

**Training and Development Agency for Schools**  
**Annual report and accounts**  
**2005–06**

*Presented to the secretary of state pursuant to schedule 13  
paragraph 18 of the Education Act 2005*



## **Our purpose**

Our purpose is to raise children’s standards of achievement and promote their well-being by improving the training and development of the whole school workforce.

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# Annual report

## Introduction

This publication, which sets out the annual report and accounts for the Training and Development Agency for Schools (TDA), is intended to be laid before parliament in July 2006.

This has been a challenging year for the Agency following the creation of the TDA from the Teacher Training Agency (TTA) and the National Remodelling Team (NRT). Our purpose is to raise children's standards of achievement and promote their well-being by improving the training and development of the whole school workforce. The government's white paper *Higher standards, better schools for all* gives us a pivotal role in ensuring that teachers and the wider school workforce have the skills and support that they need to face the future.

This year we have made good progress towards this aspiration. The initial teacher training (ITT) market is generally healthy. For the seventh year running the number of trainees starting ITT has increased, with 41,900 beginning courses in September 2005 – the highest number since the 1970s.

Whilst recruitment to the priority subjects of mathematics, science and modern languages remains challenging, a substantial package of targeted measures helped to ensure that the numbers of trainees beginning ITT courses in these subjects moved ever closer to the desired targets. We are encouraged also that the diversity of entrants to the profession is increasing. For the first time, for example, we met the target of recruiting 10 per cent of trainees from minority ethnic backgrounds.

The Office for Standards in Education (Ofsted) continues to report improvement in the quality of ITT. For the first time, all new providers of ITT were able to demonstrate that they were fully compliant with the requirements of the secretary of state for education and skills concerning ITT. Only two per cent of the accredited providers inspected were rated as unsatisfactory – the lowest percentage ever.

Funding levels for ITT improved again; for the academic year 2006/07 we secured a five per cent increase and were able to help providers plan for the longer term by allocating training places for two years ahead.

We supported the training and development of the wider school workforce. We worked with key partners to set a three-year plan to ensure that all support staff – including teaching assistants, administrative staff, technicians and caretakers – can develop to their full potential.

More than 7,000 teaching assistants were awarded higher level teaching assistant (HLTA) status in the year, bringing the total number since the scheme began in 2003 to almost 10,000. Pilot programmes were launched to develop 400 subject specialist HLTAs in secondary mathematics and science.

In addition, nearly 1,750 school bursars began working towards the certificate or diploma of school business management, delivered through partnership with the National College for School Leadership (NCSL). We also worked with the Learning and Skills Council (LSC) to enable more support staff to achieve qualifications at levels 2 and 3.

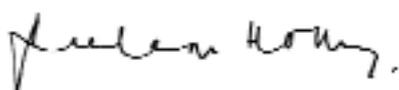
New work was begun to increase the availability and quality of continuing professional development (CPD) opportunities for serving teachers. Our focus for the first year was the review of standards for classroom teachers. The revised framework of standards will set out clear career paths for teachers, putting each teacher in the driving seat of their career and increasing the demand for relevant training and development to enhance their performance.

We continued to provide specific opportunities for professional development for individual teachers with our funding of over 30,000 places for teachers on award-bearing in-service education and training (INSET) and postgraduate professional development (PPD) courses. These courses were focused to ensure that teachers' knowledge and skills remain up to date.

Additionally, and critically, we have taken on responsibilities for supporting the remodelling of the school workforce to meet modern challenges. This means helping to equip school staff to deliver increasingly personalised learning and to work with other professionals who provide extended children's services. Over 99 per cent of the maintained schools in England reported full implementation of all three phases of the national agreement *Raising standards and tackling workload*.

To help us deliver these new responsibilities while achieving value for money, we made a number of internal changes. For example, we implemented a new programme and project management system, we refined our internal and external communications channels, and we developed our capability to ensure that our strategic and operational decisions align with the expectations of schools and the government.

We are proud of our achievements during the year and welcome the challenges that await us in the year ahead.



**Graham Holley**  
Interim Chief Executive and Accounting Officer



**Sir Brian Follett**  
Chair

June 2006

## Management commentary

### History and background information

1. The TDA is an executive non-departmental public body (NDPB) of the Department for Education and Skills (DfES), established under part 1 of the Education Act 1994 as amended by the Education Act 2005. The TDA came into being in September 2005 and is formed from the merger of the TTA and the NRT. Our functions as set out in the original Act are to fund the provision of teacher training in England, to provide information and advice on teaching as a career, and to carry out such other functions as the secretary of state may by order confer or impose. The new remit, based on part 3 of the Education Act 2005, redefines our objectives as follows:
  - To contribute to raising the standards of teaching and other activities carried out by the school workforce
  - To promote careers in the school workforce
  - To improve the quality and efficiency of all routes into the school workforce, and
  - To secure the involvement of schools in all courses and programmes for the initial training of school teachers.
2. The government's white paper *Higher standards, better schools for all* gives the TDA a pivotal role in ensuring that teachers and the wider school workforce have the skills and support they need to face the future. We continue to have responsibility for the initial recruitment and training of teachers. We have also gained a wider remit for the training and development of the whole school workforce including support staff and CPD for serving teachers. Additionally, and critically, we have taken on responsibilities for supporting the remodelling of the school workforce to meet modern challenges. This means helping to equip the school workforce to deliver increasingly personalised learning and to work with other professionals who provide extended children's services.

### Review of 2005–06

3. A more detailed review of our key achievements in 2005–06 is given in the annual report section of this document. As in 2004–05, we faced the challenge of maintaining the improvement in the recruitment of teachers of secondary mathematics, science and modern languages while making progress with the additional responsibilities given by the secretary of state for the development of the wider school workforce. We maintained our focus on the quality of ITT since this is key to raising standards of achievement in our schools.
4. Working in partnership with others, we secured some significant achievements:
  - Almost 42,000 trainees began ITT in England, the seventh successive annual increase and the highest number since the 1970s
  - Recruitment to mathematics, science, design and technology (D&T), information and communication technology (ICT), modern languages, music and religious education (RE) improved by five per cent
  - 10 per cent of trainees were recruited from minority ethnic backgrounds – an increase from 9.4 per cent
  - 95 per cent of mainstream places allocated for the academic year 2006/07 were for provision that is categorised as good or very good
  - Funding to mainstream ITT providers totalled £239m (2004–05: £217m)
  - £149m was available to providers for training bursaries (2004–05: £142m)
  - Over 80 designated recommending bodies (DRBs) were accredited

- £13m was given in grant to local authorities to purchase training and assessment for HLTA status (2004–05: £9m)
- More than 7,000 teaching assistants were awarded HLTA status in the year
- Over 1,700 school bursars began the certificate or diploma of school business management
- More than 6,000 people are in training for or have achieved a support work in schools vocational qualification since 2005
- 4,000 people responded to consultation on the revised framework of standards for classroom teachers
- Over 1,200 people planning to return to teaching took part in refresher courses to update their knowledge and skills
- 30,000 places were funded for teachers on award-bearing INSET courses and programmes leading to a masters degree
- 40 testbed schools were involved in a project to develop a comprehensive approach to training and development for the school workforce
- 99 per cent of schools implemented all three phases of the national agreement *Raising standards and tackling workload*
- Over 4,700 schools have registered for extended schools training
- 2,500 schools are on target to deliver the core offer for extended schools by September 2006.

### **Change in chief executive (accounting officer)**

5. Ralph Tabberer, whose second five-year term of office as the TDA chief executive was extended in February 2005, resigned with effect from 12 March 2006 to take up the post of director general, schools with the DfES. Graham Holley was appointed as interim chief executive.

### **Future developments**

6. Our corporate plan for 2006–09 reflects our new responsibilities as set out in the Education Act 2005. We see our success in terms of the benefits that schools should experience as a result of our work. Our principal aim is to secure an effective school workforce that improves children's life chances.
7. For recruitment into the school workforce, we shall focus particularly on the quality of ITT. We want there to be sufficient newly qualified teachers (NQTs) in all subjects and phases to meet schools' emerging needs. We want schools to continue to be more than satisfied with the quality of NQTs and to be confident of the capabilities of their support staff. We will also be working with schools to identify emerging needs for new support roles in subjects such as secondary mathematics and science.
8. We want to improve the availability and quality of training for all serving school staff, but will focus at first on those areas where we can make an early impact. We will contribute to the demand for good-quality training through the development of professional and occupational standards for all school staff and through promoting the use of these standards in performance development systems. We will also continue to support the progress schools have achieved in optimising the use of their staff through effective development and deployment. A key element of this will be improving the information and advice we give to schools to help them become discerning consumers of training and development.

9. We want all schools to be well placed to make an informed response to new initiatives and to manage effectively the pressures for change. We will help them assess the workforce implications of new initiatives such as extended children's services in schools and the evolving 14-19 curriculum.
10. We are developing a new infrastructure to deliver services in an efficient and effective way. A two-way channel of communication with schools will provide both a reliable source of advice and the means by which they can influence TDA priorities so that these are always relevant to the needs of schools. In this, we want to plan and use our resources effectively so that all are confident that we provide value for money.

## **Sustainable development**

11. The TDA is required by the secretary of state for education and skills to implement a sustainable development action plan (SDAP). Our SDAP sets out our vision for sustainable development and our commitments in the key areas of policy, operations and people – and how these will be monitored and evaluated.
12. Domestic arrangements are in place to ensure recycling and to purchase environmentally friendly materials and resources. Low-energy computers are in use and obsolete computing equipment is donated to an educational charity.

## **Board members during 2005–06**

13. Board members are appointed for a term of three years by the secretary of state for education and skills and are drawn from a variety of backgrounds. Several are members of the governing bodies of institutions that receive grants from the TDA (see note 20 to the accounts). Others are teachers or headteachers, or work in other parts of the education system. Some have business backgrounds. Board members during 2005–06 were:
  - Professor Sir Brian Follett: chair, appointed September 2003
  - Ralph Tabberer: chief executive to 12 March 2006
  - Graham Holley: interim chief executive from 13 March 2006
  - Steven Andrews: self-employed consultant and former director of education, Leicester City Council, appointed October 2003
  - Christopher Baker: self-employed consultant, appointed for a second term October 2005
  - Brenda Bigland: headteacher, Lent Rise Combined School, appointed for a second term March 2006
  - Professor Jill Bourne: deputy head of school and head of research, School of Education, University of Southampton, appointed October 2003
  - Andrew Buck: headteacher, Jo Richardson Community School, appointed for a second term March 2006
  - Dr John Cater: director and chief executive, Edge Hill College of Higher Education, term of appointment completed February 2006
  - Professor David Green: vice-chancellor and chief executive of the University of Worcester, appointed February 2006
  - Felicia Lord-Attivor: advanced skills teacher and mentor to students and NQTs, Raynham Primary School, resigned October 2005
  - Professor Barbara MacGilchrist: deputy director of the Institute of Education, University of London, appointed for a second term October 2003
  - Joan Munro, director of development, Employers' Organisation for Local Government, appointed October 2005
  - Victoria Nye: director, training and education, Investment Management Association, appointed for a second term October 2003
  - Dame Gillian Pugh: Children's Workforce Development Council (CWDC) board member, appointed February 2006
  - Professor David Reynolds: professor of history, University of Plymouth and former professor of leadership and school effectiveness, University of Exeter, term of appointment completed February 2006
  - Richard Thornhill: headteacher of Loughborough 'Fresh Start' Primary School and Children's Centre, appointed February 2006, and
  - Susan Tranter: headteacher of Fitzharrys School, appointed February 2006.

14. The TDA board has the power to co-opt up to two non-voting members, subject to the approval of the secretary of state. Joan Munro, director of development, Employers' Organisation for Local Government, was appointed co-optee member of the board in August 2004, ahead of her appointment as a substantive member in October 2005.

### **Board members' directorships and other significant interests**

15. The TDA requires board members to register with the TDA within 14 days of their appointment (or of the interest arising) to any company/organisation directorship, or regarding other significant interests. This includes remunerated employment or directorship, political activity that might influence their judgement or that could be perceived as doing so, and connection with ITT institutions or other aspects of the TDA business. It also includes any significant shareholdings in a public company that have a nominal value greater than £25k or less than £25k but greater than one per cent of the issued share capital of the company.

16. We have compiled a register of interests of the financial, political and other relevant interests of board members, which we update annually. The register is available for inspection on request during normal working hours at the TDA's offices at 151 Buckingham Palace Road, London, SW1W 9SZ.

17. 2005–06 board members' related party transactions are included in note 20 to the accounts.

### **Audit committee**

18. In May 2005, the board approved revised terms of reference for the audit committee for 2005–06. The main purpose of the committee is to advise the accounting officer and the board on:

- the adequacy of the TDA's internal control and risk management systems
- the annual and longer-term plan for the TDA's internal audit service
- audit reports submitted by the TDA's internal audit service
- reports from the National Audit Office (NAO), the TDA's external auditors
- the criteria for the selection and appointment of the TDA's internal audit service, and
- the adequacy of management responses to issues identified by audit activity.

19. The members of the committee during the year were:

- Christopher Baker: chair, appointed October 2003, board member
- Jill Bourne: appointed April 2005, board member
- Christopher Butler: appointed for a second term June 2004, external member
- Deborah Goodwin: appointed for a second term June 2004, external member, and
- Tim Head: appointed June 2005, external member.

20. Under the audit committee terms of reference, members normally serve a period of three years.

21. The committee met on four occasions in 2005–06. Those normally attending the meetings are the chief executive in his role as accounting officer, the head of internal audit, the director of corporate services, the assistant director of ITT funding and the finance director. The NAO (as the external auditors) and the DfES (as the sponsoring department) are advised of all meetings and attend if they so wish as observers.

22. In June 2006, in accordance with its revised terms of reference, the committee submitted to the board its report for 2005–06. The report highlighted the recommendations made by Deloitte, our internal auditors, on the TDA's and school-centred ITT providers' (SCITTs) systems of internal control, management's response to those recommendations and progress to date.

### Audit services

23. The TDA annual accounts are audited by the NAO on behalf of the comptroller and auditor general. The comptroller and auditor general is appointed as TDA external auditor under statute and reports to parliament on the audit examination.
24. The audit fee for 2005–06 is £27k (2004–05: £23k). This reflects the full cost of completing the audit and certifying the accounts.

### Other services

25. The NAO did not carry out any other service for the TDA during the course of the year.

### Audit assurance

26. The accounting officer has taken all necessary steps to make himself aware of all relevant audit information and has also ensured that the NAO is aware of that information.

## **Equal opportunities**

27. The TDA has an 'equal access to employment policy' which applies to all job applicants, workers and employees. We monitor staffing and recruitment: in 2005–06, of the 86 staff appointed, 55 per cent were women; 91 per cent were white and nine per cent were from minority ethnic groups. No new starters declared that they regarded themselves as having a disability. Of the staff in post at 31 March 2006, 56 per cent were women (2005: 55 per cent), 80 per cent were white (2005: 76 per cent), 18 per cent were from minority ethnic groups (2005: 20 per cent), two per cent had not declared their ethnic origin (2005: four per cent), and 2.5 per cent declared that they regarded themselves as having a disability (2005: three per cent).
28. To continue our commitment to promoting equality and valuing diversity in the school workforce and among our own staff, we have begun production of a new race and disability equality scheme.

## **Health, safety and welfare at work**

29. We maintain an up-to-date health and safety policy statement and a health and safety manual, both available to all staff. The policy statement sets out the organisational responsibilities of the chief executive, directors, managers, team leaders and all employees in respect of health and safety. All TDA staff have access to an electronic tool that enables them to conduct self-assessment of their posture when working at their computer.
30. Each directorate within the TDA has a health and safety representative who is responsible for keeping members of staff up to date with the latest health and safety developments and responding to any health and safety issues that arise.
31. Keeping staff informed of the latest welfare issues is the responsibility of the office services team who do this by distributing information to staff via leaflets and the intranet.

## **System of internal control**

32. The chief executive's statement on internal control in the form prescribed by Her Majesty's Treasury (HM Treasury) is produced on pages 35–37. In reviewing the effectiveness of this system of internal control, the chief executive is advised by the corporate leadership group (CLG), the audit committee, the Higher Education Funding Council for England (HEFCE), and Deloitte, the TDA's internal auditors.

## Financial results for 2005–06

33. These accounts cover the year ended 31 March 2006. They have been prepared in accordance with the direction given by the secretary of state for education and skills, with the approval of HM Treasury, in accordance with schedule 1, paragraph 16 (2) to the Act, and the DfES/TDA financial memorandum dated December 2005. The accounts are audited by the NAO on behalf of the comptroller and auditor general.

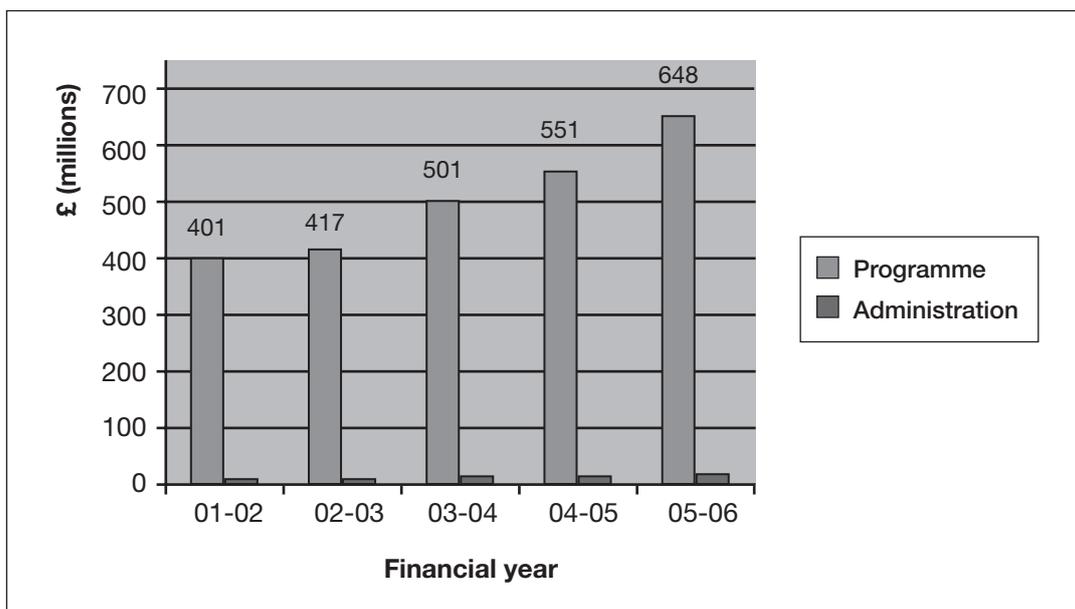
### Grant-in-aid for the period, and deficit after deduction of notional costs

34. The grant-in-aid for this period was £667.509m (2004–05: £565.588m). Of this figure, £597k (2004–05: £707k) was allocated to the TDA's own capital expenditure, and taken to reserves. These figures can be found in note 2(a) to the accounts.

35. The chart below compares programme and administration grants-in-aid received from the DfES during the past five financial years. The administration grant has been on average 2.4 per cent of programme grants for years 2001–02 to 2004–05 but increased to 2.8 per cent in 2005–06 to reflect the integration of the NRT with the TDA and other new work arising from the Agency's expanded remit.

36. The cumulative surplus after deduction of notional costs of capital at 31 March 2006 was £383k (2004–05: deficit of £565k).

### Grant-in-aid receipts – five-year analysis



### Notional costs

37. In accordance with HM Treasury guidance on NDPBs' reports and accounts, the accounts include the notional cost of capital, which amounts to (£52k) (2004–05: £32k). Note 4 to the accounts explains the basis for calculating these charges.

38. During 2005–06, there were no services provided free of charge by the DfES. All services were paid for in accordance with the provisions of the individual service level agreements (SLAs) agreed with the Department.

## Income other than grant-in-aid

39. Income other than grant-in-aid – see note 2(b) to the accounts – was £2.491m (2004–05: £1.364m). This includes fees transferred from the HEFCE and income generated under a memorandum of understanding with the National Assembly, for promoting teaching in Wales.

## Cash balances at 31 March 2006

40. NDPBs' underspends fall within the scope of HM Treasury's exercise to determine the carry-forward of unspent funds each year. The grant-in-aid awarded to the TDA is based on the overall resource consumption and capital expenditure. Subject to there being sufficient year-end flexibility available at the departmental level, the TDA is allowed to carry forward up to £3m of unspent funds each year. We may also be allowed to carry over funds if work on specific projects to which we are committed is delayed into the following financial year. At 31 March 2006, the TDA had a cash balance of £5.295m (2004–05: £1.018m) which was fully committed (note 11 to the accounts). The TDA, therefore, did not have any liability to repay grants to the DfES in respect of our 2005–06 grant-in-aid.
41. The accounts for the year ending 31 March 2006 disclose an operating surplus of £1m (2004–05: an operating deficit of £380k). Under our accounting policy, revenue grants received from the DfES are credited to the income and expenditure account in the year of receipt. The TDA carried forward cash of £1.018m from 2004–05 to 2005–06, and £5.295m from 2005–06 to 2006–07.

## Fixed assets

42. Note 1 to the accounts explains the policy adopted for the capitalisation of fixed assets. The accounts include capital expenditure amounting to £597k in the period (2004–05: £707k), which was incurred on the provision of new computers, a new financial system, furniture and equipment, and for adaptations to accommodation.
43. During 2005–06, the assets were revalued using average price indices. As a result, and after adjusting for additions and accumulated depreciation, the net book value of fixed assets has decreased from £2.081m at 31 March 2005 to £1.463m at 31 March 2006.

## Payment of creditors

44. The Late Payment of Commercial Debts (Interest) Act 1998 requires government bodies, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The Department of Trade and Industry (DTI) also introduced new regulations effective from 7 August 2002 giving suppliers the right to claim compensation (fixed sums and interest) for late payment.
45. The TDA supports HM Treasury's *Better payment practice code*. During the period ending 31 March 2006, 75 per cent (2004–05: 95 per cent) of invoices were paid within the 30-day period. To date no claims for interest under the Act or claims for compensation have been received. The drop in the number of invoices paid within the 30-day period was due to the implementation of the new finance system which created a backlog in the early stages of the year. In March 2006, the number of invoices paid within the 30-day period was 82 per cent.

**Graham Holley**  
Interim Chief Executive and Accounting Officer  
June 2006

## Remuneration report

### Part 1 Unaudited information

#### Service contracts of senior management

46. New appointments to director-level posts are on merit and by fair competition. New opportunities are usually widely advertised, although exceptionally more limited advertising is appropriate.
47. Current policy is to appoint the chief executive on a fixed-term contract; other senior managers are appointed on open-ended contracts or on a period of secondment from other employers. Open-ended contracts are usually with a retirement age of 60 but with the option to extend this to 65.
48. Early termination, other than for misconduct or inefficiency, would result in compensation under the civil service compensation scheme.

#### Remuneration of senior management

49. The remuneration committee comprises three members: Sir Brian Follett (TDA chair), Christopher Baker and Victoria Nye (TDA board members).
50. The policy on the remuneration of senior managers is to ensure that the remuneration package takes account of:
  - the need to recruit, retain and motivate suitably able and qualified people who can, as a team, lead the TDA to achieve its aims as well as taking responsibility for particular aspects of the business
  - contribution to the achievement of TDA objectives
  - comprehensive pay and grading reviews conducted periodically by specialist reward consultants
  - pay movements in the wider economy, and in the public sector and senior civil service, in particular the annual pay guidance from HM Treasury
  - the pay levels and pay system for all other TDA staff, and
  - the affordability of the proposals, taking account of the TDA's annual administration budget.
51. The pay system for directors is analogous to that of all other TDA staff where there is pay progression and the opportunity to be awarded annual non-consolidated bonuses based on individual performance.
52. Individual performance is assessed against key objectives which are agreed at the beginning of the financial year taking account of the relevant objectives in the TDA's corporate plan.
53. The remuneration package includes basic pay and non-consolidated bonus payments. Increases in basic pay are dependent on satisfactory levels of performance; increases beyond target (market-related) pay and non-consolidated bonuses are awarded for higher levels of performance. Non-consolidated bonuses do not exceed 10 per cent of basic salary.

### Part 2 Audited information

#### Emoluments of board members

54. In August 2005, the secretary of state gave the TDA permission to pay board members £300 each per day for attendance at board and sub-committee meetings. However, members who are public sector employees, including headteachers, who already draw a full-time salary from the public purse, are not remunerated for serving as board or sub-committee members.

55. In 2005–06, the following sums were paid to board and sub-committee members or their respective employers:

Member/employer	£
Steven Andrews	2,850
Christopher Baker*	5,112
Lent Rise Combined School (Brenda Bigland)	1,500
Jill Bourne	3,000
Jo Richardson Community School (Andrew Buck)	2,700
Edge Hill College of Higher Education (Dr John Cater)	4,050
Deborah Goodwin	1,500
David Green	450
Tim Head	600
Raynham Primary School (Felicia Lord-Attivor)	300
University of London, Institute of Education (Prof. Barbara MacGilchrist)	2,850
Victoria Nye*	2,820
Gillian Pugh	1,050
David Reynolds*	1,586
Loughborough 'Fresh Start' Primary School (Richard Thornhill)	600
Fitzharrys School (Susan Tranter)	600
Total	31,568

\* Includes VAT.

56. Details of non-taxable travel and subsistence payments made to board members are shown in note 5 to the accounts.

#### Emoluments of the chairperson

57. The chair's total emoluments in the period to 31 March 2006 were £29k (2004–05: £29k). Sir Brian Follett received no bonuses or taxable benefits. No pension contributions are payable by the TDA on the chairperson's emoluments.

#### Emoluments of the chief executive

58. The former chief executive's total actual emoluments in 2005–06 were £186k (2004–05: £146k); comprising salary and bonus of £151k (2004–05: £124k) and employer's contribution to the pension scheme of £35k (2004–05: £22k). The interim chief executive's actual emoluments to 31 March 2006 were £12k; comprising salary of £10k and employer's contribution to the pension scheme of £2k. The former chief executive and the interim chief executive were not in receipt of any taxable benefit.

59. The former chief executive and the interim chief executive are members of the principal civil service pension scheme (PCSPS); contributions are paid at the rate of 18.5 per cent, as outlined in note 6(c) to the accounts. The former chief executive's contract, which was extended for a further five years in February 2005, ended on 12 March 2006 following his resignation to take up the post of director general, schools at the DfES. The interim chief executive was appointed on 13 March 2006.

## Salary and pensions entitlements of senior management

60. The table below shows the salary paid and pension benefits accrued for each member of the senior management team in 2005–06 with corresponding figures (in brackets) for 2004–05. Salary includes gross salary, performance-related pay or bonuses, overtime, location allowance, and recruitment and retention allowances:

	Annualised salary and bonus	Salary paid, including performance bonus	Real increase in pension at 60	Total accrued pension at 60 at 31 March 2006	Cash equivalent transfer value (CETV) * at 1 April 2005	CETV at 31 March 2006	Real increase CETV after inflation, 31 March 2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ralph Tabberer**, chief executive to 12 March 2006	150–155 (120–125)	150–155 (120–125)	0–2.5 (0–2.5)	10–15 (5–10)	136	196	21
Graham Holley, executive director, ITT 4 April 2005 to 12 March 2006 and interim chief executive from 13 March 2006	90–95	80–85	7.5–10	35–40	438	711	158
Michael Day, director, strategy to 12 March 2006 and interim ITT executive director from 13 March 2006	75–80 (65–70)	75–80 (65–70)	0–2.5 (0–2.5)	15–20 (15–20)	238	310	7
Leanne Hedden, director, corporate services (CSG) to 11 December 2005 and NRT director of operations from 12 December 2005	85–90 (75–80)	85–90 (75–80)	2.5–5 (2.5–5)	25–30 (20–25)	317	465	48
Jill Staley, director, wider school workforce	80–85 (75–80)	80–85 (75–80)	2.5–5 (0–2.5)	25–30 (25–30)	428	589	56
Angela Walsh, assistant director, teacher training strategy to 11 December 2005 and director CSG from 12 December 2005	75–80 (65–70)	75–80 (65–70)	2.5–5 (2.5–5)	30–35 (30–35)	543	708	43
Geof Webb, director, communications and marketing to 30 April 2005	75–80 (70–75)	5–10 (70–75)	0–2.5 (0–2.5)	5–7.5 (5–10)	65	87	0

\* Opening CETV balances have been revised on the advice of the scheme actuary.

\*\* In 2004–05, the TDA implemented the recommendation of a survey into the former chief executive's remuneration which found that the salary and benefits were somewhat below those for other comparable benchmark chief executive positions. The chief executive post has been allocated a pay range based on the findings of the survey with opportunities for pay progression and performance bonuses that are analogous to the system for all other staff. The remuneration includes 2004–05 backdated pay.

No benefits in kind were paid to any member of the senior management team in 2005–06 or 2004–05.

The acting directors listed below ended their interim appointments on 31 March 2005:

Jeremy Coninx, funding and allocations  
Jacquie Nunn, initial teacher training support  
Michael Watkins, teacher supply and recruitment.

Mary Doherty, director of teachers and Robert Wood, director of field and web services, who are also members of the senior management team, have withheld their consent to disclosure in accordance with the Data Protection Acts of 1984 and 1998.

61. £15k was paid to Geof Webb, director of communications and marketing on the termination of his employment with the TDA on 30 April 2005.
62. Dame Pat Collarbone, NRT executive director, has been on secondment from the Institute of Education, University of London commencing 1 April 2005 following the transfer of the NRT from NCSL to the TDA. Dame Pat's total actual emoluments during the period were £134k, comprising basic salary of £118k and an employer superannuation contribution to the university superannuation scheme of £16k.
63. The TDA paid £10k to the Institute of Education, University of London in management fees in respect of Dame Pat's secondment.

#### Civil service pension

64. Senior managers are entitled to be members of the PCSPS. From 1 October 2002, members may be in one of three statutory based 'final salary' defined benefits schemes (classic, premium and classic plus). The schemes are funded with the cost of benefits met by monies voted by parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the retail price index. New entrants after 1 October may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). Note 6(c) to the accounts provides further information on the actual pension contribution rates payable and the actual pension contribution paid by the TDA in 2005–06.

#### The cash equivalent transfer value (CETV)

65. This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their to-date employment, not just their current TDA appointment. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

#### The real increase in the value of the CETV

66. This reflects the increase in the CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation as well as contributions paid by the member (including the value of any benefits transferred from another pension scheme or arrangement), and uses common market valuation factors for the start and end of the period.

**Graham Holley**  
**Interim Chief Executive and Accounting Officer**  
**June 2006**

## Performance review

### Strategic aim 1: Ensure schools have an adequate supply of good-quality newly qualified teachers

#### Recruitment to initial teacher training

This year a record 41,900 trainees began ITT in England, the seventh successive annual increase and the highest number since the 1970s. Over 8,000 of these were on employment-based training, the highest number since its introduction.

Some of the gains were the result of successful marketing. The *Use your head. Teach.* advertising campaign featured new priority subject adverts. Tracking research indicated that after seeing the adverts, eight per cent more people than last year were likely to enquire about teaching as a career. Each week there are currently around 23,500 unique visitors to the [www.teach.gov.uk](http://www.teach.gov.uk) web pages.

There were over 230,000 enquiries to the teaching information line (TIL) between April 2005 and January 2006. Representation at nearly 200 careers events, higher education institution (HEI) presentations, seminars and online events resulted in more than 5,300 people being added to our database (26 per cent more than in 2004). Of these, nearly 2,200 were eligible to teach a priority subject, representing an increase of 16 per cent. TIL consultants focus on converting these enquiries into applications and registration is now much easier, with an improved web registration form.

Even more support is now available for people to discover whether teaching is their vocation: for example, 2,300 people attended open schools visits. More than half of these (52 per cent) were interested in teaching secondary priority subjects – representing an increase of 14 per cent. Taster courses give a more intensive experience of training and teaching and 1,540 people attended taster courses this year (17 per cent more than last year).

Regional careers advisers (RCAs) offered expert guidance to career changers considering teaching. RCAs worked with around 2,000 enquirers each month, and 70 per cent of their clients were interested in teaching priority subjects.

The student associates scheme (SAS) continued to place students in schools, helping them to make informed decisions about teaching careers and raising aspirations to encourage more pupils to progress to higher education. Over 8,000 placements were awarded in the academic year 2004/05.

Media relations are a key element of the recruitment to ITT campaign. Research shows that 25 per cent of career changers noticed positive news stories, with 40 per cent of those feeling a lot more favourable towards teaching and 53 per cent a little more favourable. This compares with 46 per cent of career changers who noticed advertising about teaching.

We continued to devise initiatives to generate positive coverage in news, magazines and on television and radio to support and build on campaign advertising. For example, a study showing that teachers smile on average 10 times every half-hour helped to support advertising messages that teaching is an enjoyable career.

#### Recruitment priorities

For the first time, we met the target of recruiting 10 per cent of trainees from minority ethnic backgrounds – an increase from 9.4 per cent. The number of males entering primary training rose from 13 per cent to 14 per cent, and trainees declaring a disability rose from 4.5 per cent to five per cent. In response to parents' requests for greater male presence in the classroom, we launched a male primary school advisory panel to assess the barriers and recommend ways to attract men to primary teaching.

Recruitment to mathematics, science, D&T, ICT, languages, music and RE improved by five per cent this year, attracting over 10,000 trainees to the subjects for which recruitment is most difficult. We are pleased that mathematics, science and modern languages moved nearer to their challenging targets, while recognising that there is more work to be done to further improve recruitment to the other subjects.

Steps taken to increase recruitment to priority subjects included the rollout of enhancement, extension and subject knowledge booster courses. These allowed 3,200 graduates to improve their knowledge, confidence and understanding of both priority and selected non-priority subjects.

The financial support for trainees in priority subjects increased. From September 2006, around 12,000 graduate trainees will benefit from an additional £3k, bringing their tax-free bursaries up to £9k each. With golden hello payments, the total package for mathematics and science trainees rose to £14k.

There was a marked impact on recruitment as a result of funding premiums of £2k to ITT providers for each additional new entrant to mathematics, science and modern languages courses. There were over 700 more new entrants this year – an increase of 16 per cent. From 2006/07, additional £1k funding premiums are being introduced for providers that boost the numbers of their physics, chemistry or food technology entrants.

### ITT market and funding

Recruitment efforts are geared to securing the high-volume entry to the profession that is needed. But ITT recruitment targets, except those for secondary mathematics and science, are now reducing to reflect sharply declining school pupil numbers. Between the academic years 2005/06 and 2007/08, the DfES annual target for the total number of trainee places available will drop by eight per cent, from 34,300 to 31,300; these figures cover undergraduate, postgraduate certificate in education (PGCE) and SCITT places.

Reduced targets mean that opportunities for expansion are limited. In the case of primary and secondary non-priority subjects, we had to cut providers' place numbers for 2006/07. When making cuts, we focused on retaining quality provision; we also took into account denominational factors, regional need and viable cohort size, and concentrating provision in the best possible locations. As a result, 95 per cent of mainstream places allocated for 2006/07 will be held by providers rated as good or very good.

We continued to work closely with providers to manage the impact of declining place numbers within their institutions. This year, for the first time, we were able to allocate to providers firm place numbers for two years rather than one. This change has helped providers' financial planning. We have also funded providers undertaking significant restructuring following cuts, and are working with them, individually and in groups, to manage the reduction in place numbers more flexibly.

Against this backdrop, we have tightened further our new provider accreditation procedures. We encourage potential new providers to join up with existing providers rather than to seek separate accreditation. Only potential new providers presenting the very strongest business cases can expect to receive places.

For the sixth successive year we gave an above-inflation increase in mainstream funding. Over this six-year period, the ITT unit of resource has increased by more than 30 per cent – double the rate of inflation. In addition, for the first time since the establishment of the programmes, we increased the grants payable for employment-based routes (EBR) into teaching. Mainstream funding paid to ITT providers totalled £239m (2004–05: £217m), and £149m was available to providers for training bursaries (2004–05: £142m). Funding to support employment-based training routes was £86.2m.

The programme for turning DRBs into full accredited ITT providers is on track. By the end of the academic year 2005/06, 81 DRBs (85 per cent of the total number) were accredited, with the final tranche of DRBs going through the conversion process in 2006/07. DRBs, along with SCITTs, benefit from individual consultancy. They meet regularly in regional-based networks to develop their provision, and twice a year they attend national workshops for school-based training managers. Meetings this year have focused on the implications of the children's agenda and developing subject knowledge in school-based ITT.

## ITT development

The ongoing monitoring of quality of provision is having an impact: for the first time, all new providers of ITT were able to demonstrate that they were fully compliant with the secretary of state's requirements for ITT. The outcomes of Ofsted inspections of ITT show that the quality of ITT continues to improve. In inspections in the academic year 2004/05, only two per cent of the accredited providers inspected were rated as unsatisfactory – the lowest percentage ever.

The view that training is of a high quality is shared by NQTs, 84 per cent of whom believe that their ITT was good or very good.

A sector-wide development programme is available to all providers. In response to the NQT survey and the Ofsted inspection of DRBs, we have funded ITT-specific networks to ensure that teacher trainers have access to up-to-date materials and developments to improve subject training. We are helping primary schools to meet the aspirations of the language strategy – targets for modern foreign language specialists have been exceeded and agreements cemented with our European partners. The work has been drawn together in a substantial web-based resource, the teacher training resource bank, launched in the spring of 2006.

The national partnership project completed its work in 2005–06. Over 80 per cent of primary schools and 95 per cent of secondary schools are now directly and regularly involved in teacher training. High-quality materials have been produced to support good practice in coaching and mentoring in different school settings. The regional steering committees ensured that partnerships responded to local needs in relation to quality and capacity.

We appointed a new team of provider link advisers (PLAs) to work strategically with ITT providers on issues such as recruitment, allocations and school placements. Providers now have a single point of contact for ITT-based consultancy support.

To ensure there were sufficient placements for trainees in schools, we continued to support the development of 261 training schools across the country. We also managed 300 partnership development schools, working with providers to ensure that priority subjects and areas for improvement, such as key stage 1 placements, are identified and that solutions for improvement are developed.

In 2006–07 it is expected that 2,000 mentors of trainee teachers will have their efforts recognised and verified through collaboration between us and the Teacher Learning Academy at the General Teaching Council for England (GTCE). These awards give credit to school-based tutoring and support the new professionalism for mentoring and coaching of staff.

### Key points

- Almost 42,000 trainees began ITT in England, the seventh successive annual increase and the highest number since the 1970s
- There were over 230,000 enquiries to the TIL
- Recruitment to mathematics, science, D&T, ICT, languages, music and RE improved by five per cent
- 10 per cent of trainees were recruited from minority ethnic backgrounds – an increase from 9.4 per cent
- The school teacher vacancy rate was 0.7 per cent in 2005. There were 2,000 fewer teaching vacancies than in 2002
- 95 per cent of mainstream places allocated for the academic year 2006/07 were for provision that is categorised as good or very good

- Mainstream ITT funding prices increased by five per cent and by more than 30 per cent since 2000–01
- 84 per cent of ITT trainees believe that their training was good or very good
- Over 80 DRBs were accredited
- Over 160,000 skills tests were delivered and almost 38,000 trainees passed all three tests.

## **Strategic aim 2: Enable schools to develop the effectiveness of their support staff**

### Support staff strategy

Since 1997, the number of full-time equivalent (FTE) support staff working in schools has nearly doubled – increasing from 136,500 to 268,600. This compares with an eight per cent increase in the number of teachers over the same period. At least 28 distinct support roles exist in schools. We worked with key partners to set a strategic direction to ensure that all support staff – including teaching assistants, administrative staff, technicians and caretakers – can develop to their full potential.

We worked with existing data and new research to understand the development needs of schools. We analysed workforce information to gain a better understanding of skills shortages and gaps and to establish baselines to aid our planning, delivery and communications.

The school workforce development board (SWDB), led by the TDA, has continued to represent the national organisations with lead responsibility for planning and funding support staff training and development. It has monitored the delivery of the activities contained in the school workforce development plan published in March 2005 and has developed a three-year strategy, published in February 2006. The three strategic objectives of the plan for 2006–09 are to:

- support schools in developing new ways of training and deploying their support staff
- create a framework of standards and qualifications to enable schools to develop the potential of all support staff, and
- extend training opportunities to meet the development needs of support staff.

### Higher level teaching assistants

We provided £13m to local authorities to enable staff to secure HLTA status through TDA-approved providers. More than 7,000 teaching assistants were awarded HLTA status in the year. Almost 10,000 people have been awarded HLTA status since 2003. Evaluation of candidate support and assessment has informed the second phase, and this enables more tailored arrangements through nine regional providers. This year, pilot programmes were launched to develop 400 subject-specialist HLTAs in secondary mathematics and science.

### Bursars

In many schools the responsibilities of school business managers, bursars and administrative staff are increasing. Many managers are members of the school leadership team, taking on responsibility for areas of school management that have previously fallen to the headteacher or deputy headteacher. We continued to support the bursar development programme. In 2005–06, 1,742 school bursars began working towards the certificate or diploma of school business management, delivered through partnership with NCSL. Over 2,000 have already completed the certificate or diploma since 2002.

### Developing skills and career progression

We again provided local authorities with materials to support the induction of teaching assistants and other school support staff. This year we took the opportunity to provide additional guidance for staff and trainers on how induction could begin to address the common core of skills and knowledge for all those who work with children. We plan to embed the common core more fully as part of a wider-ranging review in 2006.

We worked with the LSC to enable more support staff to achieve qualifications at levels 2 and 3, including the new support work in schools qualifications. More than 6,000 support staff are in training or have achieved a support work in schools vocational qualification since 2005.

We are developing a career development framework to enable schools and their staff to understand the qualification and development paths open to them. We also worked with our partners to develop a wider range of routes for progression, including scope to transfer between different paths, underpinned by appropriate professional and occupational standards.

We supported the development of an online planner to enable schools to identify and meet the needs of support staff for literacy and numeracy skills for life. We also supported the public service union Unison in designing and launching a website ([www.skills4schools.org.uk](http://www.skills4schools.org.uk)) providing training and development information for support staff.

#### Key points

- More than 7,000 teaching assistants were awarded HLTA status. Almost 10,000 people have been awarded HLTA status since 2003
- Over 1,700 school bursars began the certificate or diploma of school business management, delivered through partnership with the NCSL. Over 2,000 have already completed the certificate or diploma since 2002
- More than 6,000 support staff are in training or have achieved a support work in schools vocational qualification since 2005.

### **Strategic aim 3: Enable schools to develop the effectiveness of their teachers and keep their knowledge and skills up to date**

#### Review of standards for classroom teachers

The focus of the first year of our extended remit for the CPD of teachers was the review of standards for classroom teachers.

The standards for classroom teachers will underpin all aspects of our programme of work in the next three years. These standards were reviewed during the year and in April 2006 we provided advice to the secretary of state. The review involved a two-stage consultation with the education sector on the standards for qualified teacher status (QTS), induction, senior teacher (threshold) and advanced skills teachers. Standards were also developed for the excellent teacher scheme due to be introduced in September 2006.

The revised framework of standards will set out clear career paths for teachers, putting each teacher in the driving seat of their career and increasing the demand for relevant training and development to enhance their performance. The standards will be used as a backdrop in performance management reviews. They will also be used as a reference point for performance development discussions informing teachers, their managers and mentors. The standards will lead to more focused coaching, mentoring and training provision.

At each formative stage of the review we worked closely with the signatories to the workforce agreement through the workforce agreement monitoring group (WAMG) and the rewards and incentives sub-group (RIG). Following our advice, the secretary of state will consider with the social partners the revision of the standards for classroom teachers prior to launching the statutory consultation. It is our intention that the standards will be used for planning in schools from September 2006.

The standards for classroom teachers are the first phase of work to develop a framework of occupational and professional standards for the whole school workforce. To enable shared understanding of the standards for classroom teachers, a working group of practitioners is developing examples of how the revised standards look in practice; these will be available for schools from September 2006.

#### National reference group for training and development

To bring greater coherence nationally to CPD, we have set up a reference group for the national bodies with an interest in teachers' training and development. This group will draw on the evidence base to identify priorities, review plans to address these priorities, and monitor progress. The CPD regional advisers' project concluded in March 2006. The project helped schools to maximise the impact of CPD on school improvement by sharing information across regions and nationally.

#### Testing approaches to performance development

To understand the cultural change necessary in schools to encourage a comprehensive training and development plan for the school workforce, we launched a testbed project in September 2005 involving 40 schools and pupil referral units (PRUs). A contract was awarded for the research and development of the testbed programme. The project will conclude in autumn 2007. The work programme in the academic year 2005/06 put in place the framework for the performance development of classroom teachers – to enhance both the quality of teaching and the retention of teachers in the school workforce.

#### Returners

More than 12,000 people return to teaching every year. During 2005–06, over 1,200 teachers who had taken a break from teaching participated in courses to update their knowledge and skills, supporting their return to the school workforce. Through the keep-in-touch service returning to teach (RTT), we provided information to over 16,000 potential returners. More than 2,000 people were added to the RTT database during the year.

## Professional development

Induction activity focused on providing advice and guidance to all stakeholders, to help develop their understanding of roles and responsibilities in relation to NQT induction.

We funded approximately 30,000 places for teachers on award-bearing INSET and PPD courses. Funding for an additional 2,835 places was announced in February 2006. These masters-level courses focus on improving teachers' knowledge and skills in the following areas: subject knowledge and pedagogy; assessment; behaviour management; teaching pupils with special educational needs (SEN); supporting remodelling; and the *Every child matters* agenda. Additional allocations, announced in February, address regional imbalances in access to provision, boosting availability in some regions by between 80 and 100 per cent.

We responded to requests from national organisations to take the lead in collating the many approaches to mentoring and coaching by developing an 'extranet' library of relevant resources. There will be wide access to this extranet, which will be launched in summer 2006.

We have consulted subject associations about the development of chartered teacher status. Chartered teacher status schemes reward professional expertise or experience in a particular subject area and require evidence of appropriate engagement in CPD.

We worked with the advisory committee on mathematics education (ACME) and others within the mathematics community to develop proposals for providing teacher training to those who are from unconventional backgrounds. This work was carried out in response to one of the recommendations in *Making mathematics count*, the report of Professor Adrian Smith's inquiry into post-14 mathematics education.

### Key points

- 4,000 people responded to consultation on the revised framework of standards for classroom teachers
- Over 1,200 people planning to return to teaching took part in refresher courses to update their knowledge and skills
- 30,000 places were funded for teachers on award-bearing INSET courses and programmes leading to a masters degree.

## **Strategic aim 4: Support schools to be effective in the management of the training, development and remodelling of their workforce**

### National agreement: *Raising standards and tackling workload*

We have continued to work with remodelling advisers in every local authority as they address the challenges of workforce reform and the implementation of the national agreement. The role of the remodelling adviser remains a crucial means of support to schools in helping them plan to embed, sustain and develop the changes made over the last three years.

Over 99 per cent of the maintained schools in England reported full implementation of all three phases of the national agreement.

### Extended schools

We worked with six local authorities and a small number of schools on an extended schools pilot programme to deliver a range of services for children, their families and the wider community over the next four years. The outcomes from the pilot have helped us develop a better understanding of the support that schools and local authorities require.

Following the pilot, we worked with all 150 local authorities to support them in implementing plans for extended services. Remodelling of the school workforce plays a key part. Over 4,700 schools were involved in extended schools training and we anticipate that the core offer specified in the government's prospectus will be available in 2,500 schools by September 2006.

Some 240 extended schools remodelling advisers (ESRAs) and over 1,000 extended schools remodelling consultants (ESRCs) have been trained and are working in local authorities to implement the programme.

A number of activities were set up as a result of the extended schools work. These include testing the impact of parenting support and childcare projects for 11- to 14-year olds; providing local authority chief executives with a forum for discussing extended schools issues; regional business briefings; online data collection systems; and guidance packs for school governors.

### Targeted youth support

We began work with 14 local authorities on a targeted youth support pathfinder project, the aim of which is to test in a local context the proposals set out in the paper *Youth matters*. While the focus is on the 13-plus age group, the project will also address the links with early intervention services working with younger children.

### Field forces

We offered a grant to local authorities to contribute to the salary costs of a school workforce adviser (SWA). In taking up this grant, authorities agreed that SWAs would work with us to stimulate demand for effective training and development and improve its quality. SWAs are working with schools in a variety of ways. They have identified priorities for guidance on the range of qualifications, the analysis of training needs and the links to national standards for support staff and teaching staff.

We funded recruitment manager (RM) posts in 52 local authorities to improve the recruitment and retention of teachers.

Feedback from both SWAs and RMs provides us with valuable primary evidence of local authority strategy. For example:

- 90 per cent of local authorities view training and development for teaching staff as a high priority

- 82 per cent of local authorities view training and development for teaching and learning support staff as high priority, and
- local authorities have goals designed to increase the emphasis on training for teachers and support staff in accordance with the *Every child matters* and extended schools agendas.

Initial work began on developing more coherent and unified school support teams to provide effective face-to-face help and to coordinate and organise the wide range of support available to schools.

ESRAs across the country organised and ran the extended schools workshop programme and engaged 5,000 schools during the year. They provided regular forecasts on local authority progress towards their extended services plans. ESRAs contributed to online data collection and conducted a qualitative questionnaire for the DfES.

ESRCs are local authorities' front-line delivery resource and are engaged in delivering a full programme of workshops to local authority colleagues and members of the school workforce and their communities. They also provide support directly to individual schools between the workshops.

### E-delivery

In addition to providing a field presence, we also work through electronic channels, and these were strengthened during the year. We piloted a service with 20 schools to provide information, advice and guidance to school leaders on their school and staff development. The pilot proved very popular and a business case has identified the potential to deliver this service nationally, subject to setting suitable customer expectations. The pilot provided specialist helpdesk staff, available by phone or e-mail or via a website. The service would also support those working in the field by offering best practice and guidance that has been gathered nationally.

Once the service's scope has been agreed and rollout begins, it will begin to establish a single central information resource for schools.

The remodelling website continued to be an invaluable communication tool, visited by almost 250,000 people. The website was expanded to include additional material on sustainable remodelling and extended schools work. This new information became much more widely visited than the original material relating to the national agreement.

### Key points

- 40 testbed schools were involved in a project to develop a comprehensive approach to training and development for the school workforce
- 90 per cent of local authorities view the contribution of training and development for teaching staff as high-priority
- 99 per cent of schools implemented all three phases of the national agreement
- Over 4,700 schools have registered for extended schools training
- 2,500 schools are on target to deliver the core offer for extended schools by September 2006
- 250,000 visits were made to the remodelling website between April 2005 and January 2006.

## Management aim 1: Enhance the impact of our communications with all audiences

### New brand and website

We unveiled the new TDA brand on 1 September 2005, with a wider remit and a new visual identity applied across all our communications. Research commissioned from the Central Office of Information (COI) among 1,000 primary and secondary school teachers in England and Wales indicated that 58 per cent of this audience had heard of the TDA three months after its public launch.

Our drive to make effective use of electronic communication continued. We launched our new website to coincide with the unveiling of the new TDA, focusing on five key audiences: potential teachers, teachers, school leaders, school support staff, and partners. Our e-zine *tdaNews* provides a digest of the latest news from the TDA and its partners; it now reaches over 3,000 people across the education sector.

### Stakeholder communications

We value chances to meet our stakeholders face to face. At our annual general meeting and stakeholder day in October 2005, a new wider audience of partners from schools, local authorities and ITT providers came together to hear about our new remit, discuss its challenges and give us their views. The stakeholder day was supported by web content that gave a full account of the event and included presentations, speeches and visitor feedback. We also ran a comprehensive programme of smaller meetings with unions, providers and their representatives. We attended a number of major business events, such as the London Education Show and British Educational Training and Technology (BETT) exhibition.

The latest survey of ITT providers showed that 61 per cent felt they received just about the right amount of information from us and 84 per cent felt the overall quality of our publications was good or very good – an improvement on the already high 78 per cent rating in the previous year. The proportion of respondents who rated the relevance and clarity of our written communications as good or very good increased to 66 per cent and 59 per cent respectively.

The Agency's extended remit brought a new complexity to our stakeholder communications, with a focus on defining the needs of our audience groups and extending the breadth of our communication channels. We are commissioning research accordingly.

Our sponsorship of the award for outstanding new teacher of the year, organised by the Teaching Awards Trust, has been supported by board members and senior staff acting as judges and presenting awards. The awards and other opportunities for news releases and articles have also been used to help promote the TDA in its new role, as we seek to provide a clear and consistent channel of communication with the news media.

### Internal communications

Effective internal communications are essential during a period of change. Our staff survey showed that 95 per cent of staff felt that internal communications were timely, 88 per cent felt they were clear, and 80 per cent felt they were honest and open. Our staff magazine *totalinfo* was read regularly by 93 per cent of staff, while 96 per cent regularly read the change-centred newsletter *Straighttalk* and found the information it contains useful. The new cascade briefing system *Face2Face* was rated as providing useful information by 82 per cent of staff.

We have also strengthened our internal communication and consultation practices, engaging greater numbers of staff in wider discussions – on new organisational structures, for example.

### Key points

- The TDA launched on 1 September 2005, supported by a new website and visual identity
- 58 per cent of the teaching audience had heard of the TDA three months after the launch
- Over 3,000 people now subscribe to the e-zine *tdaNews*
- 84 per cent of ITT providers felt that the quality of our publishing was good or very good
- 95 per cent of staff felt that internal communications were timely and 88 per cent felt that they were clear.

## Management aim 2: Plan and use resources effectively and efficiently

### Organisation development

In order to meet the demands of a challenging new remit, we took a number of steps to improve our internal effectiveness. We restructured around the three main customer areas – ITT, teachers and the wider workforce – and we welcomed the NRT into the TDA. The work of the NRT continued as a key vehicle to ensure that schools have the capacity to change. We benefited from the team's change management expertise to assist with the transition as the TTA took on the much wider remit now managed by the TDA. In addition, we strengthened our internal management by launching a structured approach to planning and reporting at operational and strategic levels.

### Investors in People

We continue to believe that people are our most valuable resource and that investment in their training and development is vital to enhancing our capability. In the last six-monthly evaluation, 92 per cent of participants felt that training events met their learning objectives and 98 per cent would recommend the training activities provided.

Throughout our transition to becoming the TDA, we continued to focus on the needs of our staff. Our sixth annual staff survey highlights areas of good practice, particularly in empowerment, induction, line management support, and promoting a healthy work/life balance. During our recent Investors in People (IiP) reaccreditation, we elected to be assessed against the new and more demanding standard. The assessors acknowledged that we have been through a period of considerable change, and with this in mind we were not surprised they identified a number of gaps against the standard. We retained IiP status and will produce an action plan to address the gaps identified, ready for reassessment.

Given the changes we experienced, it was encouraging that staff turnover decreased from 20.5 per cent to 19.8 per cent at year-end. The turnover figure includes staff who left at the end of casual or fixed-term contracts coming to an end. In addition, our average annual sickness absence per person of 7.8 days stands below the all employers' benchmark of 8.4 and is considerably lower than the civil service benchmark of 9.1.

During the year, we appointed 86 new staff, and nine were transferred to the TDA from NRT/NCSL under a TUPE arrangement.

### Finance, contracts and information technology

One major area of change came from introducing the first phase of a new financial management and processing system. This was implemented successfully and will enable future improvements in financial management and a faster turnaround of payments. Although the number of invoices paid within 30 days fell to 75 per cent, this is consistent with an organisation undergoing such a major change in financial systems. As in previous years, HM Treasury has confirmed that we met the required standards for administering payments. TDA grants were paid to eligible bodies only and there were no recorded incidences of actual or suspected fraud.

We awarded 1,951 contracts worth a total of £98.3m, 273 fewer than in the previous year. Of these, 28 were over £250k totalling £39.9m, and are listed below. This compares with four contracts over £250k, totalling £2.7m in 2004–05.

Supplier	Service	Cost £'000	Contract period (Financial year)
Consulting Strategies Ltd	Consulting and management services	13,000	2005–06
Consulting Strategies Ltd	TDA continuity project	8,029	2006–07
Euro RSCG KLP	Recruitment events programme	6,000	2006–07 to 2009–10
The Finishing Touch	NRT events management	2,843	2005–06
Anglia Polytechnic University (APU)/mPowernet	Specialist mathematics and science HLTAs pilot training provider	932	2005–06 to 2006–07
University of Sunderland	Pre-ITT mathematics enhancement course	833	2005–06 to 2008–09
Edge Hill College of Higher Education	Specialist mathematics and science HLTAs pilot training provider	582	2005–06 to 2006–07
VT FourS	Specialist mathematics and science HLTAs pilot training provider	552	2005–06 to 2006–07
Jebens Design	NRT printing and design	525	2005–06
Education Management Direct	Returners courses 2006–2009	450	2006–07 to 2008–09
Orbital Marketing Services Group	Provision of storage and distribution services	444	2005–06 to 2008–09
Bradford College (West & South Yorkshire Partnership)	Pre-ITT physics enhancement course	412	2005–06 to 2008–09
Hedra Plc	Interim management support	386	2005–06
Eastern Leadership Centre	NRT programmes	358	2005–06
HTI	NRT programmes	358	2005–06
North Leadership Centre	NRT programmes	358	2005–06
CCDU Training & Consultancy Ltd	NRT programmes	358	2005–06
Educational Management South East	NRT programmes	358	2005–06
University of Manchester	NRT programmes	358	2005–06
London Centre for Leadership and Learning, Institute of Education	NRT programmes	358	2005–06
East Midlands Leadership Centre	NRT programmes	358	2005–06
Shreeveport Management Consultancy	FirstPoint information, advice and guidance service	329	2005–06
The National Centre for Languages (CILT)	Recruitment and retention project	326	2005–06 to 2006–07
Sheffield Hallam University	Training and development testbed project – research and evaluation strand	300	2005–06 to 2007–08
Thelea.com Ltd	Returners courses	300	2006–07 to 2008–09
COI	Recruitment website development	275	2005–06
VT Four S	HLTA phase 2 – regional providers, London	260	2005–06 to 2008–09
Literacy Matters	Returners courses	250	2006–07 to 2008–09
<b>Total</b>		<b>39,892</b>	

We continue to operate reliable information technology services. All file backup restorations occurred within two working days. We resolved 66 per cent of priority one helpdesk calls within 30 minutes, 89 per cent of priority two calls within two hours, and 96 per cent of priority three calls within three hours.

The TDA maintains a disaster recovery policy which was tested twice in 2005–06 and found to be successful on one occasion. Areas for improvement were identified and a plan will be produced to address these issues.

#### Data protection and freedom of information

To enhance our management of individuals' personal data, we introduced policies on data protection, together with awareness training for all staff and the provision of a consultancy service to internal policy teams. We have developed closer relationships with suppliers and providers to ensure compliance with the Data Protection Act 1998. We received one formal subject access request this year and have had four external queries about data management.

The Freedom of Information Act, which was passed in November 2000, grants public right of access to information held by public bodies. All staff have been trained on the electronic document management system to ensure compliance with the requirements of the Act.

Internal procedures for handling requests under the Freedom of Information Act are in place and running effectively. In 2005–06, we received 17 requests, all of which were responded to within the 20 working days set out under the legislation.

#### Complaints

We continued to provide high-quality services in all areas, as exemplified by the low number of complaints. We received 45 complaints during the year, of which seven were upheld. All complaints were considered in accordance with our *Code of conduct*. Furthermore, we received 307 items of correspondence, of which 92 per cent were dealt with within our deadline of 15 working days.

#### Project management

In addition to keeping in place strong risk management systems, we improved our internal management by launching a project and programme management (PPM) system. The system is based on the best practice principles recommended by the Office of Government Commerce (OGC). PPM has minimised risk and maximised the potential for successful outcomes from our major projects through structured approaches to planning and reporting at operational and strategic levels. In addition, PPM will assist us in setting strategic direction through the development of a full understanding of operational activity and outputs.

#### Key points

- New processes were introduced to improve programme and project management
- Staff turnover decreased from 20.5 per cent to 19.8 per cent
- The first phase of a new finance system was implemented successfully
- 96 per cent of priority three IT helpdesk calls were resolved within three hours
- Almost 2,000 contracts were awarded.

## Management aim 3: Provide strategic planning support across the Agency

### Strategic focus

Since our remit has enlarged, we have introduced more formal structures to ensure that our strategic and operational decisions align with the expectations of schools and the government. A longer and more complex process has been needed to produce the corporate plan for 2006–09, which now focuses on the benefits that we intend to bring to schools. Through this plan we communicate that we are in the business of people development in schools and that this is our contribution to improving the life chances of children.

### Business information

Reliable business information is key to informing our policies and strategies. For the seventh year we produced the performance profiles of ITT providers. This web-based resource offers trainers, trainees and the Agency the definitive source of data on ITT and has become an important tool for prospective trainees when they choose where to train. It includes the outcomes of training by different providers, the qualifications of trainees, and their rates of success in gaining qualified status and securing teaching posts after training. The website was shortlisted for an e-government award.

We also developed the third generation of our trainee record management system for employment-based routes into teaching. This offers improved monitoring of the progress of those involved in on-the-job teacher training and helps the GTCE to make the formal award of QTS more swiftly. We also improved the annual census of ITT trainees to ensure better validation of this important data, which is used to determine the level of funding of training providers and ensures that public money is well spent.

Every year, we survey NQTs to find out their views on how well their training prepared them for their new jobs. More than 50 per cent of those qualifying in 2004 returned questionnaires in June 2005, some six months into their first teaching post. The results have informed our ITT improvement strategies, sharpening the focus of training to help teachers to deal with pupil behaviour and meet the needs of minority ethnic pupils. Early in 2006 we piloted an additional survey for induction mentors, to elicit their views on how well initial training had prepared their NQTs.

### Policy development

We have continued a project with ITT providers, designed to explore what kind of competences the teachers of the future will need and what demands will be made by schooling in 2012 and beyond. This kind of futures thinking helps providers to develop their longer-term strategies. It also informs the Agency about how we may align ourselves in a changing environment.

An important strategic function for us is to work through policy initiatives from government and develop them into operational propositions. The *Teach first* project is aimed at collaboration between business and schools to place high-flying young graduates in challenging schools. Participants qualify as teachers and are supported to pursue a career in business later if they so wish. The scheme was launched in London in 2003. In March 2005 the chancellor announced the extension of the programme to four more cities, the first of which is Greater Manchester starting in September 2006.

Other key policy developments to which we have contributed include early years and special education, the education of 14- to 19-year olds and the future of school buildings. We supported the government's strategy on SEN and disabilities, as set out in *Removing barriers to achievement*. We began development of a range of modules to support trainees and serving teachers in working with pupils with SEN and disabilities. We produced resources for NQTs and training providers and are working with local authorities to strengthen links between mainstream and special schools for induction programmes. We set up an online community for SEN tutors to share practice and we plan to pilot special school placements for ITT courses.

We also worked with the CWDC on policy proposals for the early years of education. In particular, we made progress on an early years professional status, for which standards will be developed. In the wake of the Tomlinson report, we have been discussing with partners the workforce contribution we can make to the evolving education provision for 14- to 19-year olds. The focus is the new vocational diploma to be introduced in 2008, and we have been working, particularly with Lifelong Learning UK, to develop a workforce solution that has wider scope than ITT. This will involve schools taking part in employment-based training of a range of staff, including HLTAs.

#### Key points

- The corporate plan for 2006–09 now focuses on the benefits that we intend to bring to schools
- Policy making is informed with reliable business information
- Initial work has taken place for the extension of *Teach first* to Manchester.

## Accounts

### Statement of the board of the Training and Development Agency for Schools and the chief executive's responsibilities

Under schedule 1 paragraph 16 of the Education Act 1994 as amended by the Education Act 2005, the TDA is required to prepare a statement of accounts in the form and on the basis determined by the secretary of state with the consent of HM Treasury. The accounts are prepared on an accrual basis and must give a true and fair view of the TDA's state of affairs at year-end, and of its income and expenditure and cash flows for the financial year.

In preparing the accounts, the board of the TDA is required to:

- observe the accounts direction issued by the secretary of state, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether appropriate accounting standards have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The accounting officer for the DfES has designated the senior full-time official, the chief executive, as the accounting officer for the TDA. The relevant responsibilities as accounting officer, including his responsibility for the propriety and regularity of public finances and for the keeping of proper records, are set out in the *Non-departmental public bodies' accounting officers' memorandum*, issued by HM Treasury and published in *Government Accounting 2000*.

### Statement on internal control

As accounting officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the TDA's policies, aims and objectives. At the same time, I am responsible for safeguarding the public funds and TDA assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Government Accounting 2000*.

The TDA's management statement and financial memorandum define the respective roles of the accounting officer, the non-executive board, the principal accounting officer, and ministers. The TDA's corporate plan, detailing its strategic aims and key operational objectives, is developed annually by officials and the board, and is approved by ministers. The management statement defines the reporting requirements placed on the TDA.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuing process designed to:

- identify and prioritise the risks to the achievement of TDA policies, aims and objectives
- evaluate the likelihood of those risks being realised and the impact should they be realised, and
- manage risks efficiently, effectively and economically.

The system of internal control has been in place in the TDA for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

The risk management process is led by the board and is overseen on an operational basis by CLG, operating as the TDA's risk management committee with formal terms of reference. Bespoke training has been provided to members of staff with responsibility for establishing and managing risk at team, directorate and project level. This training is now available as one module of the TDA's annual training prospectus. The TDA's head of corporate governance provides day-to-day

support to all staff on risk management and, in particular, supports CLG and operational groups throughout the annual planning process to ensure risks are considered at all stages.

Risk is identified, assessed and managed on a cyclical basis. The strategic risk register for 2005–06 was reviewed towards the end of the year by the risk management committee. The review took into account the emerging planned aims and objectives for the forthcoming financial year and the prevailing assessment of the risks on the existing register. Following this review, a risk register for 2005–06 was produced and approved by the board, which assessed the current levels of impact and likelihood of each risk. Individual board members took responsibility for monitoring risks with risk owners and challenging those owners to test the efficacy of mitigating actions.

The board reviewed the risk register every six months. The TDA's risk appetite requires it to seek further mitigation where the assessment of current risk remains high. The board acknowledges, however, that some factors operating in the TDA's external environment which it cannot mitigate may cause a risk to remain high. In these instances, it looks to more frequent monitoring by risk sponsors and owners, with the outputs reported to the board, to reflect the need for tighter control.

Risk management is embedded within the TDA, and the risk and control framework operates side by side with the TDA's corporate and operational planning process. So, for example, risk identification and assessment is carried out when strategic, operational and project plans are considered. Risks are monitored and reported on in accordance with the TDA's monitoring process, or at project or programme board meetings as appropriate.

#### Reviewing the effectiveness of internal control

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, the HEFCE assurance service, the finance director and other senior managers within the TDA who have responsibility for the development and maintenance of the internal control framework; and by comments made by the external auditors in their management letter. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and risk management committee, and plans to address weaknesses and ensure continuous improvement of the system are in place.

My review includes consideration of the internal audit opinion in conjunction with the audit committee and in the light of audit findings during the year. It includes a review of the control evidence provided by senior managers on the management of operational risk and by strategic risk owners on the management of strategic risk. As well as the internal audit opinion and the range of internal audit reports, I have been able to rely on some other sources of information about control which have helped me form my view on the state of the TDA's internal control system.

Internal audit provided assurance on: the integration of the NRT to the TDA; change management (ie. identification of the new responsibilities and impact assessment of the new broadened remit on internal resources and external stakeholders); and corporate governance and risk management. A review of the ITT contingency planning processes (to manage the risk of significant business disruption to ITT programme delivery as a result of unexpected withdrawal of ITT provider from the scheme) found the process to provide a substantial level of assurance. An audit on information systems (which looked at the key elements of the security framework to assess management controls) found the overall controls to be sound. A follow-up review provided assurance that the weaknesses in the implementation of the new finance system, identified in the pre-implementation audit in February 2005, had been fully addressed.

The internal audit work identified control weaknesses in three areas and the TDA has taken immediate action in response to the findings. The first area was the process for the recovery of underspent funds or the application of a 'de minimis' limit before clawback. The second area concerned unimplemented recommendations relating to the SCITT framework and the lack of analysis of the numbers of trainees failing to achieve qualified teacher status or withdrawing early. Thirdly, an audit of the web strategy recommended a policy review to reflect the TDA's new remit (for example,

the integration of the NRT). The TDA does not believe that these weaknesses throw doubt on the control environment in general but has nevertheless taken immediate action in response to the internal audit findings.

Approved by the board.

**Graham Holley**  
**Interim Chief Executive and Accounting Officer**  
**June 2006**

## **The certificate and report of the comptroller and auditor general to the houses of parliament**

I certify that I have audited the financial statements of the Training and Development Agency for Schools for the year ended 31 March 2006 under the Education Act 1994 as amended by the Education Act 2005. These comprise the income and expenditure account, the balance sheet, the cashflow statement and statement of total recognised gains and losses, and the related notes. These financial statements have been prepared under the accounting policies set out within them.

### **Respective responsibilities of the board, chief executive and auditor**

The board and chief executive are responsible for preparing the annual report, the remuneration report and the financial statements in accordance with the Education Act 1994 as amended by the Education Act 2005 and directions made thereunder by the secretary of state for education and skills, and for ensuring the regularity of financial transactions. These responsibilities are set out in the statement of the board of the Training and Development Agency for Schools and the chief executive's responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Education Act 1994 as amended by the Education Act 2005 and directions made thereunder by the secretary of state for education and skills. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the annual report is not consistent with the financial statements, if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statements on pages 35-37 reflect the Agency's compliance with HM Treasury's guidance on the statement on internal control, and I report if it does not. I am not required to consider whether the accounting officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the introduction, management commentary, the unaudited section of the remuneration report and the performance review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinion**

I conducted my audit in accordance with international standards on auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements, and the part of the remuneration report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and chief executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the remuneration report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by parliament and the

financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the remuneration report to be audited.

## **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Education Act 1994 as amended by the Education Act 2005 and directions made thereunder by the secretary of state for education and skills, of the state of the Training and Development Agency for Schools' affairs as at 31 March 2006 and of its surplus for the year then ended
- the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Education Act 1994 as amended by the Education Act 2005 and the secretary of state for education and skills' directions made thereunder, and
- in all material respects the expenditure and income have been applied to the purposes intended by parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

**John Bourn**  
**Comptroller and Auditor General**  
**National Audit Office**  
**157-197 Buckingham Palace Road**  
**LONDON**  
**SW1W 9SP**  
**June 2006**

## Income and expenditure account for the year ended 31 March 2006

	Notes	2005-06		2004-05	
		£'000	£'000	£'000	£'000
<b>Gross income</b>					
Grant-in-aid received:	2a				
Programme: recurrent		648,288		550,865	
Administration costs		18,624		14,016	
		<u>666,912</u>		<u>564,881</u>	
Transfers from deferred government grant	15		1,206		1,169
Other operating income	2b		2,491		1,364
			<u>670,609</u>		<u>567,414</u>
<b>Expenditure</b>					
Programme:					
Grants paid	3	611,718		517,723	
Research on improving training of teachers and teaching standards	3	2,693		1,152	
Provision of information and advice on teaching as a career	3	32,363		33,280	
		<u>646,774</u>		<u>552,155</u>	
Administration costs:					
Staff costs	6	14,659		9,791	
Other administration costs	5	7,022		4,647	
Depreciation and amortisation	7/8	1,133		1,131	
Loss on revaluation	7/8	73		38	
Cost of capital	4	(52)		32	
		<u>22,835</u>		<u>15,639</u>	
<b>Operating surplus/(deficit)</b>			1,000		(380)
Reversal of cost of capital			(52)		32
<b>Surplus/(deficit) for the period</b>			<u>948</u>		<u>(348)</u>
Retained deficit brought forward			(565)		(217)
<b>Retained surplus/(deficit) carried forward</b>	16		<u>383</u>		<u>(565)</u>

### Statement of total recognised gains and losses

		2005-06		2004-05	
		£'000	£'000	£'000	£'000
Surplus/(deficit) for the year as per I&E account		948		(348)	
Fixed assets revaluation net	15	(9)		34	
<b>Total</b>		<u>939</u>		<u>(314)</u>	

## Balance sheet as at 31 March 2006

	Notes	31 March 2006		31 March 2005	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	7	190		271	
Tangible assets	8	<u>1,273</u>		<u>1,810</u>	
			1,463		2,081
<b>Current assets</b>					
Debtors	9	1,704		1,180	
Cash at bank and in hand	11	<u>5,295</u>		<u>1,018</u>	
		6,999		2,198	
<b>Creditors</b>					
Amounts falling due within one year	12	<u>6,616</u>		<u>2,763</u>	
<b>Net current assets/(deficit)</b>			<u>383</u>		<u>(565)</u>
<b>Total assets less current liabilities</b>			<u>1,846</u>		<u>1,516</u>
<b>Financed by</b>					
<b>Deferred government grants</b>	15		1,463		2,081
<b>Reserves – retained surplus/(deficit)</b>	16		<u>383</u>		<u>(565)</u>
			<u>1,846</u>		<u>1,516</u>

The notes on pages 43-55 form part of these accounts

Graham Holley  
Interim Chief Executive and Accounting Officer  
June 2006

## Cash flow statement for the year ended 31 March 2006

	Notes	2005-06		2004-05	
		£'000	£'000	£'000	£'000
<b>Operating activities</b>					
Operating grants received from the DfES			666,912		564,881
Other cash receipts			2,429		968
Grants paid to institutions and other bodies			(644,855)		(551,215)
Cash paid to and on behalf of employees		(14,733)		(9,852)	
Other cash payments		(5,476)	(20,209)	(4,678)	(14,530)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>4,277</b>		<b>104</b>
<b>Capital expenditure</b>					
Payments to acquire intangible assets		(52)		(286)	
Payments to acquire tangible assets		(545)		(421)	
			(597)		(707)
<b>Net cash inflow/(outflow) before financing</b>			<b>3,680</b>		<b>(603)</b>
<b>Financing: grant-in-aid supplied for purchase of fixed assets</b>			<b>597</b>		<b>707</b>
<b>Net cash inflow/(outflow) after financing</b>			<b>4,277</b>		<b>104</b>
<b>(Decrease)/increase in cash during period</b>			<b>4,277</b>		<b>104</b>

### Notes to the cash flow statement

#### a) Reconciliation of operating surplus/(deficit) to movement in net funds

	2005-06	2004-05
	£'000	£'000
Operating surplus/(deficit) for the period	1,000	(380)
Transfer from deferred government grant	(1,206)	(1,169)
Add: depreciation and amortisation charges	1,133	1,131
Add: loss on revaluation of assets	73	38
(Subtract)/add: reversal of cost of capital	(52)	32
Increase/(decrease) in debtors	(524)	303
(Decrease)/increase in creditors	3,853	149
<b>Net cash inflow/(outflow)</b>	<b>4,277</b>	<b>104</b>

#### b) Reconciliation of net cash flow to movement in net debt

Net funds at 1 April 2004	1,018	914
Net funds at 31 March 2005	5,295	1,018
<b>Change in net funds</b>	<b>4,277</b>	<b>104</b>

The notes on pages 43-55 form part of these accounts

## Notes to the accounts

### 1. Accounting policies

#### Basis of preparation

The accounts are drawn up in accordance with the accounts direction, given by the secretary of state for education and skills, with the approval of HM Treasury, in accordance with the Education Act 1994 (schedule 1, paragraph 16(2)) as amended by the Education Act 2005, and the financial memorandum between the secretary of state and the TDA dated December 2005, copies of which may be obtained from the TDA or the DfES. The accounts have been prepared in accordance with the 2005–06 *Government financial reporting manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practices for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where the FReM permits choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the TDA for the purpose of giving a true and fair view has been selected. The TDA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with the accounting disclosure requirements of the Companies Act 1985, and accounting standards issued or adopted by the Accounting Standards Board; with the exception of the requirement contained in FRS 3 for the inclusion of a note showing historic cost profits and losses.

#### Intangible fixed assets and amortisation

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of £5k or more is incurred. The software licences are amortised over three years or the licence life, whichever is shorter.

The value of the intangible fixed assets has been stated at current cost, using appropriate indices published by the Office for National Statistics.

#### Tangible fixed assets and depreciation

Expenditure on the acquisition of tangible fixed assets is capitalised where these costs exceed £1k. The exception to this is where an asset is acquired for long-term business use and/or can only be used in conjunction with existing capitalised assets.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, as follows:

Portland House refurbishment	- 4 years (lease length)
Office furniture	- 3 to 5 years
Office equipment	- 3 years
IT equipment (hardware and software)	- 3 years

Depreciation is calculated on a monthly basis and is charged from the month of acquisition. No depreciation is charged in the month of disposal.

The TDA's policy is to show the value of fixed assets at their current cost to the business except where it is considered that the effect of revaluation makes no difference to the results for the year or the financial position at year-end.

Building refurbishment costs, office equipment/furniture and IT hardware and software costs were revalued by comparing average indices for the year of purchase with those for 2004–05. Indices were drawn from the following Office of National Statistics publications: *Price index numbers for current cost accounting* (MM17) and *Producer price indices* (MM22).

#### Deferred government grant reserve

The balance on the account represents grant-in-aid funding used to finance the purchase of the TDA's fixed assets, including revaluation surpluses recognised on those assets. Surpluses on revaluation of fixed assets are credited to the deferred government grant reserve as and when they are recognised, after depreciation is deducted.

Grant held in the reserve is transferred to the income and expenditure account annually over the estimated life of the relevant assets, to offset the depreciation charge and any downward fixed assets revaluation. A transfer to the income and expenditure account is also made to offset any loss on disposal of assets.

#### Notional costs

Cost of capital is charged to the income and expenditure account at the prescribed rate of the capital employed and credited back to the retained surplus at the end of the period. Capital employed comprises the average of total assets less current liabilities at the beginning and the end of the financial year, excluding non-interest-bearing bank balances with the Office of the Paymaster General and the Bank of England.

#### Income

Grants from the DfES for programme and administrative expenditure are recognised in the income and expenditure account in the year of receipt, but credited to the deferred government grant account when applied to meet the cost of acquiring or constructing assets which are capitalised.

Other income is recognised in the income and expenditure account on an accruals basis.

#### Grants payable

Grants to institutions are recognised when they fall due for payment.

#### Value-added tax

The TDA is not registered for VAT as it has insufficient chargeable output to warrant registration. Input VAT is therefore not recoverable and hence it is treated as expenditure. No output VAT is chargeable.

#### Leases

Rental costs in respect of operating leases are charged directly to the income and expenditure account on an accrual basis.

#### Loans

Loans to staff for approved purposes have been classified as current assets.

#### Pension costs

Employees of the TDA and those staff seconded from other government departments are members of the PCSPS, and the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply to the employees of the

TDA. The PCSPS is a multi-employer defined benefit scheme (treated for accounting purposes as a defined contribution scheme). Contribution rates are determined from time to time by the government actuary and advised by HM Treasury.

Employees joining after 1 October 2002 can opt to open a partnership pension account, a stakeholder pension with an employer contribution.

#### Provision and bad debt write-off

Provisions are recognised when the TDA has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation. The TDA reviews its outstanding debtors on a regular basis with a view to pursuing and providing for bad and doubtful debts, where appropriate.

The TDA has the delegated authority, under the terms of its financial memorandum with the DfES dated December 2005, to write off individual losses up to a value of £2.5k (reduced to £250 if fraud is suspected) up to an annual limit of £20k which, if reached, triggers the need for Departmental approval.

#### Financial instruments

FRS 13 (*Financial instruments and derivatives*) requires an organisation to disclose information on the possible impact of financial instruments on its risk profile, and how these risks might affect the organisation's performance and financial condition. As an NDPB funded by the DfES, the TDA can confirm that it is not exposed to any liquidity or interest rate risks. The TDA has no overseas operations and does not operate any foreign currency bank accounts; as such it is not subject to any foreign currency risks.

## 2. Income

### a) Grant income

The following note shows grant-in-aid received by the TDA from the DfES in the period to 31 March 2006, compared with that received in the year ended 31 March 2005.

	2005-06		2004-05	
	Grant received £ '000	Allocation of grant £ '000	Grant received £ '000	Allocation of grant £ '000
Programme expenditure	648,425	648,425	550,967	550,967
DfES approved virement	-	(137)	-	(102)
	<u>648,425</u>	<u>648,288</u>	<u>550,967</u>	<u>550,865</u>
Administration costs	19,084	19,084	14,621	14,621
DfES approved virement	-	137	-	102
Transferred to deferred grant re capital acquisitions	-	(597)	-	(707)
	<u>19,084</u>	<u>18,624</u>	<u>14,621</u>	<u>14,016</u>
Total of receipts from DfES grant-in-aid	<u>667,509</u>	<u>666,912</u>	<u>565,588</u>	<u>564,881</u>

**Grant-in-aid:** The board of the TDA confirms that government grants received from the DfES have been used only for their approved purposes.

Note 18 to the accounts analyses how grant-in-aid was spent during 2005-06 and 2004-05.

### b) Income other than grant-in-aid

	2005-06		2004-05	
	£ '000	£ '000	£ '000	£ '000
<b>SCITT access funds</b>		-		117
<b>Income from the National Assembly for Wales</b>				
Reimbursement of cost		853		1,207
<b>Other operating income</b>				
NCSL	769		-	
EU conference income	-		40	
Her Majesty's Revenue and Customs* (HMRC)	431		-	
SEN	414		-	
Miscellaneous income	24	1,638	-	40
Total		<u>2,491</u>		<u>1,364</u>

\* For the period 2000-01 to 2004-05, the TDA paid employer NIC in respect of its programme contractors. Following discussion with HMRC, contractors are now treated as self-employed. HMRC's refund of the NIC previously paid has been recorded here.

Access funds for SCITTs formerly received from HEFCE are now included within DfES grant-in-aid.

### 3. Analysis of full cost expenditure on current programmes

	2005–06		2004–05	
	£ '000	£ '000	£ '000	£ '000
<b>Grants paid</b>				
<b>ITT current</b>				
Mainstream funding	239,041		216,610	
Training bursaries	149,236		142,004	
Secondary subject shortage scheme	4,482		6,281	
Golden hellos	29,239		-	
New providers/start-up	229		288	
Access funds	111		117	
Supplementary partnership	-		854	
Student associates scheme	12,764		8,658	
Aimhigher	1,585		1,646	
		436,687		376,458
<b>Other</b>				
Regional partnership	3,604		5,768	
School workforce advisers	8,489		-	
Professional postgraduate development/INSET	15,611		14,479	
Continuing professional development (including SEN)	1,788		545	
Induction	192		531	
ITT support and development	4,965		5,908	
Special project fund	428		244	
ITT quality	6,730		7,438	
Higher level teaching assistants	12,960		9,253	
Support staff training	8,099		-	
Employment-based routes	86,235		92,940	
Flexible postgraduate course fees	3,023		2,586	
ICT support	1,759		954	
Taster courses	794		619	
NRT programme	20,354		-	
		175,031		141,265
		611,718		517,723
<b>Research</b>		2,693		1,152
<b>Provision of information and advice</b>				
Recruitment measures	18,730		20,617	
Publicity	13,633		12,663	
		32,363		33,280
<b>Total</b>		<u>646,774</u>		<u>552,155</u>

We have reanalysed 2004–05 figures to show the full amount of research and taster courses cost. Consequently the following areas of expenditure have been restated: induction £531k (£564k), ITT support and development £5.908m (£7.026m), and employment-based routes £92.94m (£93.56m).

#### 4. Notional costs

##### Cost of capital

The cost of capital has been calculated at 3.5 per cent of the total average capital employed, which excludes non-interest-bearing bank balances. The cost in 2005–06 is (£52k) (2004–05: £32k).

#### 5. Other administration costs

	2005–06 £ '000	2004–05 £ '000
Board and sub-committee members emoluments	32	16
Travel, subsistence and hospitality:		
Chairman, chief executive and board	42	21
Employees	51	24
Staff training and fees	456	401
General administrative expenditure	1,476	538
Recruitment	551	424
SLA information systems and payroll	113	114
Charges for operating leases	3,361	2,569
Consumables	474	202
NRT transformation	294	-
Consultancy costs	140	257
Auditors remuneration*	27	23
Increase in bad and doubtful debt provision	-	54
Bank charges	5	4
Total	<u>7,022</u>	<u>4,647</u>

Consultancy costs exclude those of parties employed to work on specific programmes. These costs are charged to the relevant programme and are included in the breakdown shown in note 3 to the accounts. All consultants have contracts for services and not contracts of employment with the TDA.

\* The external auditors received no remuneration for non-audit services during the year.

#### 6. Staff

##### a) Total costs of staff

The total costs of staff (including the chief executive) employed by and seconded to the TDA and agency temporary staff in the period to 31 March 2006 were:

	2005–06 £ '000	2004–05 £ '000
Staff salaries	10,379	7,719
Cost of temporary staff	1,433	393
Social security	913	659
Superannuation	1,934	1,020
Total	<u>14,659</u>	<u>9,791</u>

## b) Average number of employees

The average number of permanent, seconded and agency temporary staff employed during the year was:

	2005–06 Numbers	2004–05 Numbers
Directors and senior managers	8	8
Communications and marketing	15	19
ITT	95	68
Secretariat	2	6
Teachers	21	35
Teacher training strategy	17	43
Corporate services	62	58
Wider school workforce	29	4
Field and web	16	-
National Remodelling Team	14	-
Temporary staff	30	16
Total	<u>309</u>	<u>257</u>

The totals are influenced by variations in the number of consultants, in addition to variations resulting from changes in priorities and functions.

## c) Pension arrangements for staff

The PCSPS is an unfunded multi-employer defined benefit scheme, but the TDA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2005–06, employers' contributions of £1.918m were payable to the PCSPS (2004–05: £1.016m) at one of four rates in the range of 16.2 per cent to 24.6 per cent of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and the contribution rates which were revised for 2005–06 will be revised further in 2006–07. With effect from 1 April 2006 the employers' contribution rates will increase to 17.1 per cent for superannuable salaries of up to £18.5k per annum and 25.5 per cent for salaries of £65k and over. The contribution rates reflect benefits as they accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

There are three PCSPS schemes: classic, classic plus and premium, providing benefits on a final salary basis at a normal retirement age of 60. Benefits accrue at a rate of 1/80th (classic) or 1/60th (classic plus and premium) of pensionable pay for each year of pensionable service. A lump sum equivalent to three years' pension can be payable on retirement, either automatically (classic), or in return for a reduction in annual pension (classic plus and premium).

Members of PCSPS pay contributions of 1.5 per cent (classic) or 3.5 per cent (classic plus and premium) of pensionable earnings. Pensions increase in payment in line with the retail price index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay (classic) or three times pensionable pay (classic plus and premium) and also provides a service enhancement on computing the spouse's pension. Medical retirement is possible in the event of serious ill health. In this case, the pension is brought into payment immediately without actuarial deduction and with service enhanced as for widow(er) pensions.

Employees can opt to open a partnership pension account, a stakeholder pension with employers' contributions. Employers' contributions of £15,404 (2004–05: £3,517) were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from three per cent to 12.5 per cent of pensionable pay. Employers also match employee contributions up to three per cent of pensionable pay.

In addition, employer contributions of £1,047 (2004–05: £239), 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

There were no contributions due or contributions prepaid to the partnership pension providers at the balance sheet date.

## 7. Intangible fixed assets

	31 March 2006 £ '000	31 March 2005 £ '000
<b>Cost or valuation</b>		
Balance as 1 April 2005	286	-
Additions/(disposals) for the year	52	286
Surplus/(loss) on revaluation - to income and expenditure	(55)	-
<b>At 31 March 2006</b>	<b><u>283</u></b>	<b><u>286</u></b>
<b>Amortisation</b>		
Balance as at 1 April 2005	(15)	-
Charge for the year 2005–06	(97)	(15)
Surplus/(loss) on revaluation - to income and expenditure	19	-
<b>At 31 March 2006</b>	<b><u>(93)</u></b>	<b><u>(15)</u></b>
<b>Net book value at 31 March</b>	<b><u>190</u></b>	<b><u>271</u></b>

## 8. Tangible fixed assets

The cost or valuation and depreciation of all TDA assets is:

	Refurbishment of building £'000	IT assets £'000	Office equipment and furniture £'000	Total £'000
<b>Cost or valuation</b>				
At 1 April 2005	4,063	827	460	5,350
Additions/(disposals) for the year	8	537	-	545
Surplus/(loss) on revaluation				
- to income and expenditure	-	(139)	-	(139)
- to revaluation reserves	43	-	1	44
<b>At 31 March 2006</b>	<b><u>4,114</u></b>	<b><u>1,225</u></b>	<b><u>461</u></b>	<b><u>5,800</u></b>

## Depreciation

At 1 April 2005	(2,652)	(479)	(409)	(3,540)
Charge for year 2005–06	(750)	(269)	(17)	(1,036)
Surplus/(loss) on revaluation				
- to income and expenditure	-	102	-	102
- to revaluation reserves	(53)	-	-	(53)
<b>At 31 March 2006</b>	<b>(3,455)</b>	<b>(646)</b>	<b>(426)</b>	<b>(4,527)</b>
<b>Net book value at 31 March 2006</b>	<b>659</b>	<b>579</b>	<b>35</b>	<b>1,273</b>
Net book value at 1 April 2005	1,411	348	51	1,810

## 9. Debtors: amounts falling due within one year

	31 March 2006	31 March 2005
	£ '000	£ '000
Trade debtors	374	62
Other debtors	435	73
Loans to staff	94	61
Prepayments and accrued income	801	984
<b>Total</b>	<b>1,704</b>	<b>1,180</b>

## 10. Debtors with other government bodies

	31 March 2006	31 March 2005
	£ '000	£ '000
Other central government bodies	445	396
Local authorities	695	334
Balance with other government bodies	1,140	730
Balance with non-government bodies	564	450
<b>Total</b>	<b>1,704</b>	<b>1,180</b>

## 11. Cash balances

Details of balances at year-end:

	31 March 2006	31 March 2005
	£ '000	£ '000
Cash held in paymaster account		
- in respect of programme costs	4,600	873
- in respect of administration costs	695	145
<b>Total</b>	<b>5,295</b>	<b>1,018</b>

The grant-in-aid awarded to the TDA is based on the overall resource consumption and capital expenditure, and not cash requirements. Refer to note 18 to the accounts.

## 12. Creditors: amounts falling due within one year

	31 March 2006	31 March 2005
	£ '000	£ '000
Trade creditors	3,462	669
Other creditors	8	42
Taxation and social security	-	72
Accruals	3,146	1,980
	<u>6,616</u>	<u>2,763</u>

## 13. Creditors with other government bodies

	31 March 2006	31 March 2005
	£ '000	£ '000
Other central government bodies	104	97
Local authorities	372	387
Public corporations and trading funds	-	29
Balance with other government bodies	476	513
Balance with non-government bodies	6,140	2,250
	<u>6,616</u>	<u>2,763</u>

## 14. Leases and hire purchase obligations

At 31 March 2006, the TDA had the following commitments under non-cancellable operating leases as set out below:

	31 March 2006	31 March 2005
	£ '000	£ '000
<b>Land and buildings:</b>		
Operating leases which expire:		
- within one year	301	-
- within two to five years	4,964	2,702
<b>Other operating leases:</b>		
Within one year	-	-
Within two to five years	365	365

Other operating leases (within two to five years) have been restated to £365k (£142k) to reflect variable consumable usage charges.

## 15. Deferred government grant reserve

	31 March 2006	31 March 2005
	£ '000	£ '000
Balance brought forward	2,081	2,431
Allocated from grant-in-aid	597	707
Revaluation increase:		
- on cost or revaluation of tangible assets	44	112
- on depreciation of tangible assets	(53)	(78)
Transfer to I&E depreciation and amortisation	-	78
Transfer to I&E account income	(1,206)	(1,169)
<b>Reserves carried forward at 31 March</b>	<u>1,463</u>	<u>2,081</u>

## 16. Reserves: reconciliation in movement of government funds

	31 March 2006 £ '000	31 March 2005 £ '000
Balance brought forward	(565)	(217)
Retained surplus/(deficit) for the year	948	(348)
<b>Reserves carried forward at 31 March</b>	<b><u>383</u></b>	<b><u>(565)</u></b>

## 17. Commitments at end of the period

### Capital

As at 31 March 2006, the TDA had £75k capital commitments relating to the cost of phase 2 of the new finance system implementation project. Commitments under operating leases are set out in note 14 to the accounts.

### Financial

Current ITT and INSET funding for institutions is approved on an academic year basis – 1 August to 31 July. The figures as at 31 March 2006 cover the TDA's known commitment in respect of the academic years 2005/06 and 2006/07, ending on 31 July 2006 and to 31 July 2007 respectively.

	31 March 2006 £ '000	31 March 2005 £ '000
The amount of grant committed for the period is:		
- academic year 2005/06	354,123	348,136
- academic year 2006/07 (INSET only)	18,120	21,000

The grant committed figures for 2004–05 have been restated to £348.136m (£260.823m), to reflect commitments relating to EBR grant.

## 18. Grants paid to the TDA compared with grants paid to institutions and other bodies

The TDA's grant received from the DfES of £667.509m has been analysed between £666.912m for operating activities and £597k achieved for financing activities.

	1 April 2005 balance b/f (note 11) £'000	Grant received (note 2a) £'000	Other cash paid out £'000	Cash grant received £'000	31 March 2006 balance c/f (note 11) £'000
Programme costs	873	648,288	294	(644,855)	4,600
Administration costs	145	18,624	2,135	(20,209)	695
Sub-total	<u>1,018</u>	<u>666,912</u>	<u>2,429</u>	<u>(665,064)</u>	<u>5,295</u>
Deferred government grant	-	597	-	(597)	-
<b>Total</b>	<b><u>1,018</u></b>	<b><u>667,509</u></b>	<b><u>2,429</u></b>	<b><u>(665,661)</u></b>	<b><u>5,295</u></b>

Comparative figures for the year ended 31 March 2005

	<b>1 April 2004 balance b/f (note 11)</b>	<b>Grant received (note 2a)</b>	<b>Other cash paid out</b>	<b>Cash grant received</b>	<b>31 March 2005 balance c/f (note 11)</b>
	£'000	£'000	£'000	£'000	£'000
Programme costs	1,106	550,865	117	(551,215)	873
Administration costs	(192)	14,016	851	(14,530)	145
Sub-total	914	564,881	968	(565,745)	1,018
Deferred government grant	-	707	-	(707)	-
<b>Total</b>	<b>914</b>	<b>565,588</b>	<b>968</b>	<b>(566,452)</b>	<b>1,018</b>

## 19. Audited accounts for ITT providers

Included in these accounts are grants to providers of initial teacher training, and these are subject to verification by those institutions' external auditors that they have been used for their approved purposes. The financial year of these institutions ends on 31 July each year. The TDA requires higher education institutions to provide it with audited accounts by the end of December following the end of each year, and requires other providers of ITT to supply audited accounts by the end of November following the end of the academic year.

### Audit of institution accounts for the academic year 2004/05

For the academic year ending 31 July 2005, the TDA has received audited accounts from 77 of the 77 higher education ITT providers and 57 of the 58 other ITT providers which are required to submit accounts.

## 20. Related party transactions

The DfES is regarded as a related party. During the year, the TDA has had various material transactions with the Department, and with other entities for which the DfES is regarded as the parent department, via the HEFCE and the NCSL.

In addition, the TDA has had a small number of material transactions with other government departments and other central government bodies. Most of these transactions have been with the National Assembly for Wales.

During the year, the TDA entered into the following transactions with the following related parties:

Funding allocation to the University of Warwick, whose vice chancellor was Professor Sir Brian Follett to August 2001, chair of the TDA board from September 2003. Total TDA funding to the University of Warwick during the year amounted to £6.891m (2004–05: £5.371m).

Funding allocations to the University of Oxford, whose honorary professor of zoology is Professor Sir Brian Follett. Total TDA funding to University of Oxford during the year amounted to £2.026m (2004–05: £2.166m).

Funding allocations to Leicester City Council, whose former director of education is Steven Andrews, TDA board member from October 2003. Total TDA funding to Leicester City Council during the year amounted to £444k (2004–05: £82k).

Funding and allocations to the University of Southampton, whose deputy head of school and head of research at the School of Education is Professor Jill Bourne, TDA board member from October 2003. Total TDA funding to the University of Southampton during the year amounted to £6.283m (2004–05: £4.907m).

Funding allocations to Edge Hill College of Higher Education, whose director and chief executive is Dr John Cater, TDA board member to 28 February 2006. Total TDA funding to Edge Hill College of Higher Education during the year amounted to £18.986m (2004–05: £14.667m).

Funding allocations to the Institute of Education, University of London, whose deputy director is Professor Barbara MacGilchrist, TDA board member. Total TDA funding to the University of London during the year amounted to £14.684m (2004–05: £11.423m).

Funding allocations to the University of Exeter, whose former professor of leadership and school effectiveness was Professor David Reynolds, TDA board member to 28 February 2006. Total TDA funding to the University of Exeter during the year amounted to £9.238m (2004–05: £6.136m).

Funding allocations to the University of Plymouth, whose professor of history is Professor David Reynolds, TDA board member to 28 February 2006. Total TDA funding to the University of Plymouth during the year amounted to £5.347m.

Funding allocations to University College Worcester, whose vice chancellor and chief executive is Professor David Green, TDA board member from February 2006. Total TDA funding to University College Worcester during the year amounted to £7.296m.

None of the key managerial staff or other related parties has undertaken any material transactions with the TDA during the year.

## Glossary

ACME	advisory committee on mathematics education
BETT	British Educational Training and Technology
CETV	cash equivalent transfer value
CILT	the National Centre for Languages
CLG	corporate leadership group
COI	Central Office of Information
CPD	continuing professional development
CSG	corporate services group
CWDC	Children's Workforce Development Council
D&T	design and technology
DfES	Department for Education and Skills
DRB	designated recommending body
DTI	Department of Trade and Industry
EBR	employment-based routes
ESRA	extended schools remodelling adviser
ESRC	extended schools remodelling consultant
FReM	Government financial reporting manual
FTE	full-time equivalent
GTCE	General Teaching Council for England
HEFCE	Higher Education Funding Council for England
HEI	higher education institution
HLTA	higher level teaching assistant
HM Treasury	Her Majesty's Treasury
HMRC	Her Majesty's Revenue and Customs
I&E	income and expenditure
ICT	information and communication technology
iIP	Investors in People
INSET	in-service education and training
ITT	initial teacher training
LSC	Learning and Skills Council
NAO	National Audit Office
NCSL	National College for School Leadership
NDPB	non-departmental public body
NQT	newly qualified teacher
NRT	National Remodelling Team
Ofsted	Office for Standards in Education
OGC	Office of Government Commerce
PCSPS	principal civil service pension scheme
PLA	provider link adviser
PGCE	postgraduate certificate in education
PPD	postgraduate professional development
PPM	project and programme management
PRU	pupil referral unit
QTS	qualified teacher status
RCA	regional careers adviser
RE	religious education
RIG	rewards and incentives sub-group
RM	recruitment manager
RTT	returning to teach
SAS	student associates scheme

SCITT	school-centred initial teacher training
SDAP	sustainable development action plan
SEN	special educational needs
SLA	service level agreement
SWA	school workforce adviser
SWDB	school workforce development board
TDA	Training and Development Agency for Schools
TIL	teaching information line
TTA	Teacher Training Agency
UK GAAP	UK generally accepted accounting practices for companies
WAMG	workforce agreement monitoring group

## **Board members responsible for approving the 2005–06 annual report and accounts**

Sir Brian Follett  
Graham Holley  
Christopher Baker  
Brenda Bigland  
Professor Jill Bourne  
Andrew Buck  
Professor David Green  
Barbara MacGilchrist  
Joan Munro  
Victoria Nye  
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See page 9 for more information.

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Training and Development Agency for Schools  
5th Floor  
151 Buckingham Palace Road  
LONDON  
SW1W 9SZ

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