertaken in the calendar year 2003.

External job adverts for opportunities below senior civil service (SCS) level are all posted on the Department's website as well as in the press. Externally advertised SCS opportunities are all posted on the Cabinet Office Recruitment Gateway and also in the press. The facility to register and apply for jobs via the Internet has continued to be very successful, with the majority of applicants choosing to obtain information and apply for vacancies in this way. The Department is committed to equality of opportunity in recruitment and that is reflected in the nature of our advertisements, where they are placed and in outreach activity.

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

Of the total number of staff recruited, 89 per cent identified their ethnic origin, and of these, 24 per cent were from ethnic minority backgrounds. Additionally, 12 disabled people were recruited within the calendar year.

Exceptions to Open and Fair Competition

In addition to these figures, there were a limited number of people recruited under the permitted exceptions to open and fair competition to meet operational needs. These people had specific skills and were recruited to deliver specific tasks.

Interchange

Inward and outward interchanges bring a greater diversity of staff background, outlook and experience to the Department's policy making and services. In the calendar year 2003, the number of inward secondees, including loans from other government departments increased from 204 to 267 and the numbers seconded to outside organisations and other government departments increased from 446 to 549.

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Table 13.1 | External Recruitment 2003

Grade (including grade equivalents)	Number of posts	Successful female applicants	Successful disabled applicants	Successful ethnic minority applicants
Administrative Assistant	20	13	1	8
Administrative Officer	134	83	7	29
Executive Officer	31	22	2	7
Higher Executive Officer	3	1	1	0
Senior Executive Officer	4	4	0	0
Grade 6/7	3	3	0	0
Senior Civil Service	9	2	1	0
Total	204	128	12	44

Table 13.2 | Analysis of Departmental Headquarters' Staffing at 1 January 2004 (Percentage)

Grade (including grade equivalents)	Female staff	Male staff	Minority ethnic staff	Staff with a disability	Staff aged under 24	Staff aged 50 and over
Administrative Assistant	51	49	12	8	9	40
Administrative Officer	67	33	17	5	8	19
Executive Officer	67	33	16	5	5	14
Higher Executive Officer	59	41	11	6	2	15
Senior Executive Officer	53	47	6	3	0	24
Grade 7/6	49	51	5	3	0	32
Senior Civil Service	38	62	4	2	0	42
Total	59	41	12	5	4	21

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Senior Civil Service

All recruitment to the senior civil service is by fair and open competition and in line with the Civil Service Commissioners' Recruitment Code.

Table 13.3 shows the salaries of senior civil servants reflecting staff numbers at 1 April 2003. It includes staff on loan from other government departments and those on secondment to other organisations, who are covered by the department's pay arrangements. It does not include staff on loan to other departments or those on temporary promotion into the senior civil service. Salaries include the 1 April 2003 pay award and all allowances and bonuses.

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Investors in People (IiP)

The Department was one of the first Whitehall Departments to be awarded Investors in People status in 1998. This was successfully reviewed in June 2002 and in line with Investors in People guidelines must be reaccredited before June 2005. An Investors in People Healthcheck will be undertaken across the whole Department in April – May 2004, followed by formal assessment which is currently planned to take place in January – February 2005.

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Better Regulation

The Department is committed to carrying out Regulatory Impact Assessments (RIAs) whenever a new policy is likely to have an effect on business, charities or the voluntary sector. One of the

Table 13.3 | Salaries of Senior Civil Servants as at 1 April 2003 (£s)

Salary range	Number in range	Salary range	Number in range
50,000 – 54,999	7	100,000 – 104,999	1
55,000 – 59,999	19	105,000 – 109,999	3
60,000 – 64,999	15	110,000 – 114,999	2
65,000 – 69,999	21	115,000 – 119,999	0
70,000 – 74,999	10	120,000 – 124,999	3
75,000 – 79,999	15	125,000 – 129,999	0
80,000 – 84,999	7	130,000 – 134,999	1
85,000 – 89,999	3	135,000 – 139,999	0
90,000 – 94,999	9	140,000 – 144,999	0
95,000 – 99,999	5	Above this level	1

compliance measures for RIA performance is whether an assessment has been included with a public consultation when it is appropriate to do so. Snapshots taken during the previous year show that the Department has been able to maintain a compliance rate of 100 per cent.

The Department is at the forefront of work to extend RIA to policies that impact on the public sector such as schools, colleges and universities. In tandem, the creation of independent gatekeepers for schools (Implementation Review Unit), further education and training (Bureaucracy Review Group) and higher education (HE Regulation Review Group) will draw on the views of frontline practitioners to ensure that impact assessments are scrutinised externally.

The work with the Better Regulation Review Group has already resulted in a reduction in the number of special funding streams for universities. The Group has applauded the Department for its new approach to regulation, and confirmed that plans for the Office for Fair Access (OFFA) had been developed in a manner consistent with the principles of good regulation.

An essential part of good policy-making is consultation with stakeholders. The final document produced for the learning and skills strategy *Success for All* made it very clear where the Department had responded to the views and comments made by stakeholders. In conjunction with the Learning and Skills Council, the Department is continuing to seek views on the implementation of policies in the strategy through formal consultations and stakeholder groups.

Where it is possible to do so, the Department will use non-regulatory measures to achieve policy objectives. The recent publication *Drugs: Guidance for Schools* is clear and practical, and provides comprehensive guidance where placing statutory responsibilities on people working in schools could have been an alternative approach.

The Government's *Regulatory Reform Action Plan* (RRAP), published in February 2002, outlined what measures would be taken to reduce the level of unnecessary bureaucracy imposed on the private and public sectors, and individuals. An update of the RRAP, published in December 2003, shows that of the 35 measures for which the Department was responsible, 20 have been completed, 14 remain on-track for completion and one has slipped.

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Health and Safety

The Department continues to maintain a strong commitment to providing a safe and healthy work environment for all its employees. The key initiative last year was a total revision of the Departmental Health and Safety policy to ensure that it remained appropriate to our staff and business needs and complied with the requirements of central Government's *Revitalising Health and Safety* policy. The work was undertaken in partnership with specialist consultants, other government departments and the trades unions. A significant feature of the new policy is that Board members will take ultimate responsibility for health and safety issues within their directorates. The new policy was launched in March 2004.

Current priorities underway are to develop suitable health and safety training courses for practitioners, senior staff and managers with the latter being developed through online training packages. In addition, delivery procedures for safe and healthy systems are being reviewed and new monitoring and auditing arrangements devised to ensure compliance with statutory requirements.

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Environment Policies and Activities

A commitment to improve our environmental performance involves us all at every level in the Department. We need to be diligent in managing equipment and lighting, by developing healthy 'switch off' habits and consider the environmental implications of all of our actions at work, whatever our role is in the organisation.

Sustainable development is simply about improving the quality of life for everyone – now and for future generations.

The Framework for Sustainable Development on the Government Estate was published in August 2002. The Department of the Environment, Food and Rural Affairs (DEFRA) developed the Framework in collaboration with all government departments. It provides a structured approach to identifying, monitoring and reporting the main sustainable development impacts of each government department, and covers all government departments and their executive agencies. Non-Departmental Public Bodies (NDPBs) are not covered by the framework. The targets and commitments set out in the Framework apply to the whole of the Department for Education and Skills.

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Publicity and Advertising

The Department's publicity and advertising activities support its strategic objectives. Initiatives in 2003-04 targeted parents (raising awareness of rights and responsibilities issues e.g. truancy, using Emap's parents magazine titles), young people and teenagers (engaging their interest through Connexions, and encouraging them to move on to higher education through the *Aimhigher* multi media advertising campaign), adult learners (influencing the take up of basic skills training

through the continuation of the *Gremlins* campaign), and employers (raising awareness of Foundation Degrees and the Skills Agenda). The Department also participated in a range of successful broadcasting projects involving the BBC and commercial broadcasters, including *One Life Results*, *One Life Careers* and *Adult Learners Week*.

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Sponsorship

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

Cabinet Office guidelines require the Department to disclose details of sponsorship valued at more than £5,000 which directly contributes to the Department's work. The Department is pleased to acknowledge the sponsorship given in cash or kind during the year by the following organisations (listed at Table 13.4).

Table 13.4 | Sponsorship

Sponsor	Nature of Sponsorship	Value (£)
Adobe	Prizes for Write Here Write Now writing awards	7,250
BA	Flights for delegates of Conference of Commonwealth Education Ministers (CCEM)	15,200
Barclays Bank	London Business Challenge	597,650
Barclays Bank	Sponsorship of Anne Frank trust	19,000
Barclays Bank	Sponsorship of Uproject summer activities programme	204,900
Bell Science	Software for National Network for Science Learning Centres	1,022,050
Black Cat Software	Prizes for Write Here Write Now writing awards	65,000
British Telecom	Connectivity for CCEM	104,000
British Telecom	Educational resource and awards for citizenship	2,600,000
Caterpillar Foundation	Sponsorship of National Academy	15,300
Caterpillar, Boots, KPMG	Skills and Education Conference	7,500
Cisco	Internet Business Solutions Group	1,361,000
Cisco	ICT infrastructure of CCEM	546,650
Cisco	Sponsorship of City Academies	304,200
Cisco	Support of 14-19 Working Group and Employers Sub Group	81,250
Cisco	National ICT hub	59,000
Cisco	14-19 Reform Event	5,000
Dell	Prizes for Write Here Write Now writing awards	12,000
Epson	Hardware for CCEM	95,600
Gatsby Foundation	Sponsorship of National Academy training teachers to identify gifted and talented students	214,000
Hewlett Packard	Parents Online	30,450
Hewlett Packard	Parents Online Sponsorship	23,100
Hodder & Stoughton	Sponsor publisher of Write Here Write Now book	40,000
Independent/Herald	Media Sponsorship for CCEM	168,650
International SOS	Medical insurance cover for CCEM	68,150
Jack Petchey Foundation	Sponsorship of London Talent	15,000
Microsoft	Parents Online Sponsorship	13,300
Morgan Stanley	Citizen education resource	236,000
New Media	Sponsorship of National Network for Science Learning Centres	38,200
Oracle	Sponsorship of Specialist Schools	1,347,750
Oxford University Press	Sponsor of Telling Tales publication	60,000
Oxford University Press	Publications for CCEM	5,300
Recycle it	14-19 Reform event	5,000
Royal Bank of Scotland	To fund <i>Aimhigher</i> by buying roadshow trucks	1,800,000 ¹
Sony	Sponsorship of <i>Aimhigher</i>	6,000
Sun Microsystems	ICT hardware of CCEM	290,350
Tesco/Research Machines	Parents Online	6,800
Unilever	Sponsorship of Number Partners	10,000
Various Businesses	London Challenges	757,450 ²
Various Businesses	Support of 14-19 event	47,500 ²
Various Businesses	14-19 Working Group consultation	40,950 ²
Various Businesses	New GCSEs in vocational subjects	27,900 ²
Watson Wyatt	Sponsorship of Number Partners	10,000

1. Sponsorship over three-year period 2001-02 to 2003-04.

2. At each of the four events listed contributions were given by up to 60 different businesses representing a range of different sectors. Individuals attending the events were able to learn about the plans for London Challenge, 14-19 education and the new GCSEs in vocational subjects.

Public Accounts Committee

The Public Accounts Committee is the parliamentary committee that examines how well government has used its resources. During 2003-04, one Treasury Minute was published replying to a report concerning the Department, (See Annex H).

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Some of the Partners and People We Will be Working With to Achieve our Objectives

Local Education Authorities

There are 150 Local Education Authorities (LEAs) in England responsible for the strategic management of local authority education services including:

- planning the supply of school places;
- making sure every child has access to a suitable school place, or has suitable provision made for them;
- supporting and challenging schools, in inverse proportion to their success, and intervening where a school is failing its pupils; and
- allocating funding to schools.

Education authorities also work with local partners, including other local authority services, the health service and police, to contribute to cross-cutting approaches which are critical to maximising the life chances of children and young people. Local authorities are democratically accountable which gives them a distinctive leadership role in the local community to set a vision for education and to bring together partners to achieve change and improvement.

Regional Development Agencies

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

Non-Ministerial Government Department

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

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Non-Departmental Public Bodies

Adult Learning Inspectorate

The Adult Learning Inspectorate inspects provision for those aged 19 and over in further education colleges, those in work based learning from age 16, New Deal, adult and community learning and Ufi **learn**direct provision. It also inspects education and training in prisons at the invitation of Her Majesty's Chief Inspector of Prisons.

Ofsted inspects provision for 16-19 year olds in schools and colleges. Where provision falls within the remit of both Inspectorates, there is a joint inspection led by Ofsted, involving a single team of

inspectors, under the Common Inspection Framework.

Spring Place
Coventry Business Park
Herald Avenue
Coventry CV5 6UB

Tel: 0870 240 7744

Fax: 0870 242 1444

e-mail: enquiries@ali.gov.uk

www.ali.gov.uk

British Educational Communications and Technology Agency

The British Educational Communications and Technology Agency (Becta) is the Government's lead agency for ICT in education. Working to support the development of ICT in education throughout the UK, Becta's unique contribution is to combine knowledge of the needs of education with an understanding of the power of technology.

Millburn Hill Road
Science Park
Coventry CV4 7JJ

Tel: 024 7641 6994

Fax: 024 7641 1418

e-mail: becta@becta.org.uk

www.becta.org.uk

Children and Family Court Advisory and Support Service

In April 2001, the Children and Family Court Advisory and Support Service (CAFCASS) was launched as a dedicated service to represent, safeguard and promote the welfare of children involved in Family Court Proceedings. It draws together services previously carried out by three separate agencies – the Official Solicitor, the Court Welfare Service and the Home Office (Probation Service).

2nd Floor, Newspaper House
8-16 Great New Street
London EC4A 3BN

Tel: 020 7210 4400

Fax: 020 7210 4422

e-mail: webenquiries@cafcass.gov.uk

www.cafcass.gov.uk

Higher Education Funding Council for England

The Higher Education Funding Council for England (HEFCE) was established in 1992 and distributes over £3 billion to some 130 universities and colleges. Its purpose is to promote high quality, cost effective teaching and research, having regard to national needs. It offers guidance, disseminates good practice, and promotes innovation through its funding methods and special initiatives. It monitors the financial health of the sector and advises government on its funding needs.

Northavon House
Coldharbour Lane
Bristol BS16 1QD

Tel: 0117 931 7317

Fax: 0117 931 7203

e-mail: hefce@hefce.ac.uk

www.hefce.ac.uk

Investors in People (UK)

Investors in People UK is a Non-Departmental Public Body and company limited by guarantee, sponsored by the Department for Education and Skills. It was set up in 1993 to provide business leadership for the Investors in People Standard; to lead and undertake national promotion of the Standard; to maintain the reputation of the Standard, and to undertake assessments of national organisations against the Standard.

7-10 Chandos Street
London W1G 9DQ

Tel: 020 7467 1900

e-mail: information@iip.uk.co.uk

www.iipuk.co.uk

Learning and Skills Council

The Learning and Skills Council (LSC) for England is a Non-Departmental Public Body (NDPB) which has been operating since September 2000. It is the leading body in post-16 learning and skills development and operates through 47 local arms, known as local LSCs.

Cheylesmere House
Quinton Road
Coventry CV1 2WT

General Enquiries helpline: 0870 900 6800

e-mail: info@lsc.gov.uk

www.lsc.gov.uk

National College of School Leadership

The Government established the National College as a key part of its programme of modernising the teaching profession. The College provides a single national focus for leadership development and research. Rooted in outstanding best practice, it will offer headteachers, deputy heads and other school leaders the professional support and recognition they deserve and which other professions take for granted.

The College became operational in September 2000 and took on responsibility for the existing national headship training programmes as well as developing a coherent menu of other development opportunities.

Triumph Road
Nottingham NG8 1DH

Tel: 0870 001 1155

e-mail: ncsl-office@ncsl.org.uk

www.ncsl.org.uk

Qualifications and Curriculum Authority

The Authority works with and assists the Secretary of State for Education and Skills in ensuring that the curriculum and qualifications available to young people and adults are high quality, coherent and flexible and that they contribute effectively to improving the nation's level of attainment in education and training and to building the economy.

83 Piccadilly
London W1J 8QA

Tel: 020 7509 5555

email: info@qca.org.uk

www.qca.org.uk

Sector Skills Development Agency

The UK-wide Sector Skills Development Agency (SSDA) actively assists employers in sectors in bidding to become Sector Skills Councils (SSCs). It funds, supports and monitors the performance of SSCs across the UK, ensuring quality and consistent standards across the network. It also provides the minimum cover for essential functions in sectors without an SSC; ensures skills provision is designed to meet sector needs; ensures generic skills are effectively covered in the work of SSCs; promotes best practice sharing and benchmarking between sectors; and provides a website portal for public bodies and individuals to access high quality sectoral labour market intelligence across the UK.

3 Callflex Business Park
Golden Smithies Lane
Wath-upon-Deane
South Yorkshire S63 7ER

Tel: 01709 765444

Fax: 0870 000 2401

email: info@ssda.org.uk

www.ssda.org.uk

Student Loans Company

The Student Loans Company is a Non-Departmental Public Body jointly owned by the Secretary of State for Education and Skills and the Secretary of State for Scotland. It administers the student loans scheme.

100 Bothwell Street
Glasgow G2 7JD

Tel: 0141 306 2000

Fax: 0141 306 2005

www.slc.co.uk

Teacher Training Agency

The Teacher Training Agency (TTA) was established in 1994 to raise standards in teacher training and promote teaching as a profession. It funds and accredits all initial teacher training (ITT) in schools and higher education institutions in England and ensures the quality of ITT provision. It promotes high quality continuing professional development of teachers, including through the development of the first ever professional framework of standards and qualifications for teachers, and through the promotion of teaching as a research-based profession.

13th Floor Portland House
Stag Place
London SW1E 5TT

Tel: 020 7925 3700

Fax: 020 7925 3790

www.canteach.gov.uk

Annexes

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ANNEX A | Public Spending (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans
Consumption of resources:								
Sure Start	179	213	368	467	680	676	776	894
Schools, including Sixth Forms	878	1,180	2,531	3,491	5,512	6,076	6,206	6,899
Support for Children, Young People and Families	1,050	1,256	1,435	1,107	1,542	1,929	1,528	1,794
Higher Education	5,956	6,237	5,885	6,006	6,612	6,750	7,324	8,142
Further Education, Adult Training and Skills and Lifelong Learning	3,580	3,752	4,236	5,815	6,531	7,279	7,843	8,452
Teachers' Pension Scheme ¹	6,015	6,192	6,310	6,686	6,939	6,492	6,779	7,121
Activities to Support all Functions ²	237	253	266	271	266	273	393	828
Total Department for Education and Skills Resource Budget^{3,4,5,6,7,8}	17,895	19,082	21,031	23,844	28,081	29,475	30,849	34,129
<i>of which:</i>								
Departmental Expenditure Limit ⁹	11,799	12,809	14,630	17,058	21,012	22,714	23,699	26,509
Annually Managed Expenditure ⁹	6,096	6,273	6,401	6,786	7,069	6,761	7,150	7,620
Capital Expenditure^{7,10,11}								
Sure Start	0	0	0	0	0	69	114	264
Schools, including Sixth Forms ¹²	932	1,087	1,908	1,930	2,528	3,145	3,647	4,131
Support for Young People	16	13	11	25	22	28	27	37
Higher Education	0	1	2	1	18	21	0	0
Further Education, Adult Training and Skills and Lifelong Learning	2	5	13	137	141	84	4	4
Activities to Support all Functions	10	10	10	12	11	13	10	10
Total Department for Education and Skills Capital Budget¹³	961	1,115	1,945	2,105	2,720	3,360	3,802	4,446
<i>of which:</i>								
Departmental Expenditure Limit	960	1,112	1,943	2,101	2,715	3,356	3,801	4,445
Annually Managed Expenditure	1	3	2	3	5	4	1	1
Total Central Government Spending on Education in England¹⁴	11,526	12,412	14,792	17,066	21,065	23,474	25,178	28,127
Local Authority Spending in England on Education and related Youth Services								
Current	21,946	22,136	23,635	26,059	27,767	30,225		
<i>of which:</i>								
Financed by Grants from DfES	2,286	1,546	2,549	3,435	5,561	5,836		
Capital¹⁵	1,169	1,289	1,600	1,916	2,054	2,760		
<i>of which:</i>								
Financed by Grants from DfES	946	1,097	1,904	1,917	2,463	3,219		
Total Local Authority Spending in England on Education and related Youth Services	23,115	23,425	25,235	27,975	29,821	32,985		

- Figures include changes due to the recording of pension scheme accounts, estimates and budgets under FRS17.
- In 2003-04, includes the Service Development Fund, which is used to support innovative projects.
- Includes expenditure by non-departmental public bodies, which is financed by vote grants.
- Includes non-cash items i.e. capital charges, depreciation and provisions and expenditure by the levy funded Construction Industry Training Boards.
- Includes figures in both DEL and AME.
- Includes figures previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
- Including 'ring fenced' Capital Modernisation Fund and Invest to Save budget allocations.
- Figures include reclassification changes from third party capital DEL to resource DEL.

- Figures include reclassification changes of Education Maintenance Allowances from Resource DEL to Resource AME.
- Includes capital expenditure by non-departmental public bodies, which is financed by voted grants, and local authority credit approvals.
- Includes figures in both DEL and AME.
- Includes expenditure on the New Deal for Schools previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
- The total DfES Public Spending figure is the sum of all resource and capital less depreciation charges.
- Total central government spending on education includes DfES DEL and AME spending on schools, further and higher education (including the student loans resource budget charge), plus New Deal for Schools capital, the Children's Fund and Sure Start.
- Figures exclude any Devolved Formula Capital grant which schools have chosen to carry over for up to three years to help fund larger capital projects.

ANNEX B | Resource Budget (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans
Consumption of resources by activity:								
Sure Start	179	213	368	467	680	676	776	894
Schools, including Sixth Forms:	878	1,180	2,531	3,491	5,512	6,076	6,206	6,899
<i>of which:</i>								
Primary, Secondary and Sixth Forms ¹	878	1,180	2,531	3,491	5,512	6,076	6,206	6,899
Higher Education	5,956	6,237	5,885	6,006	6,612	6,750	7,324	8,142
<i>of which:</i>								
Student Loans	478	640	824	764	1,007	756	995	1,071
Student Grants	1,877	1,073	671	579	572	583	741	864
Grants to HEFCE	3,540	4,413	4,273	4,573	4,917	5,292	5,529	6,144
Other	60	110	117	90	116	119	59	63
Support for Children, Young People and Families	1,050	1,256	1,435	1,107	1,542	1,929	1,528	1,794
<i>of which:</i>								
Education Maintenance Allowances ^{2,3}	0	0	0	109	120	149	275	403
Connexions	0	0	15	332	441	505	533	570
Children and Young People's Unit	27	108	200	490	796	1,078	530	633
Other	921	1,049	1,107	49	63	67	82	80
Educational Qualifications	81	85	84	98	90	100	78	79
International Services	21	15	29	28	30	31	29	28
Further Education, Adult Learning and Skills and Lifelong Learning	3,580	3,752	4,236	5,815	6,531	7,279	7,843	8,452
<i>of which:</i>								
LSC/FE ^{4,5}	3,172	3,326	3,676	5,254	6,076	6,768	7,114	7,668
Other	408	426	560	561	455	511	730	784
Activities to Support all Objectives⁶	237	253	266	271	266	273	393	828
Teachers' Pension Scheme⁷	6,015	6,192	6,310	6,686	6,939	6,492	6,779	7,121
Total Department for Education and Skills Resource Budget^{8,9,10,11,12,13}	17,895	19,082	21,031	23,844	28,081	29,475	30,849	34,129
<i>of which:</i>								
Departmental Expenditure Limit	11,799	12,809	14,630	17,058	21,012	22,714	23,699	26,509
Annually Managed Expenditure	6,096	6,273	6,401	6,786	7,069	6,761	7,150	7,620

1. Includes LSC support for LEAs and sixth forms.

2. 2001-02 figures include funding for the sixth form access fund.

3. From 2003-04, figures include reclassification changes of Education Maintenance Allowances from Resource DEL to Resource AME.

4. This covers all LSC resource budgets apart from funding for sixth forms. It includes all LSC further education provision and other LSC funding for young people and adults. The LSC has assumed responsibility for further education, sixth forms and a wide range of other lifelong learning funding and for 2000-01 and 2001-02 includes transitional funding for bodies other than the LSC.

5. Responsibility for further education passed from the FEFC to the LSC from 2001-02. This line includes actual expenditure by the FEFC from 1998-99 to 2000-01 and includes FEFC administration and student support expenditure and excludes additional employer contributions to FE.

6. In 2003-04, includes the Service Development Fund, which is used to support innovative projects.

7. Figures include changes due to the recording of pension scheme accounts, estimates and budgets under FRS17.

8. Includes expenditure by non-departmental public bodies, which is financed by vote grants.

9. Includes non-cash items i.e. capital charges, depreciation and provisions and expenditure by the levy funded Construction Industry Training Boards.

10. Includes figures in both DEL and AME.

11. Includes figures previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.

12. Includes 'ring fenced' Invest to Save budget allocations.

13. Figures include reclassification changes of Education Maintenance Allowances from Resource DEL to Resource AME.

ANNEX C | Capital Budget (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans
Capital expenditure by activity:								
Sure Start⁷	0	#	#	0	0	69	114	264
Schools, including Sixth Forms:¹	932	1,087	1,908	1,930	2,528	3,145	3,647	4,131
of which:								
Primary, Secondary and Sixth Forms	932	1,087	1,908	1,930	2,528	3,145	3,647	4,131
Higher Education⁷	#	1	2	1	18	21	#	#
of which:								
Student Loans ⁷	#	#	2	1	1	2	#	#
Grants to HEFCE ⁷	#	#	#	#	16	19	#	#
Support for Children, Young People and Families	16	13	11	25	22	28	27	37
of which:								
Children and Young People's Unit	14	12	10	22	22	27	27	37
Educational Qualifications ⁷	3	1	1	2	1	#	#	#
Further Education, Adult Learning and Skills and Lifelong Learning	2	5	13	137	141	84	4	4
of which:								
LSC/FE ^{2,3,7}	#	#	#	39	39	60	3	3
Other	2	4	13	98	102	24	1	1
Activities to Support all Objectives	10	10	10	12	11	13	10	10
Total Department for Education and Skills Capital Budget^{4,5,6,8}	961	1,115	1,945	2,105	2,720	3,360	3,802	4,446
of which:								
Departmental Expenditure Limit	960	1,112	1,943	2,101	2,715	3,356	3,801	4,445
Annually Managed Expenditure	1	3	2	3	5	4	1	1

1. Includes expenditure on the New Deal for Schools previously recorded in the Welfare to Work/Employment Opportunities Fund DEL.
2. This line covers all Learning and Skills Council (LSC) capital budgets, including all LSC capital funding for further education.
3. Responsibility for further education passed from Further Education Funding Council (FEFC) to the LSC from 2001-02. This line includes actual expenditure by the FEFC on capital from 1998-99 to 2000-01.
4. Includes capital expenditure by non-departmental public bodies, which is financed by voted grants and local authority credit approvals.

5. Includes figures in both DEL and AME.
6. Includes 'ring fenced' Capital Modernisation Fund and Invest to Save Budget allocations.
7. Amounts below £500,000 are indicated by #.
8. Figures include reclassification changes of Education Maintenance Allowances from Resource DEL to Resource AME.

ANNEX D | Capital Employed (£ thousand)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans	2006-07 plans
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Assets on balance sheet at start of year:									
Fixed Assets									
<i>of which:</i>									
Intangible assets (software licences) ¹	–	–	–	388	1,704	2,000	2,000	2,000	2,000
Tangible assets	60,956	61,249	53,944	72,622	82,007	73,000	72,000	72,000	72,000
<i>of which:</i> Land and Buildings	45,155	43,036	35,110	53,304	58,901	59,000	59,000	59,000	59,000
Investments	2,040,137	3,295,108	5,037,294	6,864,360	8,727,212	10,938,250	13,287,050	15,716,050	18,862,050
Current assets	751,862	978,700	520,214	752,620	897,953	831,686	827,000	824,000	822,000
Creditors – less than 1 year	(636,025)	(863,888)	(374,580)	(658,567)	(614,930)	(499,642)	(335,000)	(335,000)	(499,000)
Provisions	(1,524,989)	(2,015,937)	(2,547,609)	(3,118,020)	(3,797,623)	(4,063,494)	(4,808,023)	(5,702,168)	(6,839,815)
Capital Employed within the main department	691,941	1,455,232	2,689,263	3,913,403	5,296,323	7,281,800	9,045,027	10,576,882	12,419,235
NDPB net assets ²	142,938	158,742	118,340	(150,113)	(69,006)	(16,002)	8,452	26,133	26,133
Public Corporation net assets	0	0	972	1,526	4,940	5,000	5,000	5,000	5,000
Total capital employed in departmental group	834,879	1,613,974	2,808,575	3,764,816	5,232,257	7,270,798	9,058,479	10,608,015	12,450,368

1. Investments include student loans, loans to schools and the joint venture Partnerships for Church of England Schools from 2002-03.

2. The NDPB net assets is an overall negative figure in 2001-02 due to the creation of a large provision to meet the statutory obligation for funding staff related commitments of certain universities and colleges of higher education that were previously maintained by local authorities.

ANNEX E | Administration Costs (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 outturn	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn	2004-05 plans	2005-06 plans
Gross Administration Costs								
Paybill	122	118	138	141	152	152		
Other	95	108	105	100	84	100		
Total Gross Administration Costs¹	217	226	243	241	236	252	246	253
Related administration cost receipts)	-6	-6	-10	-8	-10	-9	-8	-8
Total DfES Administration Costs^{1,4}	211	220	233	233	226	243	237	245
of which:								
Departmental Expenditure Limit	211	220	233	233	226	243	237	245
Total administration Costs¹								
RfR 1: DfES Administration Costs	211	219	231	227	216	225	237	245
RfR 2: Sure Start ^{2,3}	#	1	2	4	5	13	0	0
RfR 3: Children's Fund ³				2	5	4	0	0
Total Administration Costs^{1,4}	211	220	233	233	226	243	237	245
Controls and Limits:								
Administration Costs Limits for Gross Controlled Areas:								
RfR 1: DfES Administration Costs ³	211	219	231	227	216	225		
RfR 2: Sure Start administration costs ²	#	1	2	4	5	13		
RfR 3: Children's Fund administration costs				2	5	4		
Total Net Limits for Gross Controlled Areas^{1,3,4}	211	220	233	233	226	243		
Changes in definitions of administration costs limits, on net basis since last years Report								
Total net administration costs limits on Stage 1 resource accounting and budgeting (RAB)	208	215	232	235	233	249		
Plus additional non-cash items from move to full RAB, as part of SR2002	7	9	6	2	-1	0		
Less removal of some administration costs associated with frontline service provision								
Less additional allowable receipts	-4	-4	-6	-4	-7	-6		
Total Net Limits for Gross Controlled Areas⁴	211	220	233	233	226	243		

1. Administration costs within the administration costs control regime.

2. # indicates figures below £500,000.

3. From 2004-05 the Sure Start (RfR 2) and Children's Fund (RfR 3) administration has been moved to DfES administration (RfR 1).

4. The estimated outturn for 2003-04 is shown so that it is consistent with the *Public Expenditure Statistical Analysis*, but will be revised downwards in due course to reflect a late adjustment of £5 million.

ANNEX F | Staff Numbers

	1998-99 actual	1999-00 actual	2000-01 actual	2001-02 actual	2002-03 actual	2003-04 estimated ³	2004-05 plans ²	2005-06 plans ²
Department for Education and Skills^{2,3}								
Civil Service full-time equivalents	4,563	4,751	5,092	4,810	4,300	4,500	4,200	4,100
Overtime	74	77	79	70	50	40	40	40
Casuals	312	263	226	200	110	90	80	80
Total	4,949	5,091	5,397	5,080	4,460	4,630	4,320	4,220
Employment Service¹								
Civil Service full-time equivalents	29,037	29,787	30,731	–	–	–	–	–
Overtime	210	117	96	–	–	–	–	–
Casuals	2,131	2,528	2,558	–	–	–	–	–
Total	31,378	32,432	33,385	–	–	–	–	–
Total DfES and Employment Service	36,327	37,523	38,782	5,080	4,460	4,630	4,320	4,220

1. Figures reflect the Machinery of Government transfer of the Employment Service to the Department for Work and Pensions in 2001-02.
2. The planned figures for 2004-05 and 2005-06 have been estimated to be consistent with current administrative cost baselines. However, staff reductions of 1,460 by April 2008 (of which 800 to be achieved by April 2006) have been announced as a result of a major Departmental reform programme (see chapter 13).

3. Figures from 2003-04 onwards include staff transferring from the Home Office, Department of Health and the Department of Constitutional Affairs following Machinery of Government changes.

ANNEX G | Public Appointments to Non-Departmental Public Bodies, 2003

Name	* Reappointments	Post	Remuneration	Term	Male/Female
Construction Industry Training Board					
Malcolm Harris		Board Member	Nil	5 years	M
George Brumwell		Board Member	Nil	1.5 years	M
John Milne		Board Member	Nil	5 years	M
Brian Houston		Board Member	Nil	5 years	M
Robert Blackman*		Board Member	Nil	5 years	M
Robert Lidgate		Board Member	Nil	5 years	M
Ian Mackey		Board Member	Nil	5 years	M
Engineering Construction Industry Training Board					
Barbara Rider*		Board Member	Nil	1 year	F
Michael Hockey*		Board Member	Nil	1 year	M
William Murray		Board Member	Nil	5 years	M
Michael Bretherick		Board Member	Nil	1 year	M
Higher Education Funding Council for England					
Ann Tate		Board Member	£5,000	3 years	F
Prof. Peter Rubin		Board Member	£5,000	3 years	M
Independent Advisory Group on Teenage Pregnancy¹					
Jan Barlow		Board Member	£114 (per day)	3 years	F
Justin Rolph		Board Member	£114 (per day)	3 years	M
Investors in People UK					
Peter Ayliffe		Board Member	Nil	3 years	M
Robert Fryer		Board Member	Nil	3 years	M
Garry Hawkes*		Board Member	Nil	3 years	M
Sir Nicholas Montagu		Board Member	Nil	3 years	M
Roger Spencer Jones		Board Member	Nil	3 years	M
Hugh Try		Board Member	Nil	3 years	M
Learning and Skills Council for England					
Ruth Harker		Board Member	£4,000	4 years	F
Vincent Watts		Board Member	£4,000	1 year	M
Robert Hartley		Local Chair	£5,000	2 years	M
Chris Paveley		Local Chair	£5,000	4 years	M
Rodney Kenyon		Local Chair	£5,000	4 years	M
Bennett Reid		Local Chair	£5,000	4 years	M
Roger Hoyle		Local Chair	£5,000	2 years	M
Alan O'Neill		Local Chair	£5,000	2 years	M
National College for School Leadership					
Matthew Britt		Board Member	Nil	2 years	M
Beverley Hodson*		Board Member	Nil	2 years	F
Nigel Portwood*		Board Member	Nil	1 year	M
Hugh Mitchell*		Board Member	Nil	3 years	M
Dianne Nightingale		Board Member	Nil	3 years	F
Linda Neal		Board Member	Nil	3 years	F
Brenda Bigland		Board Member	Nil	3 years	F
Patricia Stafford		Board Member	Nil	3 years	F

Name	* Reappointments	Post	Remuneration	Term	Male/Female
Qualifications and Curriculum Authority					
Terry Morgan*		Board Member	Nil	3 years	M
Mike Beasley		Board Member	Nil	3 years	M
Ian Ferguson		Board Member	Nil	3 years	M
Helen Gilchrist		Board Member	Nil	3 years	F
Richard Greenhalgh		Board Member	Nil	3 years	M
Sue Kirkham		Board Member	Nil	3 years	F
Jim Rose		Board Member	Nil	3 years	M
Mike Tomlinson		Board Member	Nil	3 years	M
David Watson		Board Member	Nil	3 years	M
School Teachers Review Body					
Rodney East		Board Member	£300 (per day)	3 years	M
Ros Gardner*		Board Member	£300 (per day)	5 months	F
John Singh*		Board Member	£300 (per day)	5 months	M
Sector Skills Development Agency					
Josh Layish		Board Member	£300 (per day)	3 years	M
Robert Taylor		Board Member	£300 (per day)	3 years	M
Teacher Training Agency					
Sir Brian Follett		Chair	£20,000	3 years	M
Brenda Bigland		Board Member	Nil	3 years	F
Andrew Buck		Board Member	Nil	3 years	M
Felicia Lord-Attivor		Board Member	Nil	3 years	F
Steven Andrews		Board Member	Nil	3 years	M
Prof. Jill Bourne		Board Member	Nil	3 years	F
Prof. Barbara MacGilchrist*		Board Member	Nil	3 years	F
Victoria Nye*		Board Member	Nil	3 years	F
Dr. John Cater*		Board Member	Nil	3 years	M
Prof. David Reynolds*		Board Member	Nil	3 years	M

1. The two appointments shown were made since DfES took responsibility for the Independent Advisory Group on Teenage Pregnancy in June 2003.

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

Individual Learning Accounts

NAO report published: 25 October 2002 - HC 1235 Session 2001-02
PAC hearing: 4 November 2002

PAC 10th report published: 4 April 2003 - HC 544 Session 2002-03
Treasury Minute published: 11 June 2003 - Cm 5802

Summary details of the PAC Report and the Government's response are given below. The NAO report can be assessed through www.nao.org.uk and the full PAC report (incorporating the transcript of the hearing) and Treasury Minute reply are available on the Public Accounts Committee site, accessible through www.parliament.uk.

Introduction

The Individual Learning Accounts (ILA) scheme was aimed at widening participation in learning and helping to overcome financial barriers faced by learners, particularly amongst those who lack skills and qualifications. The Government's commitment was to have one million accounts in place by March 2002. This target was in fact achieved by May 2001. The scheme, which subsidised the costs of appropriate courses, was withdrawn in November 2001 following evidence of potential fraud and abuse.

Main points in the PAC report

The PAC report noted that:

The scheme was not well thought through or tested and was implemented in too short a time. When the pilot schemes did not provide workable solutions, the Department should have re-planned the project and ensured full testing before implementation.

The Department's risk assessment and risk management were inadequate and driven more by concerns that the scheme would not attract sufficient new learners. As a result did not give enough weight to advice received on the risks of fraud and abuse and about quality of training.

To encourage new providers and new learners, the Department decided to minimise bureaucracy, by reducing the checks on learners, on providers and on the quality of learning. It should have matched this innovation with more rigorous and incisive monitoring downstream, but failed to do so. As a result, the Department was slow to identify emerging problems, including substantial fraud and abuse.

The Department contracted the operation of the scheme to Capita. However, the contractual arrangements were weak and the Department and Capita did not develop the partnership arrangements necessary for success. This was a major factor in the problems that arose and also meant that the Department bore more of the key risks than planned.

Progress reported in the Treasury Minute

The Department accepts that there should have been more rigorous monitoring of the ILA programme, particularly as it was so innovative. It should have specified a full business model for the ILA programme and subjected this to tests of how fraud and abuse could occur. This would have helped identify other risks and the design of better monitoring systems to pick up early warning indicators.

The Department has identified and is applying the lessons learned from the ILA scheme through the Department. The Department's Programme and Project Management Unit, established in October 2001, is driving this forward. Independent Gateway Reviews are undertaken on all high risk Information and Communication Technology (ICT), procurement and construction projects.

The way that risk is considered and managed has been changed and risk assessment is being embedded in all the Department's decision taking. All operational areas and all projects are required to have risk registers and to manage actively the risks set out in them.

The Department has reappraised its approach to partnership management and has developed principles to help it to work more effectively with its partners, which are available to all staff.

Progress since publication of the Treasury Minute

The Department is continuing to apply the full Office of Government Commerce procedures for programme and projects, including Gateway reviews. Major projects require the full involvement of senior officials.

Training courses on programme and project management, on financial control and on contract management continue to emphasise the importance of proper risk management in policy making, especially when partners are involved.

To reduce the potential for fraud and abuse, the Department has put in place arrangements to share information on learning providers about whom they have concerns with other organisations disbursing public funding in the learning and training fields.

Co-operation with the police continues in the investigation and prosecution of learning providers suspected of fraud and abuse. Incorrect payments are recovered wherever possible.

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

	2001-02 outturn	2002-03 outturn	2003-04 estimated outturn
Adult Learning Inspectorate	17.53	23.74	26.37
British Educational Communications and Technology Agency	6.24	6.83	4.91
Children and Family Court Advice and Support Service ¹	78.9	86.43	92.8
Higher Education Funding Council for England	15.74	15.69	17.44
Investors in People (UK)	6.09	7.49	5.25
Learning and Skills Council ²	231.95	223.27	213.71
National College for School Leadership	9.73	6.4	11.51
Qualifications and Curriculum Authority	31.94	34.37	37.22
Sector Skills Development Agency ³	0	3.73	4.60
Student Loans Company	37.35	45.22	45.74
Teacher Training Agency	8.77	10.44	13.20

1. Responsibility for the Children and Family Court Advice and Support Service transferred to the Department for Education and Skills from the Department of Constitutional Affairs in June 2003.

2. Learning and Skills Council started September 2000.

3. Sector Skills Development Agency started April 2002.

ANNEX J | Maintained Schools: Pupil Numbers 1998/99 to 2005/06 (thousands)

At January each academic year	1998/99 actual	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 actual	2003/04 projected	2004/05 projected	2005/06 projected
Nursery and Primary Schools								
Aged under five¹								
Total full-time and part-time	919	906	899	897	878	860	841	834
Full-time equivalent (FTE ²)	740	730	726	731	718	707	691	684
Aged five and over (FTE ²)	3,589	3,575	3,553	3,509	3,472	3,424	3,389	3,339
Total Nursery and Primary (FTE²)³	4,329	4,305	4,278	4,240	4,190	4,131	4,080	4,023
Secondary Schools								
Under school leaving age (FTE ²)	2,814	2,868	2,913	2,943	2,977	2,992	2,967	2,943
Over school leaving age (FTE ²)	308	314	319	321	330	338	349	357
Total Secondary (FTE²)³	3,122	3,182	3,232	3,264	3,307	3,330	3,317	3,300
Special Schools								
Total full-time and part-time	93	92	91	90	89	88	86	84
Full-time equivalent (FTE ²)	92	91	90	89	88	87	85	84
Pupil Referral Units	8	8	9	10	12	13	14	15
Total Special Schools and Pupil Referral Units (FTE²)³	100	99	99	99	100	100	99	98
Total Pupil Numbers (FTE²)³	7,550	7,586	7,609	7,602	7,597	7,561	7,496	7,421

Source: Annual Schools Census and DfES projections.

1. Age at the beginning of the academic year.
2. Full-time equivalents (FTEs) count each part-time pupil as 0.5. Until 2001/02 part-time pupils could only be recorded at age four and under; from 2002/03 primary, secondary and special schools may record part-time pupils of any age.

3. Totals are based on unrounded figures and therefore may not always exactly equal the sum of the components.

ANNEX K | Participation in Education and Training by 16-, 17- and 18-Year-Olds¹, 2001/02 to 2005/06 (percentage of age group)

	2001/02 actual	2002/03 provisional	2003/04 projected	2004/05 projected	2005/06 projected
Participation in Schools and Further Education only:					
Age 16: Full-time					
Schools	34.6	35.4	35.5	36.1	36.3
Further Education	36.2	37.5	38.6	41.5	41.8
Total Full-time	70.8	72.9	74.1	77.7	78.1
Part-time: Further Education ²	5.0	4.6	4.3	3.4	3.4
Total age 16	75.8	77.5	78.4	81.1	81.5
Age 17: Full-time					
Schools	28.0	27.8	28.4	28.6	29.7
Further Education	30.0	30.9	33.3	33.9	36.2
Total Full-time	58.0	58.7	61.7	62.5	65.9
Part-time: Further Education ²	6.3	5.9	5.4	5.2	4.6
Total age 17	64.3	64.6	67.1	67.7	70.5
Age 18: Full-time					
Schools	2.9	3.0	3.0	3.1	3.1
Further Education	13.3	13.4	13.8	15.1	15.5
Total Full-time	16.1	16.5	16.9	18.2	18.6
Part-time: Further Education ²	6.7	5.9	5.8	5.4	5.2
Total age 18	22.9	22.4	22.7	23.5	23.8
Participation including Students in Training and Higher Education:					
Age 16: Full-time education ³	70.8	72.9	74.1	77.7	78.1
Government supported training	7.3	6.9	7.7	8.2	8.9
Employer-funded training	3.1	2.9			
Other education and training	4.8	4.3			
Total Education and Training⁴	85.7	86.9			
Population (thousands)	632.7	629.4	640.1	655.3	647.1
Age 17: Full-time education ³	58.4	59.1	62.1	62.9	66.3
Government supported training	9.6	9.0	10.3	11.1	11.6
Employer-funded training	4.8	5.0			
Other education and training	5.6	5.4			
Total Education and Training⁴	78.2	78.3			
Population (thousands)	611.5	637.7	633.1	643.6	658.9
Age 18: Full-time education ³	37.1	37.2	36.9	38.8	40.0
Government supported training	8.6	8.2	9.0	9.9	10.5
Employer-funded training	7.6	7.7			
Other education and training	7.1	6.6			
Total Education and Training⁴	60.2	59.6			
Population (thousands)	600.2	617.4	643.0	638.1	648.7

Source: Annual Schools' Census, Learning and Skills Council's Individualised Student Record, Higher Education Statistics Agency, DfES projections, trainee database and management information system, Individualised Learner Record and the Labour Force Survey. Further Education Funding Council was previously responsible for the ISR.

1. Ages at beginning of academic year. The denominators for participation rates are based on population estimates from the Office for National Statistics and projections from the Government Actuary Department. Historic population estimates are not available on a consistent basis, for further information on population estimates see SFR 31/2003.
2. In publicly funded institutions of further and higher education.

3. Full-time education includes study in schools and in publicly funded institutions of further and higher education.
4. Sum of the above less a small overlap between full-time education and Government-supported training.

ANNEX L | Further Education Student and Staff Numbers¹ in England, 1998/99 to 2005/06

	1998/99 actual	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 planned	2003/04 planned	2004/05 planned	2005/06 planned
Total Students (Full-time equivalent) (thousands)								
Council-funded courses ^{2,3}	998	967	946	982	1,086	1,132	1,173	1,213
Non-Council-funded courses ⁴	116	109	99	98				
Total	1,114	1,075	1,046	1,079				
of which: further education in sector colleges ⁵	1,010	983	955	979				
Academic Staff (Full-time equivalent) (thousands)								
Further education in sector colleges	62.9	61.8	64.2	65.6				
Student: Staff Ratio								
Further education in sector colleges ⁵	16.1	15.9	14.9	14.9				

Source: Learning and Skills Council's Individualised Student Record (ISR) and Staff Individualised Record (SIR), Higher Education Statistics Agency (HESA) and DfES estimates and projections. Further Education Funding Council was previously responsible for the ISR and SIR.

1. All numbers exclude private institutions.
2. Full-time equivalent students (FTEs) funded by the Further Education Funding Council (FEFC) until 2000-01 and the Learning and Skills Council (LSC) from 2001-02 in further education sector colleges, external institutions, specialist designated institutions, dance and drama institutions and higher education institutions (including those studying for higher education qualifications).

3. From 1999/00 onwards, the figures exclude 18,500 FTE Higher National Diploma and Higher National Certificate students for whom funding has transferred to the Higher Education Funding Council for England (HEFCE).
4. Further education students not funded by the FEFC or the LSC in further education sector colleges; this now excludes adult education centres for consistency with the lower half of the table.
5. Excludes external institutions, specialist designated institutions, dance and drama institutions and FEFC or LSC funded higher education.

ANNEX M | Higher Education¹ Student and Staff Numbers in England 1998/99 to 2004/05

	1998/99 actual	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 provisional	2003/04 projected	2004/05 projected
Home domiciled Students (thousands)	1,480	1,478	1,501	1,527	1,587	1,634	1,670
of which full-time and sandwich	855	852	857	879	911	928	943
of which part time	625	626	644	648	676	706	727
Higher Education Initial Participation Rate (HEIPR)²		41%	42%	43%	44%		
EU Students (thousands)	81	81	81	75	73	79	88
Other Overseas Students (thousands)	95	100	110	121	145	152	161
Total full-time equivalent students (thousands)³	1,225	1,227	1,251	1,281	1,343	1,379	1,417
of which							
publicly funded by HEFCE	985	1,002	1,006	1,025	1,063	1,087	1,111
publicly funded by the TTA	60	56	60	59	60	63	66
of which ITT students	49	45	49	48	49	52	55
Academic Staff in Higher Education Institutions (thousand FTEs)⁴	60.6	61.7	63.0	64.0			
Student: Staff Ratio in Higher Education Institutions⁵	17.5	17.2	17.1	17.4			

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

1. Census counts as at 1 December in HEIs and 1 November in FEIs. Includes the Open University. Part-time figures exclude students writing up theses and on sabbatical. Numbers differ from last year due to the revision of HE in FEI data.
2. The Higher Education Initial Participation Rate (HEIPR) is used to measure progress towards the Government's goal of having 50% of 18-30 year olds in HE by 2010. The HEIPR sums the percentages of each single year of age group who enter higher education (English domiciled attending a UK institution on a full-time or part-time basis) for the first time in each year of age between 18 and 30. The HEIPR methodology has recently been independently reviewed in accordance with guidelines published by the Office of National Statistics (ONS)
3. The full-time equivalent (FTE) factor used for all part-time students in 0.35.
4. Figures exclude staff at the Open University and in further education colleges. Figures for academic staff numbers include the research activity of academic staff who are engaged in both teaching and research.
5. The ratios cover HE study in HE institutions only. An estimated number of students on courses organised by higher education institutions but taught by further education colleges under franchise arrangements have been excluded. Student FTEs used in the calculation of SSRs are on a different basis to those appearing in the table.

ANNEX N | Home and Overseas, Full-Time and Part-Time Students¹ in Higher Education by Type of Institution and Level of Course in England 1998/99 to 2002/03 (thousands)

	1998/99 actual		1999/00 actual		2000/01 actual		2001/02 actual		2002/03 provisional	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Postgraduate										
HE Institutions ²	121.1	186.8	125.5	187.1	132.8	190.4	142.9	188.0	159.3	189.6
of which mature ³	68.5	175.0	70.1	174.9	73.8	177.4	78.6	174.7	85.5	175.5
First Degree										
HE Institutions ²	733.2	78.6	731.5	78.6	733.8	78.3	752.0	82.2	784.4	83.9
of which mature ³	299.0	74.2	285.8	73.5	283.6	73.2	291.9	76.9	307.7	78.9
Other undergraduate										
HE Institutions ²	102.3	281.5	98.9	288.9	103.6	313.8	108.4	321.0	109.5	350.8
of which mature ³	61.8	273.3	58.7	280.3	63.0	303.3	68.1	310.7	71.1	339.4
Total students	956.7	546.9	955.9	554.6	970.2	582.5	1003.2	591.1	1053.2	624.4
HE in further education sector colleges⁴										
Postgraduate	0.4	1.6	0.3	1.5	0.3	1.4	0.3	1.8	0.3	1.8
First Degree	11.3	7.1	12.4	6.3	10.4	4.6	8.5	6.8	8.5	6.8
Other undergraduate	35.2	95.7	34.7	94.2	33.2	86.7	31.5	79.3	31.5	79.3
Total	46.8	104.4	47.4	101.9	43.8	95.7	40.2	87.9	40.2	87.9
of which mature ³	25.6	92.1	24.6	88.8	22.5	82.2	21.5	76.1	21.5	76.1
GRAND TOTAL	1003.5	651.3	1003.3	656.5	1014.0	678.2	1043.4	679.0	1093.4	712.3
of which mature ³	454.9	614.6	439.2	617.5	442.9	636.1	460.1	638.4	485.8	669.9
percentage of mature	45	94	44	94	44	94	44	94	44	94
Percentage of total students by institution and level of course										
Postgraduate	12	29	13	28	13	28	14	28	15	27
First Degree	73	12	73	12	72	12	72	12	72	12
Other undergraduate	10	43	10	44	10	46	10	47	10	49
HE in further education sector colleges										
Postgraduate	0	0	0	0	0	0	0	0	0	0
First Degree	1	1	1	1	1	1	1	1	1	1
Other undergraduate	4	15	3	14	3	13	3	12	3	11

Source: Higher Education Statistics Agency and Learning and Skills Council individual student records.

1. Census counts as at 1 December in HEIs and 1 November in FEIs. Includes the Open University. Part-time figures exclude students writing up theses and on sabbatical.
2. Includes the Open University.

3. Based on age in the current academic year (rather than in the year of entry); 21 and over for undergraduates, 25 and over for postgraduates.
4. Numbers differ from last year because of the revision of HE in FEI data.

ANNEX O | Home First Degree Graduates from English Higher Education and Further Education Institutions¹ 1997/98 to 2002/03 (thousands)

	1997/98 actual	1998/99 actual	1999/00 actual	2000/01 actual	2001/02 actual	2002/03 ² provisional
HIGHER EDUCATION INSTITUTIONS						
Medicine and dentistry	4	4	4	4	4	4
Subjects allied to medicine	11	13	13	15	16	17
Biological sciences	12	13	14	14	13	18
Veterinary, agriculture and related sciences	2	2	2	2	2	2
Physical sciences	10	10	10	10	10	10
Mathematical sciences	10	11	12	13	14	17
Architecture and related studies	5	5	4	4	4	4
Engineering and technology	13	13	12	12	12	11
Total sciences	67	71	70	74	76	83
Social sciences	22	23	25	25	24	27
Business and financial studies	18	20	21	21	21	26
Librarianship and information science	2	3	3	4	4	6
Languages and related studies	13	12	13	13	12	15
Humanities	8	8	8	8	8	10
Creative arts	15	16	17	18	18	21
Education	11	11	9	9	10	7
Total arts	89	93	96	97	98	112
Multi-disciplinary studies ³	28	29	28	28	27	9
All Subjects	184	192	194	200	201	206
FURTHER EDUCATION COLLEGES⁴						
Projected outcomes⁵						
Qualify with a degree	81	81	81	82		
Qualify with another undergraduate qualification	2	2	2	2		
No award (Non completion) ⁶	17	17	17	16		

Source: Higher Education Statistics Agency and Learning and Skills Council student records. HEFCE Performance Indicators.

1. Includes all home graduates awarded university, Open University and university validated degrees.
2. As from 2002/03 a new method of allocating students to subjects groups was introduced, the main effect of which is to reduce the number of students who were allocated to the multi-disciplinary category and increase those who are allocated to specific subject groups.
3. Includes the Open University.
4. Includes revised figures for Further Education Colleges.
5. The projected outcomes for a cohort based on the assumption that their patterns of progression will follow those of students currently in the system.
6. A student is assumed to have left with no award if they have been inactive for two years.

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SKILLS SELECT COMMITTEE, REPORTS**

GLOSSARY

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

Third Report of Session 2002-03 – *A Level Standards*. TSO, 14 April 2003. HC 153, Session 2002-03. £16.50. ISBN: 0-215-01019-1.

Third Special Report of Session 2002-03 – *A Level Standards: Government Response to the Committee's Third Report of Session 2002-03*. TSO, 23 July 2003. HC 1026, Session 2002-03. £3.00. ISBN: 0-215-01221-6.

Fourth Report of Session 2002-03 – *Secondary Education: Diversity of Provision*. TSO, 22 May 2003. HC 94, Session 2002-03. £22.50. ISBN: 0-215-01085-X.

Fourth Special Report of Session 2002-03 – *Secondary Education: Diversity of Provision: Government Response to the Committee's Fourth Report*. TSO, 18 September 2003. HC 1096, Session 2002-03. £5.50. ISBN: 0-215-01285-2.

Fifth Report of Session 2002-03 – *The Future of Higher Education: Volume I-Report*. TSO, 10 July 2003. HC 425-I, Session 2002-03. £14.50. ISBN: 0-215-01160-0.

Fifth Report of Session 2002-03 – *The Future of Higher Education: Volume II-Oral and Written Evidence*. TSO, 10 July 2003. HC 425-II, Session 2002-03. £23.50. ISBN: 0-215-01172-4.

The Future of Higher Education: Government Response to the Education and Skills Committee's Fifth Report. TSO, July 2003. Cm 5932. £7.00. ISBN: 0-010-159322-8.

Sixth Report of Session 2002-03 – *The Work of Ofsted*. TSO, 23 July 2003. HC 531, Session 2002-03. £12.00. ISBN: 0-215-01220-8.

Fifth Special Report of Session 2002-03 – *The Work of Ofsted: Government's and Ofsted's Response to the Committee's Sixth Report*. TSO, 27 October 2003. HC 1190, Session 2002-03. £5.50. ISBN: 0-215-01336-0.

Seventh Report of Session 2002-03 – *Secondary Education: Pupil Achievement*. TSO, 15 October 2003. HC 513, Session 2002-03. £20.50. ISBN: 0-215-01312-3.

First Special Report of Session 2003-04 – *Secondary Education: Pupil Achievement: Government Response to the Committee's Seventh Report of Session 2002-03*. TSO, 8 January 2004. HC 147, Session 2003-04. £4.00. ISBN: 0-215-01464-2.

First Report of Session 2003-04 – *Public Expenditure: Schools' Funding*. TSO, 18 December 2003. HC 112, Session 2003-04. £17.50. ISBN: 0-215-01441-3.

Second Special Report of Session 2003-04 – *Public Expenditure: Schools' Funding: Government Response to the Committee's First Report of Session 2003-04*. TSO, 26 February 2004. HC 377, Session 2003-04. £3.00. ISBN: 0-215-01561-4.

Glossary

Administration Costs	The day-to-day costs incurred in administering the Department's business
Aggregate External Finance	The total level of support the Government provides to local authorities. This support is normally made up of Revenue Support Grant, some specific and special grants and the amount distributed from business rates.
Annually Managed Expenditure (AME)	The element of public expenditure for which multi-year spending limits are not appropriate, and which is instead subject to annual review.
Appropriation Account	A financial statement showing the expenditure and receipts of a government department for a financial year.
Appropriation in Aid	Monies received by a department which it is authorised to retain and offset against related expenditure in the current financial year.
Best Value	An efficiency performance regime that requires local authorities to look constantly at new ways to improve the efficiency, quality and effectiveness of their service delivery.
Better Quality Services (BQS)	An efficiency performance regime that requires central government departments to look constantly at new ways to improve the efficiency, quality and effectiveness of their service delivery.
Bill	A draft Act of Parliament, presented to either the House of Commons or the House of Lords, to vote on. If successful, the bill becomes an Act after Royal Assent.
Capital Modernisation Fund (CMF)	A fund administered by the Treasury from which departments can bid for money to support capital projects aimed at improving the quality of public service delivery.
Cash Terms	The amount of money actually spent or planned to be spent regardless of its purchasing power.
Consolidated Fund	The government's 'current account', kept by the Treasury at the Bank of England, through which most government payments and receipts are made.
Consolidated Fund Extra Receipts (CFERs)	Receipts realised or recovered by departments in the process of conducting services charged on public funds which are not authorised to be appropriated in aid of expenditure.

Departmental Expenditure Limits (DEL)	Expenditure which departments can control overall, though some elements may be demand-led.
Early years/Foundation stage	Period of learning for three-year-old children to the end of the school reception year.
Education Formula Spending (EFS)	The level of funding the government spends on education through the local government finance system. It reflects the broad range of pressures facing the education service and the scope for making efficiency savings.
Estimates	A statement of how much a department needs in a financial year and for what purpose(s).
Exclusion	Pupils may not attend lessons or go on to school premises for a set period of time, or permanently in the case of expulsion.
Gross Domestic Product (GDP)	A measure of the economic activity taking place in the UK economic territory. Measured by National Statistics, GDP is equivalent to the value added to the economy by this activity.
Invest to Save	A special fund set up by the Treasury to support projects that promote joined up government.
Key Stage	<p>A description and measurement of pupil's progress through school:</p> <ul style="list-style-type: none"> ● key stage 1: pupils aged 5 to 7 – year groups 1 to 2 ● key stage 2: pupils aged 7 to 11 – year groups 3 to 6 ● key stage 3: pupils aged 11 to 14 – year groups 7 to 9 ● key stage 4: pupils aged 14 to 16 – year groups 10 to 11
Local Education Authorities	A local government body responsible for providing education for pupils of school age in a particular area.
National Curriculum	The basic framework setting out what children aged 5 to 16 in state schools should learn.
Non-Departmental Public Bodies (NDPBs)	A body which has a role in the processes of government but is not a government department or part of one, NDPBs accordingly operate at arm's length from government Ministers.
Outturn	Annual cash expenditure
Private Finance Initiative (PFI)	An initiative to attract private sector funding for major public sector projects.
Public-Private Partnership (PPP)	The introduction of private sector funding and expertise into the provision of public services in order to achieve best value for money for taxpayers.
Public Service Agreement (PSA)	A plan setting out what a department will deliver in the form of measurable targets over the public expenditure review period in return for its agreed spending.

Real Terms	Expenditure measured against a standard of constant value, making allowances for changes in purchasing power as a result of inflation.
Resource Accounting and Budgeting (RAB)	Introduces generally accepted accounting practice into government accounting. The main changes being the adoption of accruals accounting for all departmental expenditure and the inclusion of depreciation and cost-of-capital charges in departmental budgets.
Revenue Support Grant	A government grant to make up the shortfall between local authorities's Standard Spending Assessment (SSA) and the amount it would receive from Council Tax for Standard Spending and redistributed business rates.
Special Educational Needs (SEN)	A child is defined as having SEN if he or she has a learning difficulty that needs special teaching. A learning difficulty means that the child has a significantly greater difficulty in learning than most children of the same age.
Spending Review (SR)	This sets Departmental Expenditure Limits (DEL) and plans Annually Managed Expenditure (AME) for the following three years. It replaces the annual public expenditure survey and is held at less frequent intervals. The first was the Comprehensive Spending Review in 1998; the second in summer 2000 and the third in summer 2002.
Standard Spending Assessment (SSA)	The government calculates a Standard Spending Assessment in order to work out each local authority's share of Total Standard Spending (TSS). The SSA takes account of the population, social structure and other characteristics of each authority.
Statutory Instrument	A regulation made by a minister under the authority of an earlier 'enabling' Act of Parliament. It is an example of delegated legislation.
Technical Notes	Technical notes set out exactly how a target will be measured
They refer solely to PSA, and not SDA targets.	The existence of these notes helps stakeholders to be clear about exactly what the target is, and provides assurance that performance will be objectively assessed.
Total Standard Spending (TSS)	The amount of spending by local government as a whole that the government is prepared to support through grants.
Vote	The amount of money approved by Parliament to cover departmental expenditure.

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