

**Statistical Bulletin
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**Education and Training Expenditure
Since 1989-90**

July 1999

EDUCATION AND TRAINING EXPENDITURE SINCE 1989-90

Introduction

1 This bulletin updates Statistical Bulletin 7/98 and provides longer, more detailed time-series and supplementary analyses than appear in the Departmental Report *'The Government's Expenditure Plans 1999-00 to 2001-02'* (Cm 4202) published in March 1999. The Bulletin includes information on central government and local authority education and training expenditure. Data are presented for England only unless otherwise stated.

Summary

2 In *real terms* (see paragraph 6), comparing 1997-98 outturn with 1989-90:

- Total expenditure on education (central government and local authority expenditure combined) rose by 12 per cent, central government's own expenditure rose by 68 per cent, local authority expenditure decreased by 2 per cent (Table 4);
- Expenditure per full-time equivalent (FTE) pupil in LEA maintained pre-primary/primary schools increased by 9 per cent and in secondary schools decreased by 4 per cent. Over this period, pupil numbers rose by 8 per cent in pre-primary/primary schools and fell by 15 per cent in secondary schools. Most of the fall in pupil numbers in secondary schools is due to the transfer of sixth form colleges to the further education sector in 1993-94 (Table 7);

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

- Government spending (excluding maintenance awards, loans and Access Funds) per FTE student in higher education institutions fell by 36 per cent between 1989-90 and 1997-98, against the background of a 79 per cent increase in student numbers (Table 9);
- between 1993-94 and 1997-98 FEFC's funding per student fell by 13 per cent with a corresponding growth in student numbers of 19 per cent (Table 9);

Background

3 The Department for Education and Employment's Departmental Report *'The Government's Expenditure Plans 1999-00 to 2001-02'* sets out details of the planned expenditure for all the programmes it administers, including planned expenditure for the Office for Standards in Education (OFSTED). The Report covers the further education sector which is funded through the FEFC, and funding for higher education institutions in England which is distributed by the HEFCE. The programme of central government expenditure includes expenditure on some schools (including grant maintained (GM) schools and City Technology Colleges); on further and higher education for adults and youth service provision in England; on certain specific grants to local education authorities in England; and on the credit approvals which authorise English local education authorities to incur capital expenditure financed by borrowing. The Departmental Report also gives a breakdown of outturn expenditure on education and employment since 1993-94, by central government and by local authorities.

4 Local authorities have generally been free to decide how much to spend in total and the pattern of their expenditure between and within services, although for most of the period covered by this bulletin they have also had to operate within any constraints imposed by capping. The great bulk of local authority current expenditure is supported by a combination of grants from central government and the national non-domestic rate, which together represent Aggregate External Finance (AEF). The total amount of AEF which local authorities receive is affected by the view central government takes each year of the appropriate level of local authority spending (Total Standard Spending). The biggest grant within AEF is Revenue Support Grant, which is a block grant within the programme of the Department of the Environment. AEF also includes certain specific grants earmarked for particular purposes which are included in the programmes of the relevant spending departments.

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

- (i) the FEFC has the responsibility for securing sufficient facilities for full-time education for 16-18 year olds, adequate facilities for part-time education for those aged 16 and over, and full-time education for those aged 19 and over, where that education falls within Schedule 2 to the Further and Higher Education (FHE) Act 1992. Local Education Authorities (LEAs) retain responsibility for securing adequate provision of further education which falls outside Schedule 2 to the Act. With the FHE Act 1992 the definition of further education has been altered: full-time education suitable to the requirements of 16-18 year olds is now defined as further education,

except where it is provided in schools. The further education sector, which was created on 1 April 1993, is made up largely of further education and sixth form colleges, which on 1 April 1993 became independent of local authority control. The FEFC can also fund further education at institutions of higher education and at other institutions outside the further education sector;

- (ii) the HEFCE has the responsibility for funding teaching, research and related activities in all universities and colleges of higher education in England other than private HE providers and with the exception of funding of teacher training which became the responsibility of the Teacher Training Agency (TTA) from 1995. HEFCE is also responsible for funding prescribed higher education courses in further education colleges. The UFC and the PCFC were dissolved on 31 March 1993. The binary line between universities and the former polytechnics has been removed, and all English polytechnics have been granted university titles.

6 Real terms figures in this bulletin are calculated by taking the cash figures and converting them to constant 1997-98 price levels by adjusting for the effects of general inflation. For this purpose the bulletin uses the Gross Domestic Product (Market Prices) deflators commonly referred to as the GDP deflators. The GDP deflator for each year is revised as more data on actual pay and price movements in that year progressively become available; each time this occurs it will affect the calculation of real terms spending trends. The GDP deflators published in March 1999 have been used for this bulletin. Data shown are for financial years. Time-series coverage is 1989-90 to 1998-99 where data are available.

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

8 Further information can be obtained from the *Education Statistics 1996-97 Actuals incorporating the Handbook of Unit Costs* (published by The Chartered Institute of Public Finance and Accountancy, ISSN 0309-5614). Data showing international comparisons of public expenditure on education are not covered by this bulletin but are given in *Education and Training Statistics for the United Kingdom*, 1998 edition (published by The Stationery Office/DfEE, ISBN 0 11 27 1050 6).

Central government and local authority education and training expenditure – Tables 1 to 6

9 In making comparisons between years, it is important to bear in mind the changes that have occurred in the pattern of the education service. These include the introduction of GM schools (from 1989-90), and the establishment of the PCFC in 1989-90, the shift in the balance of funds from grant to fees in 1990-91 and from fees to grant in 1993-94 and 1998-99 for the higher education sector, the transfer of further education and sixth form colleges to the FEFC, higher education institutions to the HEFCE, and some local authority functions to OFSTED in 1993-94 and the introduction of student loans. These all have an effect on the distribution of expenditure between central and local government.

10 In the 1998 Education and Training bulletin, expenditure on education and training was presented separately – in tables 1 and 7. This year we have adopted a format which breaks spending into functions that are broadly comparable with the Department's objectives, and gives coherence to the Department's post-16 agenda where both education and training contribute to the same goals. This format is consistent with DfEE's 1999 Departmental Report. **Table 1a** shows, in cash terms, the DfEE and OFSTED expenditure programme. **Table 1b** shows these figures in real terms at 1997-98 prices. Total DfEE and OFSTED expenditure (in cash terms) has increased from £5,773 million to £12,425 million (115 per cent) between 1989-90 and 1997-98.

11 **Tables 2 and 3** set out local authority current expenditure and capital expenditure respectively in cash terms. Total current expenditure by LEAs in England increased from £15,887 million in 1989-90 to £20,860 million in 1997-98 (excludes £527 million transferred to central government for the nursery vouchers scheme and returned to local government in 1998-99) and to an estimated £21,873 million in 1998-99 (excluding receipts from the sale of student loans debt).

12 Gross capital spending (including New Deal for schools) fell from £993 million in 1989-90 to £929 million in 1991-92, then rose to £1,072 million in 1994-95, then fell to £1,016 million the following year before steadily rising again to £1,107 million in 1997-98. It is estimated to rise even further to £1,134 million in 1998-99. Net capital spending fell from £799 million in 1989-90 to £822 million in 1991-92. It then fluctuated for five years with no clear trend before steadily rising again to an estimated £1,009 million in 1998-99.

13 **Tables 4 and 5** show various breakdowns of central and local government expenditure in real terms. The coverage of each table is slightly different. Table 4 has the same coverage as Tables 1-3, including the Welsh element of student loans and mandatory awards, and the Welsh and Scottish elements of the UFC expenditure. Table 4 also includes *net* local authority capital spending. Table 5, on the other hand, excludes all non-England elements from the table, and relies on *gross* capital spending at local authority level.

14 Table 4 sets out total central and local government expenditure figures in real terms, split between capital and current spending. Central government's own expenditure shows an increase in real terms of 68 per cent from 1989-90 to 1997-98 compared with a decrease in real terms of 2 per cent in local authority expenditure. Central government's current expenditure measured in 1997-98 prices decreased from £5,738 million in 1989-90 to £5,023 million in 1992-93 and then rose sharply to £9,699 million by 1997-98 (as a result of additional expenditure on the HEFCE and FEFC established in 1993). There were decreases in local authority expenditure corresponding to the increases in central government expenditure on the formation of the PCFC and FEFC and HEFCE. Estimated current expenditure in 1998-99 shows a further increase to £9,223.

15 Table 5 shows total expenditure in real terms split by sector. This table has been derived from the Department's Cash Plans using estimates of the expenditure split between sectors where necessary in order to provide as consistent as possible a coverage of the sectors over several years. Adjustments have been made to show the data on an England only basis. No account has been taken of any minor transfers of responsibility for expenditure between Departments. The breakdown of expenditure between various sectors has remained quite stable over the years 1993-94 to 1997-98. In 1997-98, 62 per cent of current education expenditure was on schools, 13 per cent on further education, 15 per cent on higher education, 5 per cent on student support and 5 per cent on other services.

16 Table 6 gives education expenditure in the United Kingdom (UK) in cash and real terms and by country and region. There was a real terms increase in education expenditure in the UK from 1989-90 to 1997-98 of 16 per cent. The proportion of GDP spent on education across the UK increased from 4.7 per cent in 1989-90 to 5.2 per cent in 1992-93, and had fallen back to 4.7 per cent by 1997-98 (excluding the effect of the sale of student debt). It is estimated to be 4.6 per cent in 1998-99, although it is forecast to rise again over the next three years to reach 5 per cent by 2001-02.

17 HM Treasury undertakes annually an analysis of identifiable spending by region and function (defined as expenditure which can be recognised from available information as having been spent for the benefit of the relevant population). The latest available data apportioned 96 per cent of central and local government expenditure in England in 1996-97 by Government Office region. The largest share of expenditure in England being in London (17 per cent), the South East Region (14 per cent) and the North West Region (14 per cent).

Recurrent expenditure and unit costs/funding for LEA maintained and GM schools, further education and higher education – Tables 7, 8 and 9, Charts 1 and 2

18 Table 7 relates current spending (in real terms) on LEA maintained schools to the number of pupils in order to reveal the trend in spending per pupil – the unit cost.

19 The spending data for LEA maintained schools cover net institutional (or school-based) expenditure, including the pay of teachers and school-based support staff, school premises costs, books and equipment, and certain other supplies and services, less any capital items funded from recurrent spending and income from sales, fees and charges. They exclude the cost of support services such as home to school transport, school meals or local authority administration, and the financing of capital expenditure. The spending data are drawn from LEAs' returns of their spending to the Department of the Environment. The pupil numbers are drawn from the DfEE's annual schools' census (Form 7) and have been converted to full-time equivalents.

20 Between 1989-90 and 1996-97, total net institutional expenditure in real terms increased by 18 per cent in LEA maintained pre-primary/primary schools while pupil numbers increased by 8 per cent leading to an increase in real unit costs of 10 per cent. Over the same period expenditure in LEA maintained secondary schools decreased by 19 per cent, in a large part due to the transfer to the FEFC of funding for sixth form colleges in April 1993, and pupil numbers decreased by 15 per cent leading to a slight decrease in real unit cost of 4 per cent. Expenditure increased by 12 per cent in LEA maintained special schools between 1989-90 and 1992-93 and then decreased by 15 per cent between 1992-93 and 1996-97 to just below the level of expenditure in 1989-90, while pupil numbers in special schools decreased by 15 per cent between 1989-90 and 1996-97. Real unit costs in special schools rose by 30 per cent between 1989-90 and 1992-93 and then fell by 13 per cent between 1992-93 and 1996-97. Between 1996-97 and 1997-98 pre-primary/primary and secondary unit costs are estimated to fall slightly (less than 1 per cent) whereas special school unit costs are estimated to increase by 2 per cent.

21 Units of funding for pupils in grant maintained (GM) schools are shown in Table 8. Expenditure data used are central government grants to GM schools whereas the unit costs for LEA maintained schools use local authority expenditure on schools, so the two series are not directly comparable.

22 Current expenditure data for GM schools include annual maintenance grant (AMG) and special purpose grants (SPGs) but exclude named capital projects. In 1997-98, 648 out of 1,196 GM schools received as Annual Maintenance Grant (AMG) what they would have received under the Local Management of Schools scheme of their former local education authority, plus their share of the money that the authority holds back

centrally for services to its own schools. For all the remaining GM schools, AMG was determined using the Common Funding Formula. This takes account of local circumstances but is different from that used by the LEA in its LMS scheme. Grant maintained schools received Special Purpose Grants (SPGs) from the Funding Agency for Schools to reflect their additional responsibilities. These grants ceased to be paid from 31 March 1999.

23 The pupil numbers are from the DfEE's annual schools' census (Form 7). This January pupil count has been used as the best estimate of pupil numbers in any financial year but because pupils have transferred from the LEA sector to the GM sector throughout a financial year it is likely to be an over-estimate.

24 Between 1994-95 and 1997-98 pupil numbers increased at a slightly greater rate (32 per cent in primary schools and 13 per cent in secondary schools) than total current expenditure (29 per cent in primary schools and 12 per cent in secondary schools) resulting in a very small fall in real unit costs in GM primary and secondary schools (2 per cent in primary schools and 1 per cent in secondary schools).

25 Unit costs (excluding student maintenance awards, student loans and funds for schemes to widen access) for students in further and higher education are shown in Table 9. The table covers adult education centres, LEA maintained establishments providing mainly further education as well as FEFC and HEFCE funded institutions. Further education and sixth form colleges transferred out of local authority control to the FEFC on 1 April 1993 (see paragraph 5). The HEFCE was established in April 1993 to fund teaching, research and related activities in all universities and colleges of higher education in England excluding private HE providers and from 1995-96 the funding of teacher training. Notional estimates are shown for the HEFCE back to 1989-90, weighting together the PCFC and UFC institutions figures as appropriate.

26 Unit costs for adult education centres and LEA maintained establishments were calculated by dividing net institutional expenditure (derived from the LEAs' returns of their spending to the Department of the Environment) by FTEs from the Further Education Statistical Record (FESR).

27 Between 1989-90 and 1992-93 spending per FTE student in LEA maintained establishments fell by 10 per cent in real terms, from £3,730 to £3,360. At the same time student numbers increased by 16 per cent, from 692 thousand to 802 thousand. Over the same period spending per FTE student in adult education centres fell by 2 per cent in real terms, from £1,730 to £1,690 against the backdrop of a 7 per cent decrease in student numbers (from 138 thousand to 128 thousand).

28 The real terms unit funding per FTE student by the FEFC fell from £3,400 in 1993-94 to £2,950 in 1997-98, a

decrease of 13 per cent. At the same time student numbers increased by 19 per cent, from 894 thousand to 1,062 thousand.

29 The HEFCE's unit funding per FTE student decreased in real terms from £7,160 in 1989-90 to £4,600 in 1997-98, a fall of 36 per cent. Over the same period FTE student numbers increased by 79 per cent, from 567 thousand to 1,014 thousand.

30 **Charts 1 and 2** show how expenditure was split between various categories in 1997-98 for Pre-primary/primary and secondary schools. Total expenditure excludes premature retirement costs and other indirect employee expenses. The 'Other Staff' category covers educational support, administration and clerical staff. Premises-related staff are included under the 'premises' category. The split is identified from the spending returns made by LEAs to the Department of the Environment. Clearly, in both sectors teaching staff costs account for approximately two thirds of total expenditure.

Further Information

31 Enquiries about the contents of this bulletin should be addressed to Analytical Services, Department for Education and Employment (DfEE), Caxton House, 6-12 Tothill Street, London SW1H 9NF (Tel: 0171-273 5841). Press enquiries should be made to the Department's Press Office at Sanctuary Buildings, Great Smith Street, London SW1p 3BT (Tel: 0171-925 6487).

32 Sources from which the statistics in this bulletin were obtained included the following:

Central government and local authority expenditure on education and training – Annexe B(ii), B(iii) and Table 1.7 of *The Government's Expenditure Plans 1999-00 to 2001-02 (Cm 4202)*.

Education expenditure in the UK – *Public Expenditure – Statistical Analyses 1999-00 (HM Treasury, Cm 3601)*.

Pre-primary/primary, secondary and special school pupil numbers – DfEE Schools' Census (Form 7).

Adult education students – DfEE Form AE1 Survey.

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

GM Schools – Schools, Teachers and Resources Division, DfEE.

Further education – FEFC

Higher education – HEFCE

TABLE 1A:
Central Government expenditure and grants to local authorities within the education programme

£ million at cash prices

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Early years and schools										
Sure Start										3
Under fives ¹	1	1	1	1	1	1	1	21	637	137
Childcare					2	11	17	9	4	27
Schools Capital										
Voluntary aided schools ²	90	104	111	114	114	111	95	100	110	108
Grants to local authority schools										90
Credit approvals ³	353	436	492	560	383	379	395	431	399	376
<i>New Deal for Schools</i>									78	250
Assisted Places	57	63	76	93	92	101	105	118	135	138
Music and ballet scheme	4	5	7	6	7	7	7	8	9	10
Standards Fund (formerly GEST) ⁴	213	219	235	220	173	176	147	154	208	225
Specialist schools and City Technology Colleges ⁵	30	58	56	50	50	51	65	77	89	98
Education Action Zones										12
National Grid for Learning										50
Dance and Drama										2
Other miscellaneous programmes	31	53	53	43	50	59	45	23	59	56
<i>of which</i>										
<i>Travellers, refugees & other displaced persons</i>		5	7	8	8	8	7	7	7	7
Total early years and schools	779	939	1,031	1,087	872	896	877	941	1,650	1,332
Lifelong Learning										
Further Education Funding Council				25	2,701	2,840	3,025	3,154	3,154	3,114
FE student support								6	6	10
Careers Service ⁶				8	20	149	193	199	208	208
HE development programme ⁷	5	9	13	14	12	11	7	4	6	7
Work Based Training for Young People	830	700	746	617	640	647	635	734	740	741
Adult Education and Skills Initiative ⁸	11	11	11	19	5	6	4	5	5	100
Youth Service	5	5	5	5	5	5	5	4	4	4
Youth enterprise initiative	3	5	4	3	5	2	3	3	3	4
Qualifications framework		15	18	20	32	31	57	68	69	72
<i>of which</i>										
<i>National Record of Achievement</i>			6	3	2	2	2	2	2	
Training Inspectorate										5
University Funding Council	1,853	1,839	1,786	1,810						
Polytechnic & Colleges Funding Council ⁹	1,110	1,100	993	1,035						
Higher Education Funding Council					2,792	3,419	3,612	3,448	3,508	3,539
Student loans RAB charge		20	50	80	110	200	260	330	369	440
Mandatory Awards: Maintenance and Fees ¹⁰	808	1,293	1,984	2,538	2,749	2,437	2,107	2,008	1,982	1,897
Access funds		22	23	23	24	27	28	22	22	39
Teacher Training Agency						2	126	196	211	210
Student loans admin				11	14	17	19	16	19	19
British academy	15	16	17	20	22	23	24	24	29	29
Local Competitiveness Budget ¹¹				3	56	63	65	76	62	55
FE collaboration fund ¹²	97	98	105	101	103	106	31	29	16	26
TEC Strategy Budget ¹³		8	172	174	108	137	123	133	156	135
TVEI	110	115	141	118	119	83	52	22	4	
Career Development Loans	1	3	5	7	8	10	12	14	11	13
Individual Learning Accounts										2
Learning Direct									1	3
University for Industry (within DEL)										9
Improving the training Market ¹⁴				23	25	18	17	16	7	6
Management Development							2	2	2	1
Investors in People UK					1	2	2	2	2	2
Other miscellaneous programmes ¹⁵	140	153	134	132	35	35	34	16	11	11
<i>of which</i>										
<i>Skillchoice</i>					3	12	7			
<i>Learning for Work</i>					12	8				
<i>Work experience</i>							5	6	10	10
<i>Postgraduate awards and EC Fees^{16,17}</i>	8	9	7	7	7	6	6	5	#	#
Total Lifelong Learning	4,988	5,412	6,207	6,786	9,586	10,270	10,443	10,531	10,607	10,701

TABLE 1A: CONTINUED**Central Government expenditure and grants to local authorities within the education programme**

£ million at cash prices

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
European Programmes and miscellaneous										
International Services		10	9	11	10	11	11	11	12	12
Compensation Payments	6	7	7	7	7	7	7	6	6	5
TOTAL EDUCATION	5,773	6,368	7,254	7,891	10,475	11,184	11,338	11,489	12,275	12,050
OFSTED										
Administration and Inspection					46	63	82	122	150	110
TOTAL EDUCATION AND OFSTED	5,773	6,368	7,254	7,891	10,521	11,247	11,420	11,611	12,425	12,160

1 £527 million for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99 (had this funding remained under local government control, the total for under fives would be £21 million in 1996-97, £110 million in 1997-98 and £137 million in 1998-99). This gives an overall total for early years and schools of £941 million in 1996-97, £1,123 million in 1997-98 and £1,332 million in 1998-99). Also includes a small amount in all years to take account of a change in departmental responsibility.

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

3 Provision for local authority borrowing for all education services.

4 For continuity with previous years, figures exclude section 11 expenditure.

5 Includes specialist schools credit approvals.

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

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

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

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

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

11 Figures for 1992-93 to 1996-97 are for Employer Investment in People (EIP) and Skills for Small Businesses (SFSB).

12 Up to and including 1994-95 known as Work Related Further Education.

13 Includes figures for TEC Local Initiative Fund, TEC Performance Related Funding, TEC Discretionary Fund and TEC Management Fee.

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

15 Up to and including 1992-93, includes the Open University, Cranfield Institute of Technology and the Royal College of Art which from 1993-94 became the responsibility of the HEFC.

16 Awards only to postgraduates who do not receive postgraduate support from the British Academy or the research councils and part-course EC student fees.

17 # indicates cash amounts below £0.5 million in each year which are not shown.

TABLE 1B:

Central Government expenditure and grants to local authorities within the education programme in real terms¹⁸

£ million at 1997-98 prices

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Early years and schools										
Sure Start										3
Under fives ¹	1	1	1	1	1	1	1	22	637	134
Childcare					2	12	18	9	4	26
Schools Capital										
Voluntary aided schools ²	121	129	130	129	126	121	100	102	110	105
Grants to local authority schools										88
Credit approvals ³	473	541	575	634	422	412	417	442	399	367
<i>New Deal for Schools</i>									78	244
Assisted Places	76	78	89	105	101	110	111	121	135	135
Music and ballet scheme	5	6	8	7	8	8	7	8	9	10
Standards Fund (formerly GEST) ⁴	285	272	275	249	191	191	155	158	208	220
Specialist schools and City Technology Colleges ⁵	40	72	65	57	55	55	69	79	89	96
Education Action Zones										12
National Grid for Learning										49
Dance and Drama										2
Other miscellaneous programmes	42	66	62	49	55	64	48	24	59	55
of which										
<i>Travellers, refugees & other displaced persons</i>		6	8	9	9	9	7	7	7	7
Total early years and schools	1,043	1,166	1,205	1,230	961	974	926	964	1,650	1,300
Lifelong Learning										
Further Education Funding Council				28	2,978	3,087	3,195	3,232	3,154	3,038
FE student support								6	6	10
Careers Service ⁶				9	22	162	204	204	208	203
HE development programme ⁷	7	11	15	16	13	12	7	4	6	7
Work Based Training for Young People	1,111	869	872	698	706	703	671	752	740	723
Adult Education and Skills Initiative ⁸	15	14	13	22	6	7	4	5	5	98
Youth Service	7	6	6	6	6	5	5	4	4	4
Youth enterprise initiative	4	6	5	3	6	2	3	3	3	4
Qualifications framework		19	21	23	35	34	60	70	69	70
of which										
<i>National Record of Achievement</i>			7	3	2	2	2	2	2	
Training Inspectorate										5
University Funding Council	2,481	2,284	2,088	2,048						
Polytechnic & Colleges Funding Council ⁹	1,486	1,366	1,161	1,171						
Higher Education Funding Council					3,078	3,716	3,815	3,533	3,508	3,453
Student loans RAB charge		25	58	91	121	217	275	338	369	429
Mandatory Awards: Maintenance and Fees ¹⁰	1,082	1,606	2,320	2,872	3,031	2,649	2,225	2,058	1,982	1,851
Access funds		27	27	26	26	29	30	23	22	38
Teacher Training Agency						2	133	201	211	205
Student loans admin				12	15	18	20	16	19	19
British academy	20	20	20	23	24	25	25	25	29	28
Local Competitiveness Budget ¹¹				3	62	68	69	78	62	54
FE collaboration fund ¹²	130	122	123	114	114	115	33	30	16	25
TEC Strategy Budget ¹³		10	201	197	119	149	130	136	156	132
TVEI	147	143	165	134	131	90	55	23	4	
Career Development Loans	1	4	6	8	9	11	13	14	11	13
Individual Learning Accounts										2
Learning Direct									1	3
University for Industry (within DEL)										9
Improving the training Market ¹⁴				26	28	20	18	16	7	6
Management Development							2	2	2	1
Investors in People UK					1	2	2	2	2	2
Other miscellaneous programmes ¹⁵	187	190	157	149	39	38	36	16	11	11
of which										
<i>Skillchoice</i>					3	13	7			
<i>Learning for Work</i>					13	9				
<i>Work experience</i>							5	6	10	10
<i>Postgraduate awards and EC Fees^{16,17}</i>	11	11	8	8	8	7	6	5	#	#
Total Lifelong Learning	6,491	6,505	7,042	7,440	10,568	11,163	11,030	10,791	10,607	10,440

TABLE 1B: CONTINUED**Central Government expenditure and grants to local authorities within the education programme in real terms¹⁸**

£ million at 1997-98 prices

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
European Programmes and miscellaneous										
International Services		12	11	12	11	12	12	11	12	12
Compensation Payments	8	9	8	8	8	8	7	6	6	5
TOTAL EDUCATION	7,730	7,907	8,481	8,931	11,549	12,157	11,975	11,773	12,275	11,756
OFSTED										
Administration and Inspection					51	68	87	125	150	107
TOTAL EDUCATION AND OFSTED	7,730	7,907	8,481	8,931	11,599	12,225	12,062	11,898	12,425	11,863

1 £527 million for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99 (had this funding remained under local government control, the total for under fives would be £22 million in 1996-97, £110 million in 1997-98 and £134 million in 1998-99). This gives an overall total for early years and schools of £964 million in 1996-97, £1,123 million in 1997-98 and £1,300 million in 1998-99). Also includes a small amount in all years to take account of a change in departmental responsibility.

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

3 Provision for local authority borrowing for all education services.

4 For continuity with previous years, figures exclude section 11 expenditure.

5 Includes specialist schools credit approvals.

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

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

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

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

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

11 Figures for 1992-93 to 1996-97 are for Employer Investment in People (EIP) and Skills for Small Businesses (SFSB).

12 Up to and including 1994-95 known as Work Related Further Education.

13 Includes figures for TEC Local Initiative Fund, TEC Performance Related Funding, TEC Discretionary Fund and TEC Management Fee.

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

15 Up to and including 1992-93, includes the Open University, Cranfield Institute of Technology and the Royal College of Art which from 1993-94 became the responsibility of the HEFC.

16 Awards only to postgraduates who do not receive postgraduate support from the British Academy or the research councils and part-course EC student fees.

17 # indicates cash amounts below £0.5 million in each year which are not shown.

18 Cash figures adjusted to 1997-98 levels using March 1999 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.

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

£ million at cash prices

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Schools										
Under fives ⁵	827	929	1,085	1,213	1,291	1,372	1,428	1,496	1,055	1,647
Primary schools ⁶	3,846	4,169	4,681	5,057	5,245	5,425	5,578	5,768	6,121	6,300
Secondary schools ⁷	5,236	5,424	5,898	6,084	5,541	5,500	5,577	5,695	6,025	6,240
Special schools	688	771	868	916	966	976	1,003	1,044	1,114	1,156
Meals	379	384	416	445	407	388	355	355	373	377
Transport ⁸	248	294	318	334	349	389	396	414	444	461
Grant-maintained schools ⁹	15	54	157	432	1,004	1,390	1,493	1,618	1,718	1,800
Non-maintained school fees	170	174	189	197	191	203	203	216	230	237
Teachers' centres	64	85	87	65	108	91	63	69	73	73
Child guidance	89	150	197	298	315	332	351	366	390	403
Pupil support	53	39	38	71	67	58	55	42	45	47
Higher and Further Education										
Higher education	127	119	157	168						
Further education in further education sector colleges ¹⁰	1,432	1,509	1,629	1,713						
Further education in Adult Education Centres ^{10,11,12}	128	140	146	144						
Further education for adults ¹²					115	117	106	98	53	48
Discretionary awards	214	206	255	269	193	153	116	98	90	88
Miscellaneous Services, Research and Administration										
Youth service	224	233	239	244	253	256	252	247	246	245
Recreational services and research	68	81	82	52	59	71	72	74	79	82
Administration and inspection costs ¹³	928	1,027	1,041	930	801	750	754	750	800	827
Total current spending less expenditure funded by specific grants outside AEF¹⁴										
	14,736	15,790	17,482	18,629	16,907	17,470	17,802	18,351	18,858	20,032
Technical and vocational education initiative										
	98	119	124	130	104	65	35	14	3	0
Work related further education¹⁵										
	95	90	93	98	29	35	47	53	0	0
Receipts from PCFC/HEFCE^{9,16}										
	43	49	40	34	16	13	12	11	18	19
Mandatory student awards^{17,18,19}										
	915	1,254	1,926	2,459	2,758	2,437	2,107	2,008	1,981	1,822
Total current spending on education										
	15,887	17,302	19,665	21,350	19,814	20,020	20,003	20,437	20,860	21,873

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

2 Figures exclude money in respect of amounts unspent from institutions' delegated budgets under local management schemes. These amounted to £477 million in 1991-92, £495 million in 1992-93, £586 million in 1993-94 and £606 million in 1994-95, £581 million in 1995-96 and £524 million at the end of the 1996-97 financial year.

3 Local authority expenditure includes central government support identified separately in Table 1 as well as self financed expenditure. The central government specific grants for which the DfEE is responsible are identified separately in Table 1. Local authority education spending is also supported by a range of other grants (Revenue Support Grant, Section 11 of the Local Government Act 1966, etc) which do not appear in Table 1.

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

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

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

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

8 Includes some transport of further education students.

9 Money recouped from LEAs in respect of payments of Annual Maintenance Grant (AMG) to GM schools. Figures for Under fives, Primary schools, Secondary schools, Special schools, Meals and Transport differ from those of Table 1.7 in DAR 99 because, in this bulletin, GM figures are shown separately for consistency with earlier years.

10 Responsibility for providing most kinds of further education passed from LEAs to the FEFC on 1 April 1993.

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

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

13 Figures for 1993-94 exclude spending on functions that passed from LEAs to OFSTED on 1 April 1993.

14 Aggregate External Finance. Within the current structure for local authority funding, introduced in April 1990, AEF represents the combined total of Government grants to local authorities (both general Revenue Support Grant and certain specific grants) and the National Non-Domestic Rate. AEF supports the spending by local authorities which is covered by the annual standard spending settlements. But the Government also pays certain grants to local authorities which are outside the Standard Spending framework. For education the most important of these grants are TVEI, WRFE and mandatory awards, which are therefore shown separately in this table. Figures for the breakdown by sector do not include expenditure supported by grants outside AEF.

15 It is not possible to estimate expenditure for 1997-98 and 1998-99.

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

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

18 Figures for 1997-98 and 1998-99 are from central government estimates.

19 Includes spending on mandatory awards in Wales.

TABLE 3:
Local authority capital expenditure¹ on education in England

£ million at cash prices

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Gross capital spending ² New Deal for Schools	993	934	929	950	957	1,072	1,016	1,052	1,029	878
									78	256
Local authority receipts	-194	-141	-107	-105	-221	-128	-76	-121	-122	-125
Total net spending	799	793	822	845	736	944	940	931	985	1,009

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

2 Gross capital spending includes schools, youth and other education services. Also includes capital figures for voluntary aided and grant maintained schools, as these schools are now back in the local authority sector. From 1993-94 it does not include most further education.

TABLE 4:
Expenditure on education in England in real terms¹

£ million at 1997-98 prices

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Central government's own expenditure^{2,3}										
Capital	32	53	35	15	8	4	4	2	2	1
Current ⁴	5,738	5,300	5,139	5,023	7,813	8,839	9,148	9,119	9,699	9,223
Total	5,770	5,353	5,174	5,037	7,821	8,843	9,152	9,121	9,701	9,224
Index (1989-90 = 100)	100	93	90	87	136	153	159	158	168	160
Local authority expenditure⁵										
Capital ⁶	1,070	985	961	956	811	1,026	993	954	985	984
Current ⁷	21,272	21,484	22,992	24,163	21,845	21,761	21,127	20,942	20,860	21,340
Total	22,342	22,469	23,954	25,119	22,656	22,787	22,120	21,896	21,845	22,324
Index ⁸ (1989-90 = 100)	100	101	107	112	101	102	99	98	98	100
Total expenditure										
Capital	1,102	1,038	996	971	819	1,030	997	956	987	985
Current	27,010	26,784	28,131	29,186	29,658	30,600	30,275	30,061	30,559	30,563
Total	28,112	27,822	29,127	30,157	30,477	31,630	31,272	31,017	31,546	31,548
Index (1989-90 = 100)	100	99	104	107	108	113	111	110	112	112

1 Cash figures adjusted to 1997-98 levels using March 1999 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.

2 Includes total central governments' own expenditure identified separately in Table 1 (including expenditure on OFSTED and excluding grants to local authorities).

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

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

5 Local authority expenditure includes central government support identified separately in Table 1 as well as self-financed expenditure identified in Table 2.

Includes spending on mandatory awards attributable to Wales.

6 Gross capital spending net of local authority receipts identified in Table 3.

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

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

TABLE 5
Education expenditure in England by central and local government by sector in real terms¹

£ million at 1997-98 prices

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Schools²						
Capital³	1,117	1,194	1,117	1,120	1,167	1,170
Current						
Under Fives ^{4,5}	1,512	1,598	1,616	1,654	1,805	1,856
Primary ⁵	6,232	6,428	6,433	6,469	6,722	6,756
Secondary ^{5,6}	8,009	8,158	8,096	8,112	8,373	8,482
Other ⁷	1,591	1,597	1,514	1,509	1,566	1,570
Total⁵	18,461	18,975	18,775	18,864	19,633	19,834
Further Education^{5,8,9,10}	3,905	4,170	4,276	4,382	4,183	4,151
Higher Education^{9,11}	4,759	5,008	4,978	4,734	4,685	4,525
Student Support						
Further Education ¹²	164	137	106	88	79	79
Higher Education ¹³	1,574	1,742	1,752	1,643	1,660	1,669
Total	1,738	1,879	1,858	1,731	1,739	1,748
Administration, inspection costs and miscellaneous services^{5,14}	1,481	1,450	1,409	1,420	1,529	1,476
Total						
Real terms⁵	30,345	31,482	31,296	31,131	31,769	31,735
Cash⁵	27,524	28,963	29,631	30,381	31,769	32,529

1 Cash figures adjusted to 1997-98 prices using March 1999 Gross Domestic Product (GDP) deflators.

2 The split of funding between under fives, primary and secondary sectors for grant maintained, voluntary and special schools is based on pupil numbers. Includes expenditure on county, voluntary-aided, special agreement, grant maintained schools, City Technology Colleges and other specialist schools.

Figures for secondary schools include expenditure on the assisted places and music and ballet schemes, and the Technical and Vocational Education Initiative (TVEI).

3 Includes capital expenditure by central Government, gross capital expenditure by local authorities, and expenditure on the New Deal for Schools which is funded from the Windfall Tax.

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

5 Includes the Careers Service, Work-Based Training for Young People, Career Development Loans and spending on the University for Industry from the Department's own resources, as well as a small element of expenditure on higher education by local authorities which it is not possible to disaggregate.

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

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

8 Includes tuition fees paid on students' behalf by local authorities, in addition to institutional funding by the TTA and HEFC. Excludes maintenance expenditure which covers Wales and Scotland. Figures for HEFC recurrent grant from 1995-96 include provision for fee compensation to be transferred to the Welsh Office.

9 Includes expenditure on discretionary awards and access funds.

10 Includes the cash cost of student loans, maintenance awards, discretionary awards, access funds, postgraduate awards and EU fees. Excludes student loans and maintenance attributable to Wales and proceeds from the sale of student debt.

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

TABLE 6:
Total central and local government spending on education in the UK

£ million

Outturn	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Total Managed Expenditure expenditure (cash terms)^{1,2}	24,500	26,500	29,300	31,600	33,300	34,900	35,900	36,400	37,900	38,900
Identifiable general government expenditure by region^{1,3,4}										
North East Region	1,044	1,197	1,345	1,568	1,444	1,312	1,463	1,484		
North West Region	2,173	2,516	2,827	3,437	3,160	2,849	3,855	3,891		
Yorkshire and Humberside	1,641	1,870	2,116	2,586	2,398	2,118	2,783	2,830		
East Midlands	1,306	1,494	1,673	1,976	1,887	1,703	2,161	2,200		
West Midlands	1,713	2,018	2,254	2,666	2,464	2,289	2,924	3,016		
South West	1,331	1,608	1,826	2,194	2,056	1,845	2,363	2,442		
Eastern Region	594	696	803	999	905	825	2,743	2,800		
London	4,715	4,794								
South East Region	5,601	6,522	7,302	8,922	8,601	7,767	3,991	4,051		
Total all regions	15,402	17,921	20,146	24,346	22,916	20,707	26,999	27,508		
Unallocated by region ⁵	3,894	3,840	3,875	1,398	4,278	7,134	1,735	1,251		
England	19,296	21,761	24,021	25,744	27,194	27,842	28,734	28,759	29,509	
Scotland	2,835	3,087	3,326	3,655	3,870	3,930	4,066	3,998	3,980	
Wales	1,199	1,308	1,500	1,644	1,682	1,761	1,836	1,818	1,837	
Local Authority expenditure in⁶										
England ⁷	16,537	17,905	20,242	21,906	20,383	20,827	20,820	21,251	21,734	22,774
Scotland	2,251	2,450	2,622	2,833	2,706	2,714	2,870	2,725	2,751	2,835
Wales ⁸	1,073	1,177	1,348	1,436	1,298	1,299	1,325	1,336	1,335	1,414
Total (real terms - 1997-98 prices)^{2,9}	32,800	32,900	34,200	35,800	36,700	37,900	37,900	37,300	37,900	37,900
Real terms expenditure as index (1989/90 = 100)	100	100	104	109	112	116	116	114	116	116
Education expenditure as percentage of GDP^{2,9}	4.7	4.7	5.0	5.2	5.1	5.1	5.0	4.8	4.7	4.6

- 1 Total Managed Expenditure (TME) can be defined as capital and current expenditure of the public sector. It includes central and local government spend as well as public corporation expenditure. General Government Expenditure (GGE) only includes current and capital expenditure by central and local government. There are other differences between the two aggregates based on the treatment of financial transactions in the national accounts.
- 2 Includes receipts from the sale of the student loan portfolio in 1997-98 and 1998-99. Includes loans to students less repayments.
- 3 Figures for the regions of England come from HM Treasury's Regional Analysis exercise (1996-97 being the latest year for which figures are available). Figures for England, Scotland and Wales are collected in a different exercise, known as the Territorial Analysis exercise. These exercises are run in the summer every year and the timing differences that result mean that figures may not be entirely consistent with other figures in this table. The territorial totals are not directly comparable with those for the regions of England, as there is a block of identifiable English expenditure which cannot be apportioned by region. Furthermore, differences in timing and coverage from one year to another mean that figures are not always comparable across years.
- 4 In accordance with other government publications of regional statistics, expenditure for 1995-96 has been divided into Government Office Regions. Expenditure for 1988-89 to 1994-95 is divided into the old Standard Statistical Regions: North, North West, Yorkshire and Humberside, East Midlands, West Midlands, South West, East Anglia and South East (including London prior to 1995-96).
- 5 The figures set out in the unallocated row show the difference between the functional totals for expenditure which could be allocated by region and the equivalent totals for identifiable expenditure in England from the Treasury's territorial analysis. This includes a data discrepancy resulting from differences in timing of the estimates and small differences of treatment or coverage.
- 6 Current and capital expenditure.
- 7 Responsibility for funding further education transferred from local authorities to the FEFC in 1993 and the sector expanded to include sixth form colleges and a number of specialist schools. The FEFC also funds some provision in institutions outside the further education sector and for FE courses in higher education institutions. In addition some LEA functions transferred to OFSTED in April 1993.
- 8 Includes spending on mandatory student awards included within the DFEE programme.
- 9 Figures taken directly from PESA tables.

Source: Public Expenditure Statistical Analysis (PESA), H M Treasury

TABLE 7:
Unit costs¹ in real terms² per pupil in LEA maintained schools in England

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98 provisional
Net institutional expenditure³									
(£m real terms)²									
Pre-primary/primary	6,265	6,529	6,817	7,189	7,272	7,355	7,346	7,389	7,393
secondary ⁴	7,167	7,089	7,037	7,054	6,226	6,028	5,876	5,824	5,812
special	930	946	1,011	1,039	886	898	889	887	908
Full-time equivalent (FTE)									
number of pupils (thousands)									
Pre-primary/primary	3,866	3,928	3,968	4,014	4,047	4,073	4,122	4,160	4,183
secondary ⁴	2,881	2,828	2,806	2,762	2,515	2,443	2,434	2,436	2,444
special	106	98	80	91	88	91	91	90	90
Unit costs (per FTE pupil)⁵									
(£ in real terms)²									
Pre-primary/primary	1,620	1,660	1,720	1,790	1,800	1,810	1,780	1,780	1,770
secondary ⁴	2,490	2,510	2,510	2,550	2,480	2,470	2,410	2,390	2,380
special	8,750	9,690	12,700	11,390	10,110	9,830	9,800	9,870	10,080

- 1 Net institutional expenditure and pupil FTEs in this table and figures in Table 8 showing total expenditure on GM schools and pupil FTEs have not been calculated on the same basis and therefore the unit costs and units of funding from the two tables are not directly comparable. (See also paragraphs 19, 22)
- 2 Cash figures adjusted to 1997-98 levels using March 1999 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.
- 3 Net institutional expenditure is a wider definition of expenditure than that used in Table 2 (see also paragraph 20).
- 4 From 1993-94 excludes sixth form colleges.
- 5 Rounded to the nearest £10.

TABLE 8:
Unit public funding¹ in real terms² per pupil in grant maintained schools in England

	1993-94	1994-95	1995-96	1996-97	1997-98
Current expenditure³					
(£m real terms)²					
Primary	94	193	212	231	249
Secondary	1,080	1,392	1,440	1,511	1,561
Full time equivalent					
number of pupils⁴ (thousands)					
Primary	106	118	128	140	
Secondary	485	553	580	603	626
Unit of funding (per FTE pupil)⁵					
(£ in real terms)²					
Primary	1,360	1,820	1,790	1,810	1,780
Secondary	2,230	2,520	2,480	2,510	2,500

- 1 Total expenditure on GM schools and pupil FTEs in this table and figures in Table 7 showing net institutional expenditure and pupil FTEs in LEA maintained schools have not been calculated on the same basis and therefore the units of funding and unit costs from the two tables are not directly comparable. (See paragraphs 19 and 22)
- 2 Cash figures adjusted to 1997-98 levels using March 1999 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.
- 3 Current expenditure includes Annual Maintenance Grant and Special Purpose Grants (see paragraph 22).
- 4 Form 7 pupil numbers at January of each year. Because schools transferred to the GM sector at different times through the year the January count is the best estimate of pupil numbers in GM schools in a given financial year and therefore no adjustment for financial years has been made to January pupil numbers.
- 5 Rounded to the nearest £10.

TABLE 9:
Unit public funding in real terms¹ per full-time equivalent student in further education and higher education in England

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99 estimated
Expenditure (£m in real terms) ¹										
Adult education centres ²	238	231	227	217						
LEA maintained institutions	2,584	2,591	2,630	2,693						
FEFC ^{3,4}					3,063	3,167	3,195	3,232	3,154	3,039
HEFCE ⁵	4,062	4,055	4,302	4,500	4,731	4,956	4,960	4,719	4,664	4,693
Full-time equivalent number of students (thousands)										
Adult education centres ²	138	135	129	128						
LEA maintained institutions	692	715	765	802						
FEFC ^{3,4,8}					894	951	1,025	1,074	1,062	1,065
HEFCE ⁶	567	622	695	786	876	944	989	1,007	1,014	1,019
Unit costs/funding (per FTE student)⁷ (£ in real terms) ¹										
Adult education centres	1,730	1,710	1,760	1,690						
LEA maintained institutions	3,730	3,620	3,440	3,360						
FEFC ^{3,4,8}					3,400	3,300	3,090	2,990	2,950	2,870
HEFCE	7,160	6,520	6,190	5,730	5,400	5,250	5,010	4,690	4,600	4,610

1 Cash figures adjusted to 1997-98 levels using March 1999 GDP deflators at market prices adjusted to remove the distortion caused by the abolition of domestic rates.

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

3 From 1993-94 the FEFC was established to provide for students studying in further education sector colleges. The government funding per funded FTE student series is not comparable with the LEA spending per FTE student series. It comprises the Department's recurrent and capital funding to the FEFC (including running costs) but with a small adjustment for the provision of pension rights for part time staff, and is confined to funded provision and funded students only. These figures have therefore been calculated on a different basis to those in the 1996 Statistical Bulletin when capital funding was excluded from the series.

4 FEFC funded provision in FE colleges, WEA establishments, AEC's, certain schools and includes some 29,000 students on FEFC funded non-prescribed HE courses in sector colleges and external institutions each year.

5 Publicly planned funding on higher education presently includes grant to the Higher Education Funding Council for England (HEFCE), grant to the Teacher Training Agency (TTA), and estimated fee income to English universities and colleges. Pre 1998-99 fees were paid, on the behalf of mandatory award holding students, entirely from public funds. From 1998-99 fee income includes students' private contributions towards the full-time undergraduate tuition fee (up to £1,000 per student in 1998-99 subject to an income assessment). Prior to the establishment of the HEFCE, in 1993-94, higher education grant was paid via the UFC and the PCFC. The TTA was established in 1995-96 and is responsible for the funding of teacher training.

6 FTEs in higher education include publicly funded, home and EU domiciled, full and part-time students. The FTE factor for part-time students is 0.35.

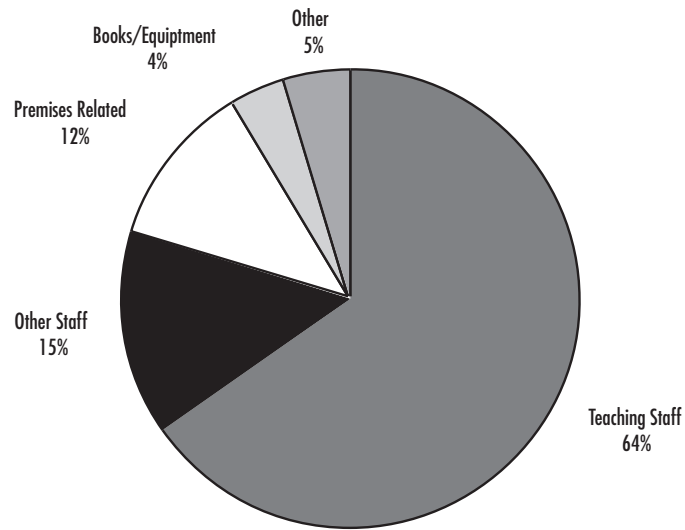
7 Unit funding is rounded to the nearest £10.

8 The unit costs per FTE student for FEFC exclude running costs.

CHARTS 1 AND 2

Distribution of expenditure in LEA maintained schools in England, 1997-98

Primary and Pre-Primary Expenditure



Secondary Expenditure

