

# Annual report and accounts 2008–09

*developing people  
improving young lives*



*developing people, improving young lives*

# The Training and Development Agency for Schools

## Annual report and accounts as at 31 March 2009

Annual Report presented to Parliament in pursuance of paragraph 17(3) of Schedule 13 to the Education Act 2005 and Accounts presented to Parliament on behalf of the Comptroller and Auditor General in pursuance of paragraph 18 of Schedule 13 to the Education Act 2005.

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# Annual report and accounts 2008–09

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# Introduction

A year ago, the Children's Plan set out the Government's commitment to making England the best place in the world for children and young people to grow up. The 'One Year On' report sets out the progress that has been made in 2008 towards achieving the ambitions identified in the Children's Plan. These ambitions place schools at the centre of the delivery of world-class children's services, and the progress report shows how critical schools are to ensuring children achieve their full potential and more and more young people stay on the path to a successful life.

The Training and Development Agency for Schools (TDA)'s development of an effective school workforce has played a critical role in achieving these ambitions and in making the first year of the Children's Plan a success.



The Children's Plan introduced a quiet revolution in provision for children and the TDA has played a critical role in helping schools respond to these changes. We have kept the quality of initial teacher training (ITT) at an all-time high, while for the first time exceeding our recruitment targets in science, and increasing the proportion of physics and chemistry specialists coming into the profession. Responding to the economic downturn, we are seeking to provide routes into teaching for people with maths and science experience leaving the financial, engineering, and other sectors.

Developing the whole school workforce remains a high priority, and we are equipping teachers with the skills they need to teach early reading effectively, and to work with pupils with special educational needs (SEN) and disabilities. We are committed to achieving the Government's ambition of transforming teaching into a masters level profession and are working towards the rollout of the Masters in Teaching and Learning (MTL) to all schools in the North West, as well as all national challenge schools, from 2010. This qualification is one of the most significant developments for the teaching workforce in recent years and we now have the framework in place for its content, design, delivery methods and assessment strategies. We have continued to support and develop other roles, with 1,500 newly qualified school business managers (SBMs) and over 5,000 new higher level teaching assistants (HLTAs) joining the school workforce this year.

The implementation of the Children's Plan has resulted in a new and wider role for schools and we aim to help them to be proficient in managing the process of change required to realise its benefits.

It is our aim that all children should have access to a range of extended services in and around their school. This year, we helped increase the number of schools providing the full core offer of extended services to over 16,000 and piloted a subsidy to enable economically disadvantaged children greater access to these out-of-school activities. We have continued to work with social partners and others to ensure our work on implementing the national agreement and the provision of performance management and support staff entitlements is sustainable. We have taken on responsibility for building capability and capacity at a local level for resolving issues of non-compliance with the national agreement, and have launched a reporting system that has already resolved over 60 cases of non-compliance.

Workforce modernisation also means creating the conditions that will encourage the school workforce to work closely with the other professionals who provide extended children's services. We ensure that the key outcomes of the Every Child Matters (ECM) agenda – helping all children and young people to stay safe, be healthy, enjoy and achieve, make a positive contribution to society, and achieve economic well-being – are embedded in all our work and are reflected in the outcomes we seek to achieve.

We know that our delivery support to local authorities (LAs) and government offices (GOs) is valued and highly

regarded, and we have developed an improved process to test that grants paid to LAs are delivering value for money (VfM). Our core TDA grants have been brought together to develop a coherent, consistent and robust method to measure LA performance. In addition, we have been looking at further ways to improve the way we work through our field force. Our new single delivery system helps our field agents work together more effectively and joins up our internal processes to support both policy development and effective delivery.

Within our organisation we have been preparing for our own period of change, with planning for our relocation to Manchester well under way. We are committed to maintaining the high standard of service and support we provide to our stakeholders during this relocation and have undertaken a series of projects to ensure our front-line delivery is supported by efficient and cost-effective services which are flexible and make the best use of technological advances.

Our relocation has created a unique opportunity to review our delivery infrastructure, and we have developed new central processes that create a coherent single delivery system that brings together our field forces and strengthens our business planning and project management processes.

Looking to the future we are committed to working closely with Government, other agencies, LAs and schools to drive forward workforce development and reform. With our experience, track record and commitment, the TDA can help schools meet the challenges ahead and help make England the best place in the world for children and young people to grow up.



A handwritten signature in black ink that reads "Graham Holley".

**Graham Holley**  
Chief Executive and  
Accounting Officer

24 June 2009



A handwritten signature in black ink that reads "Brian K. Follett".

**Prof. Sir Brian Follett**  
Chair

24 June 2009

# The TDA's role and responsibilities

The TDA is an executive non-departmental public body (NDPB) of the Department for Children, Schools and Families (DCSF). Our principal aim is to secure an effective school workforce that raises educational standards, provides every child with the opportunity to develop his or her potential, and thereby improves children's life chances.

We have a leadership role to support and challenge the education sector to strengthen schools' ability to develop their workforce and manage change more generally.

Our Strategic Plan for 2008–13 introduced a strategic framework that describes our five-year approach to meeting Government priorities and achieving our vision. This strategic framework is built on three main aims that are the foundation for all our work. These aims identify our core goals for the school workforce.



# 1

## The supply of a high-quality teaching workforce

The supply of sufficient, well-trained teachers is critical to the quality of teaching and learning experienced by children and young people. We attract people with the right skills and motivation to join the teaching profession and provide those interested in teaching as a career with experience of the profession.

The ability of teachers to directly contribute to the achievement and well-being of children is a reflection of the training they receive. We therefore also focus on the quality of ITT, overseeing the funding and allocations process to continually improve quality.

# 2

## The development of the children's workforce in schools

The modern children's workforce in schools comprises a variety of roles. We are responsible for promoting the ongoing training and development of the entire school workforce. To ensure the workforce is well trained, developed and meets the needs of the 21st century school, we provide occupational and professional standards and qualifications frameworks, designed to improve the quality of teaching and learning and promote well-being. We also encourage professional development and performance management, and the linking of these two elements with standards and qualifications frameworks to continually develop the workforce.

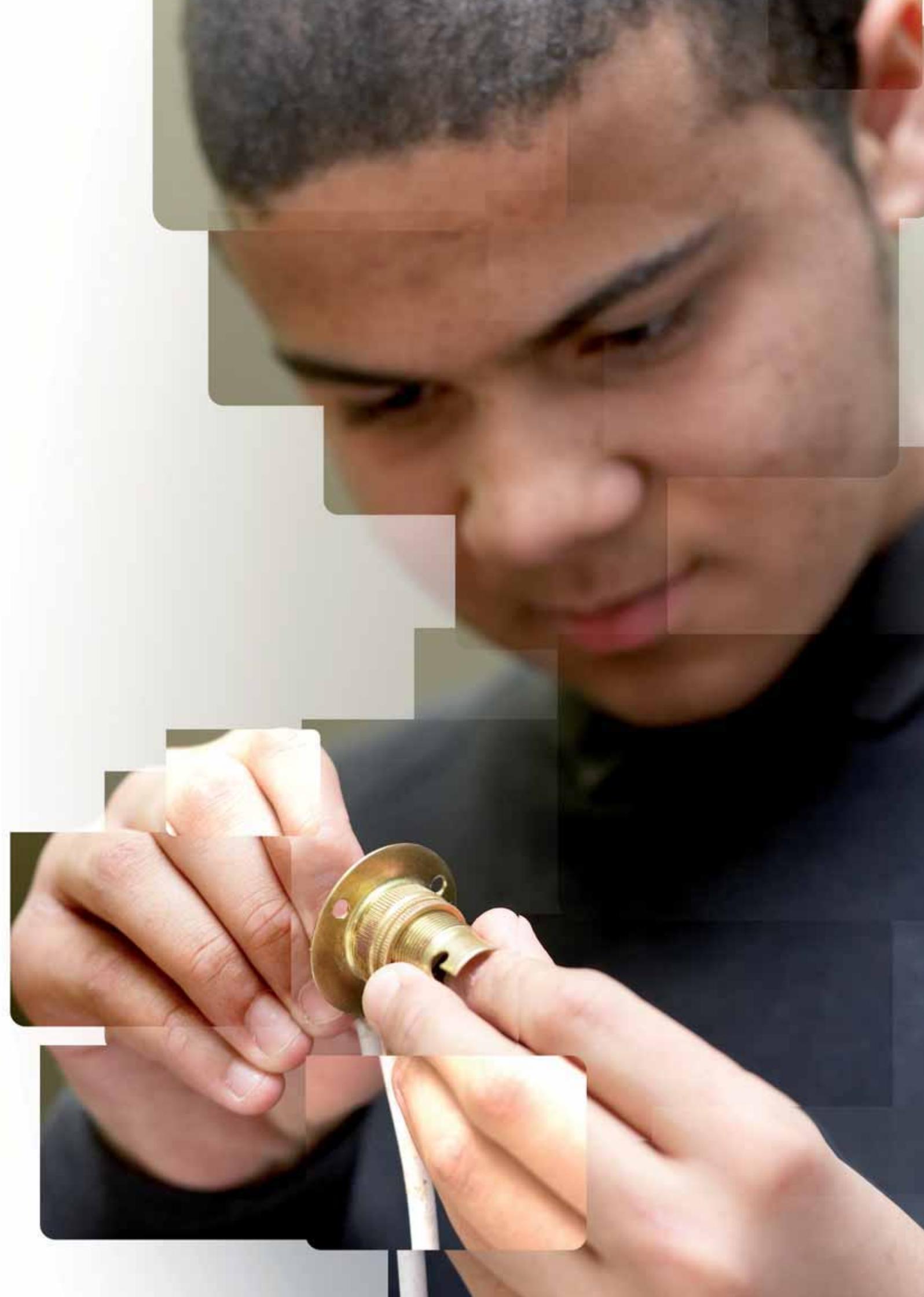
# 3

## Workforce reform

Our first two strategic aims typically focus on the individual, whereas our final aim, workforce reform, seeks to influence behaviour and working practice either at the level of the whole school, across clusters of schools, or in interactions between schools and other institutions or services. This aim is primarily concerned with the system reform necessary to develop an effective school workforce. We are particularly interested in embedding effective remodelling and deployment practices across all schools to ensure the different skills of a diverse workforce are effectively utilised. We also focus on introducing integrated working across schools to enable the workforce to work well with other services and promote achievement and well-being for all children.

We work closely with the DCSF, the National College for School Leadership (NCSL), the Children's Workforce Development Council (CWDC), the Department for Innovation, Universities and Skills (DIUS), and many other partners to deliver on these responsibilities.

The performance review section details our achievements in delivering these strategic aims.



# Performance review

## Benefit one

### The supply of a high-quality teaching workforce

High-quality teachers are essential to education. We help schools recruit sufficient high-quality teachers by promoting the teaching profession and the development and quality assurance of ITT.

## Overall teacher recruitment

This year we helped universities and other ITT providers to recruit and train over 38,000 trainees. This includes over 17,500 primary teachers and 20,000 secondary teachers. While declining pupil numbers have reduced the number of teachers the DCSF has asked us to recruit, this is the first year we have had a target that combined mainstream ITT with the Graduate Teacher and Registered Teacher Programmes (GTP and RTP).

We support a variety of routes into the profession, which account for different qualifications, experience, preferences or personal circumstances. These include mainstream postgraduate and undergraduate courses, which accounted for over 31,000 trainees, and nearly 7,000 trainees gained qualified teacher status (QTS) through the GTP and RTP.

In 2008–09, we provided £253m (2007–08 £257m) in funding for mainstream ITT and £149m (2007–08 £170m) was made available for training bursaries. A further £87m was provided to GTP and RTP employment-based routes (2007–08 £93m).

## Overall ITT recruitment



From 2008/09 the DCSF target includes GTP and RTP recruitment

## Priority subjects

Increasing the number of science, technology, engineering and maths (STEM) teachers is a very high priority for us. During 2008/09 we recruited 3,670 science and 2,489 maths teachers, an increase of two and three per cent respectively since last year. We have also increased the number of science trainees with a chemistry specialism from 796 to 840 – an increase of six per cent, and the number with a physics specialism from 526 to 540, an increase of three per cent. This moves us closer to the 2014 target of 25 per cent of science teachers having a physics specialism and 31 per cent having a chemistry specialism.

Dedicated recruitment schemes have contributed to our success in this area. Subject knowledge booster courses identified additional training needs and 'topped-up' the subject knowledge of 1,485 postgraduate trainees in priority subject areas.

Recruitment to the 2009/10 academic year looks to improve on this situation with buoyant application figures. The Graduate Teacher Training Registry has recorded an increase from 24 per cent to 32 per cent in the number of mathematics acceptances compared to last year, and an increase in science acceptances from 28 per cent to 37 per cent.

This year we launched the Transition to Teaching Programme to encourage companies to promote teaching as a career to their staff. So far, over 232 companies have signed up as supporters of the programme and 206 participants are currently being supported by the programme.



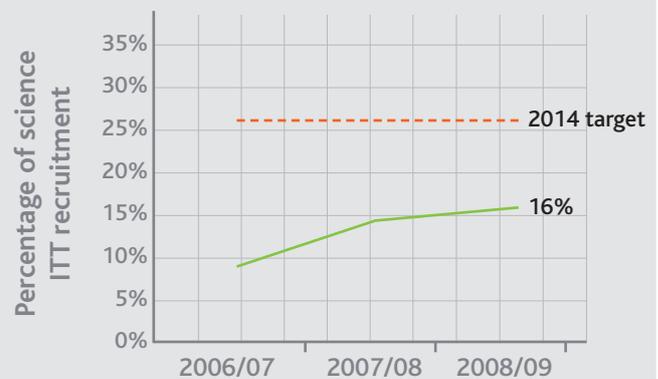
The pre-ITT enhancement courses in chemistry, physics and mathematics are winding down and have been superseded by the broader subject knowledge enhancement programmes. These have allowed the total number of places available in STEM subjects to increase significantly. This system brought all previous pre-ITT courses into a single process, reducing burdens and providing greater flexibility in delivery.

### Physics and chemistry specialisms have increased as a proportion of science ITT recruitment

#### Chemistry



#### Physics



## The Student Associates Scheme

The Student Associates Scheme trained and placed 7,800 students into schools for 15 days' structured classroom experience. Thirty seven per cent of placements were in maths, physics or chemistry (target 33 per cent) and 54 per cent were in STEM subjects. Ninety five per cent of students said they found their placement rewarding and enjoyable, and 58 per cent expected to progress to ITT after graduation.

New providers were recruited to the scheme for September 2008 which now operates through 55 centres mainly in universities, recruiting from over 130 higher education institutions (HEIs) in total.

## Encouraging diversity

We recognise how important it is for the teaching workforce to reflect the diversity of our society. We actively support ITT providers in their efforts to recruit trainees from different social, cultural, ethnic and linguistic backgrounds. We also provide guidance, support and targeted advice to members of under-represented groups considering careers in teaching. This year we increased the proportion of new trainees from minority ethnic backgrounds to 12 per cent (2007/08 11.8 per cent) and maintained the share of new trainees with a declared disability at over five per cent. We also maintained the proportion of male new entrants to mainstream primary programmes at nearly 15 per cent, progress we aim to improve on in future years.

We are working with the Refugee Council on the Refugees into Teaching project. This offers information, advice and guidance to refugees who want to qualify as teachers in the UK. The project helps refugee teachers get jobs in schools that can lead to them gaining QTS.

## The quality of initial teacher training

The overall quality of ITT provision has remained very high with 97 per cent of training places allocated to ITT providers being rated as 'excellent' or 'good' by the Office for Standards in Education, Children's Services and Skills (Ofsted).

We continued to help providers improve the quality of their training further. As a result, a total of 32 providers were upgraded by Ofsted from category 'B' (good) to category 'A' (excellent). This means 31 per cent of primary and 32 per cent of secondary providers are now rated as category 'A', significantly exceeding our target of 20 per cent.

With the introduction of the new inspection framework for ITT, we continued our work with Ofsted to refine support for providers. In particular, we produced self-evaluation guidance to help them evaluate their provision in preparation for the new inspection framework.

**The number of ITT providers rated as being in quality category 'A' has increased, while the number in categories 'B' and 'C' has decreased.**



## Standards in initial teacher training

Following consultation with a wide range of stakeholders, we published revised Requirements for ITT in September 2008, containing two new statutory requirements. The new requirements aim to strengthen safeguarding procedures, contributing to the protection and well-being of children and young people. In January 2009 we began to publish case-studies exemplifying the QTS standards and ITT requirements, and in March 2009 we published a hard-copy version of the guidance accompanying the standards and requirements. This is helping to raise the quality of training.

## Return to Teaching Programme course recruitment

Some 10,000 qualified teachers return to the profession each year. The Return to Teaching Programme offers advice and supports them, and this year exceeded by 16 per cent its annual target of recruiting 1,600 former teachers on to returners' courses.

### Teach First

This year we have supported and made funding available to over 370 graduates from top universities who have entered the Teach First Programme. Trainees will spend at least two years working in challenging secondary schools in London, the North West or the Midlands. These high-flying graduates will qualify as teachers while completing leadership training, coaching, networking, and work experience with leading employers.

Teach First will expand into Yorkshire and the Humber in 2009/10, increasing its yearly recruitment target to 850 by 2012.





## Teaching early reading

We have made good progress in implementing the recommendations of the Rose Review into the teaching of early reading. The 2008 newly qualified teacher (NQT) survey showed a five per cent increase in the number of NQTs rating their training as 'good' or 'very good' at preparing them to teach reading, including phonics.

Increasing the quality of the teaching of early reading further is a priority. To this end we have been holding termly events to help ITT providers improve the quality of their provision and are working with Ofsted to provide individual support for any that are significantly below average.

This year we also launched the Leading Literacy Schools Programme, designed to ensure all trainees have access to effective teachers and practitioners of early reading. These schools offer a range of support, best practice, and additional experience to primary trainees. So far 684 schools have been nominated by ITT providers as being exemplars of effective practice in this area.

In November, Sir Jim Rose highlighted our successful collaborative working in a letter to the Secretary of State, saying that: "The TDA and the National Strategies have worked well with training providers to strengthen the initial training of teachers in respect of reading."

## Schools facing challenging circumstances

The Government white paper 'New Opportunities – Fair Chances for the Future' outlines its plans to recruit and retain the most effective teachers in the most challenging secondary schools. Currently, a disproportionately low number of NQTs entering these schools have been trained by the highest quality providers. In response to this we have extended our recruitment and retention challenge grant to category 'A' providers to encourage the placement of trainees in challenging schools, and to provide the support necessary to trainees in these environments. The grant provides additional funding to allow providers to pilot initiatives which focus on increasing the number of trainees undertaking a placement in schools facing challenging circumstances.

## Reducing burdens on ITT providers

The TDA is one of 16 signatories to the Higher Education Regulation Review Group (HERRG) concordat on reducing regulatory burdens on the higher education sector. Working in partnership with Ofsted, we have agreed progressively more targeted inspection requirements while ensuring that the quality of ITT provision is continually improved, not merely maintained.

These revised arrangements helped Ofsted reduce the overall time it spends on inspections by 40 per cent, which consequently reduced ITT providers' time commitments. These savings were achieved by concentrating resources on the institutions that need the most support and guidance, while taking a lighter approach to those that consistently deliver to the highest standards. Today, Ofsted spends barely a third of the time inspecting ITT providers that it did five years ago. And providers now have more time and resources to deliver higher-quality training.

Where possible, we also combine or eliminate data collections, saving hundreds of hours' work for ITT providers. We work with the Higher Education Funding Council for England (HEFCE) and the General Teaching Council for England (GTCE) to ensure that data collected by one organisation can be used by another where relevant. This practice has dramatically reduced the amount of financial information that the TDA now collects from HEIs.



## Quality of initial teacher training – trainees' views

Each academic year we ask NQTs about their perceptions of their training.

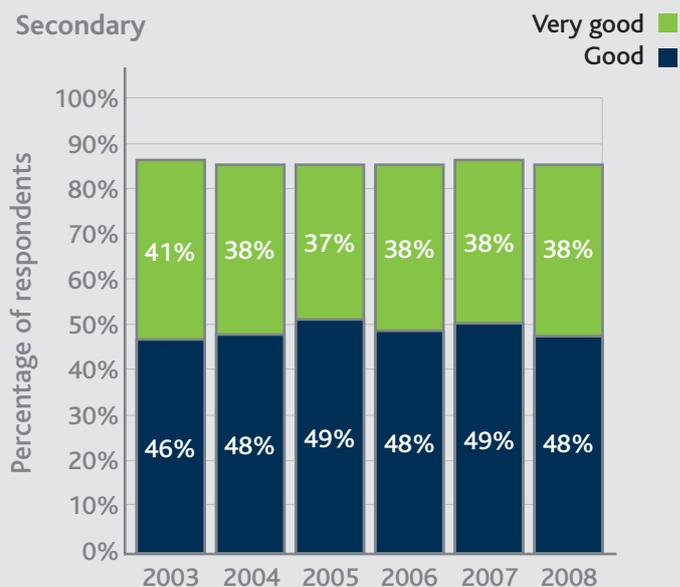
Satisfaction remains very high, with 85 per cent of primary and 86 per cent of secondary NQTs rating the overall quality of their training as good or very good. Primary NQTs also feel more confident about teaching reading using phonics, with a five per cent increase in the number rating their training in this area as good or very good.

### NQT perceptions of their training

#### Primary



#### Secondary



# Performance review

## Benefit two

### The development of the children's workforce in schools

We aim to embed sustained training and continuing professional development (CPD) practice in all schools. We do this so schools can identify the highest quality, most appropriate training and development for their whole school workforce.

### The Masters in Teaching and Learning

We have made significant steps towards fulfilling the Government's ambition to transform teaching into a masters level profession. MTL providers – consortia of schools and HEIs working collaboratively – have been commissioned and began development work to deliver the MTL Programme. This new professional qualification for teachers will deliver a practice-based programme that builds progressively on ITT and induction to develop teachers' practice and professional knowledge, skills and understanding through enquiry and the use of evidence.

The national framework for MTL has been developed by the TDA working with the DCSF, social partners and colleagues from schools, HEIs, LAs and other stakeholders. The framework provides the principles on which MTL providers will develop a programme for teachers that will fulfil the vision of the MTL.

It will establish national consistency and take into account the professional standards for teachers and masters level requirements.

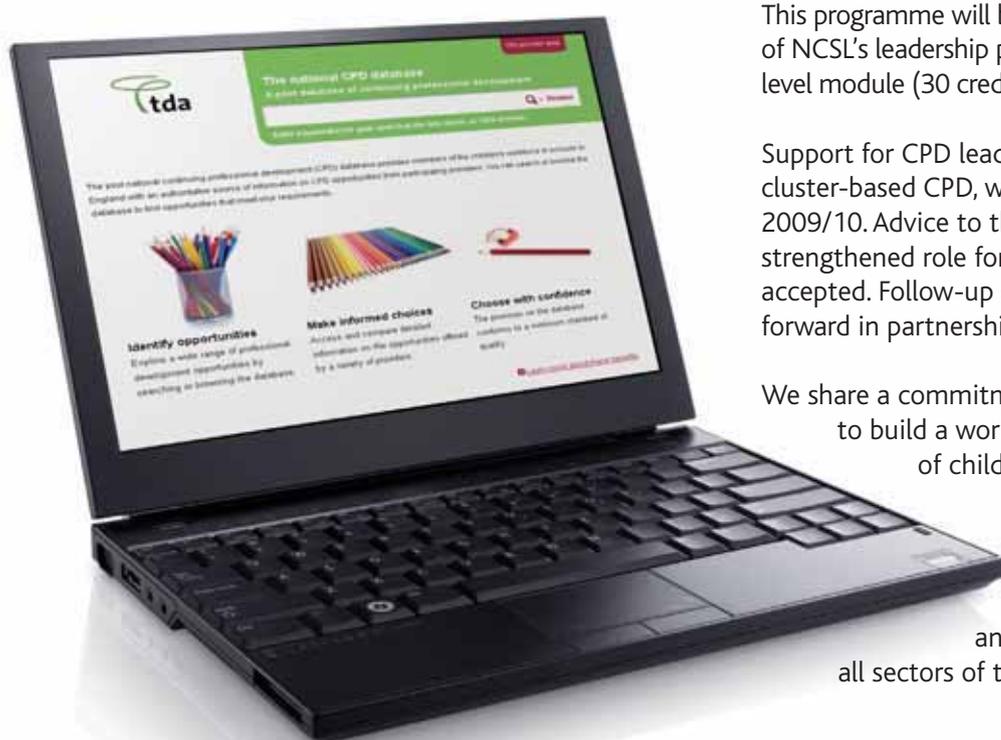
### Professional development of the children's workforce in schools

We have aligned and developed our strategies for teachers' CPD and the wider workforce to produce a strategy for the children's workforce in schools. Three priorities have been identified to underpin our work: embed a learning culture, develop coherence and collaboration, and improve quality and capacity. We have continued to provide support for LAs and schools to develop and strengthen their strategic leadership of CPD. Over 300 trainer days have been used to run the Embedding the Links (between CPD, performance management and school improvement) Programme. We have also developed a training and development programme for CPD leaders in partnership with NCSL. This programme will be available as an online unit, as part of NCSL's leadership pathways, through LAs or as a masters level module (30 credits) from September.

Support for CPD leadership has also stimulated cluster-based CPD, work we intend to build on in 2009/10. Advice to the DCSF, setting out a new and strengthened role for training schools, has been accepted. Follow-up development work is being taken forward in partnership with NCSL.

We share a commitment with the CWDC and the NCSL to build a workforce that can transform the lives of children and young people.

This year, we have worked with both organisations to develop integrated working practices and develop skills and expertise across all sectors of the children's workforce in schools.



## Database of CPD provision

We launched a pilot of an online database to help tackle the barriers to effective CPD in schools. The database is the first of its kind in England and will provide a single source of information to schools on professional development provision across the country. It will also provide data on the level and types of CPD offered nationally, enabling us to identify, and respond to, areas where provision is in demand or short supply. By the end of March 2009 we saw a high level of initial interest with over 130,000 page views of which 72 per cent were from unique visitors. Four hundred and eighty CPD providers have now signed up to the database and are offering 2,300 different CPD opportunities.

## The 14–19 diplomas

As part of the TDA's support for the Government's 14–19 reforms, we have developed a three-stranded strategy for incorporating diplomas into initial teacher training. The three strands are as outlined below, together with numbers allocated against each strand.

### Strand

# 1

#### The core offer for all secondary trainee teachers training to teach at key stage 4 or post-16

All secondary trainee teachers training to teach at key stage 4 or post-16 are required to demonstrate an appropriate level and range of knowledge and understanding of the new 14–19 diplomas in order to meet all of the standards for the award of qualified teacher status (QTS).

### Strand

# 2

#### The additional 14–19 diploma experience offer for some secondary trainee teachers

For 2008/09 and 2009/10, the TDA will provide some secondary providers with the opportunity to offer an additional 14–19 diploma experience to some of the secondary trainee teachers they are training to teach at key stage 4 and/or post-16. This additional 14–19 diploma experience goes beyond the core offer. In 2008/09 1,000 strand two places were allocated for the first five diploma lines. The overall allocation for 2009/10 has been increased by a further 1,450 places, bringing the total number of strand two places available for 2009/10 to 2,450 across the first 10 diploma lines.

### Strand

# 3

#### The 14–19 diploma specialist trainee teacher offer

From 2008/09, the TDA has allocated to existing secondary providers 56 14–19 diploma specific secondary ITT places. These numbers will increase to 157 in 2009/10 and 148 in 2010/11. As well as allocating new and additional 14–19 diploma specific places, the TDA is requiring secondary providers allocated places in existing secondary vocational subjects to convert these places into 14–19 diploma specific places from 2009/10 onwards.

An evaluation of strands one and two is due to be carried out by the Agency during the summer and autumn terms of 2009. The outcomes from this will help to determine the future direction of initial teacher training for the 14–19 age phase.

## Special educational needs

The Children's Plan includes a commitment to improve the quality of teaching for children with SEN and reduce the gap between their achievement and that of their peers. This commitment was reaffirmed with the publication of the Children's Plan One Year On in 2009. The TDA's SEN and Disability Programme plays a significant role in realising that commitment.

The overarching aim of the programme is to ensure that teachers' training and development provides a good grounding in the knowledge, understanding and skills required for working with pupils with SEN and disabilities. It focuses on developing core skills in all teachers in all schools, advanced skills in some teachers in all schools, and specialist skills in some teachers in some schools or working across schools. We have taken forward work in all three areas.

### To develop core skills for all teaching we have:

- launched a training resource for primary undergraduate ITT providers containing materials for 18 taught sessions and a guide to setting up and managing extended placements in special provision for trainees, and established regional clusters of primary undergraduate ITT providers to use the training resource and promote collaboration and improvements in practice
- trialled similar training materials for secondary undergraduate ITT courses – for release in June 2009
- trialled training materials for primary and secondary postgraduate certificate in education (PGCE) courses which include a small number of taught sessions, a wide range of self-study tasks, subject booklets exploring inclusive practice in different areas of the curriculum, and a model scheme for setting up and managing a personalised learning task for trainees as part of their placement – we will disseminate these nationally in 2009
- trialled training materials for the induction year comprising a range of taught sessions and self-study tasks for beginner teachers to work through during their induction – we aim to release these early in 2010, and
- worked with the National Strategies on their Inclusion Development Programme.

### To develop advanced skills for some teachers in some schools we have:

- developed proposals for a framework of nationally approved training for SEN coordinators who are new to the role, and
- developed and trialled a modular postgraduate course for experienced teachers to develop their skills in leading on inclusive practice, within and beyond their own schools – we aim to disseminate the model for the course nationally in autumn 2009.

### To develop specialist skills for some teachers in some schools we have:

- revised the national specification for courses leading to mandatory qualifications for teachers of classes of children with sensory impairments and approved providers to offer the courses – we will be funding additional places on these courses from September 2009.

We are now trialling resources for tutors and induction mentors, trainees and beginner teachers that will promote professional dialogue to support inclusive planning and teaching – for release early in 2010.

## School business managers

Over 1,500 people completed either the certificate or diploma in school business management in 2008–09, with over 6,100 people trained since the programme began in 2003. Over 50 per cent of certificate in school business management and 66 per cent of diploma in school business management graduates form part of their school's senior leadership team. Research indicates that SBMs, deployed at the appropriate leadership level, can cut up to 33 per cent of their headteacher's workload, and save up to five per cent of annual school budget (source: NCSL). Their influence and impact is also spreading to areas such as sustainability, extended schools, Building Schools for the Future, and managing federations and clusters of schools to share good practice, maximise efficiency and gain savings.

## Higher level teaching assistants

HLTA training continues to attract high-quality candidates, and in 2008 over 5,400 people registered and over 5,100 gained HLTA status – bringing the total since the start of the programme to over 30,000. Over 600 trainees achieved HLTA status with secondary maths or science subject knowledge, and of these new candidates over 450 undertook the additional maths and science subject training. We also introduced food technology subject knowledge guidance and will offer food technology training for HLTAs from autumn 2009.



# Performance review

## Benefit three

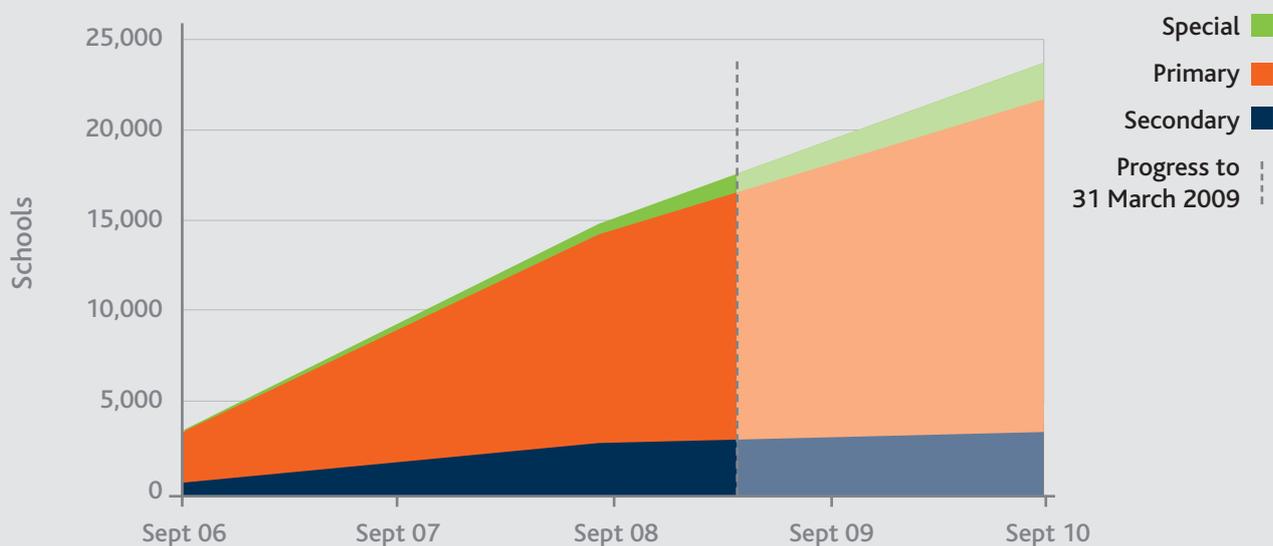
### Workforce reform

We aim to help schools become proficient in managing the process of change required for modernisation. We do this by helping them reform, remodel and deploy their whole workforce, and through the introduction of extended services and the development of integrated working practices.

### Extended services

We aim for all children to have access to a range of extended services in, and around, their school. Working with LAs, we aim for all schools to provide the full core offer to all children in England by 2010. This year, we helped increase the number of schools providing the full core offer of extended services to over 16,000 schools, exceeding our target of 12,300. This includes over 13,000 primary, over 2,500 secondary, and nearly 500 special schools.

Extended services – growth in number of schools providing access to the full core offer



We worked closely with our well-established stakeholder group of governors' associations, national chairs of governors, the dioceses and others to develop a new edition of the extended services toolkit for governors. This reflected changes to the agenda, new governor duties, and the increasing urgency as the Government's 2010 extended services target approaches.

We have worked with a number of LAs to develop guidance on evaluating the impact of the change programmes at local level. This has led to the creation of an impact evaluation model (IEM) – a tool to enable LAs to articulate how they believe their services are making a difference to children and young people, and shape their collection of evidence to support this.

The IEM is designed to make it easier for LA managers and teams to think about evaluations. It is being incorporated into a number of the TDA's support packages and is designed to be used alongside other TDA tools, such as the 'M4D' change management process, the school improvement planning framework and governor toolkit, and the CPD impact evaluation toolkit. Direct LA support is being coordinated through the TDA's regional delivery partnerships.

### Extended services subsidy

As part of the extended services drive to narrow the gap in attainment and well-being we have been piloting a subsidy to enable economically disadvantaged children to access out-of-school activities which they would otherwise be unable to afford. During 2008–09, we supported 18 LAs in the first year of a two-year pathfinder trialling the funding through 37 clusters of schools in nine regions. Additionally, the 132 remaining LAs have been offered resources to trial using subsidy funding on a limited scale in 2009–10. This offer has comprised regional launch events introducing the aims of the funding and initiating local planning and a DVD based on learning from the 18 pathfinders containing practical resources to get started for 2009–10.

### Social partnership

The national agreement was agreed by the Government, employers and a majority of school workforce unions. It acknowledged the pressure on schools to raise standards and tackle unacceptable levels of workload for teachers, and introduced a series of significant changes to teachers' conditions of service.

We have continued to work with social partners and other stakeholders, including governor organisations, to ensure the sustainable implementation of the national agreement and the provision of performance management and support staff entitlements.

This year, we worked with LAs as they helped schools realise the benefits of workforce reform and we supported the local issue resolution process.



We have directly aided the work of the Workforce Agreement Monitoring Group (WAMG) social partnership, creating communications channels through which the WAMG can issue guidance more effectively and increase its dialogue with local social partnerships, LAs and the school workforce.

Working with the WAMG (which comprises 11 organisations from employers, Government and school workforce unions) we have continued to make progress on wider workforce reform by supporting schools in raising standards and tackling workload issues for staff.

We have supported subregional events enabling local social partnership members to share effective ways of working and have provided training and tools to LSPs based on identified need.

## Compliance with the national agreement

The TDA has responsibility for building capability and capacity at a local level for resolving issues of non-compliance with the national agreement – often through the engagement of the local social partnership (LSP). To help resolve these issues we launched a non-compliance reporting system in December 2008. Since then, 63 cases of reported non-compliance have either been resolved or have a plan in place to reach resolution.

As one of the main levers in the resolution of national agreement non-compliance issues, the strength of LSPs is key to the creation of a sustainable mechanism to ensure compliance. We are building the capacity, capability and effectiveness of LSPs throughout the country. This year we have undertaken a series of regional and subregional events to help equip partnerships for their engagement with schools and LAs, and to increase the negotiating skills of members. We are also deploying regional trainers to work directly with individual LSPs on increasing their effectiveness. By the end of the year, 148 of the 150 LAs had an LSP in place.

## Targeted youth support

We continued to work with the DCSF and GOs to support LAs in implementing the targeted youth support (TYS) reforms – providing a total of 87 LAs with intensive and tailored support. These reforms will help bring local services together to help identify, assess and support vulnerable young people.

Our involvement in TYS ended in December 2008 as planned and we ensured a smooth and detailed handover to GOs and the DCSF. We supported LAs through a final self-assessment round, determining their progress and helping GOs agree detailed action plans with those LAs at risk of not fully implementing the reforms.



## The school improvement planning framework

The school improvement planning framework is a suite of tools and techniques designed to help schools take their planning, strategic thinking and implementation to the next level. The framework was developed in response to school leaders' requests for help in making the five ECM outcomes a reality and aims to raise standards and promote pupil well-being.

More than 200 schools were directly involved in developing this approach to school improvement planning. Drawing on our experience in supporting schools to manage change and the NCSL's expertise in leadership development, the framework has been refined and improved by incorporating the learning of many of the thousands of schools already using it.



## Performance management

In 2007 we provided support for the launch of revised arrangements to ensure that all teachers and headteachers are empowered and confident enough to engage fully with performance management to develop their skills and careers. Revised professional standards for teachers set out what is expected of teachers throughout their careers and provide a backdrop to performance management discussions, while improving access to CPD and the other support that teachers need to carry out their jobs effectively.

During this year we continued to work through LAs to embed effective practice with regard to performance management for teachers and headteachers and ensure they receive their statutory entitlements in support of their professional development. By the end of 2008–09 MORI polling indicates that 86 per cent of teachers are now using or planning to use the professional standards to identify CPD needs, an increase of 10 per cent on the previous year.

We consulted a large pool of our regional trainers and LA colleagues to understand and describe what high-quality performance management means and consider how schools can achieve it. We also supported LA colleagues to understand and measure the impact of effective practice.

## Parent support advisers

The TDA has supported the national expansion of the parent support adviser (PSA) role, as set out in the Children's Plan. By the end of 2008–09 there were over 2,300 PSA or PSA-type roles in over 8,600 schools. Based in a school context, they offer early intervention, preventative support, guidance and advice to improve outcomes for children, young people and families through

working in partnership with parents, carers and other agencies. The impact is evident through research which shows that over 9 out of 10 parents rate their PSAs highly and say they feel respected, listened to and understood. This endorsement is reiterated by PSAs' line managers – over 80 per cent judged their PSA's impact as positive for a range of outcomes, including improving parents' engagement with children's learning, improved parent-school relationships, and improved attendance. The TDA promotes the expansion of PSAs through supporting LAs to recruit, develop and train their PSA workforces. This support comprises printed and web resources, regional trainer time for coaching staff, facilitation of regional events, and funding for accredited qualifications.

## The Children's Workforce Development Council and the National College for School Leadership

The TDA works in close partnership with the CWDC and the NCSL in a number of ways. Nationally, we worked with the NCSL on a joint extended services project, the school improvement planning framework, and on a programme to develop the role of SBMs. With the CWDC we collaborated on the development of the One Children's Workforce Framework, an online tool, as well as ensuring that our work on sector qualifications integrates with those for the wider children's workforce. Work with the CWDC has also focused on induction programmes for new entrants to the children's workforce and on developing qualifications and professional development for those who are supporting parents, such as PSAs.

Regional colleagues from the three agencies in all regions have been exploring ways they can provide coherent support for the joint improvement support planning process for LAs and the development of the One Children's Workforce Framework in their region.

## The 2020 workforce strategy

The 2020 Children and Young People's Workforce Strategy sets out the Government's vision for everyone who works with children and young people. The TDA is helping to ensure that the workforce has the skills and knowledge to do the best job they possibly can to help children and young people develop and succeed across all the outcomes that underpin ECM.

We submitted a wide range of evidence to the DCSF to inform the 2020 Children and Young People's Workforce Strategy, and Graham Holley was a member of the expert group that contributed to its development. The strategy was published in December 2008 and has been reflected in the TDA's remit letter for 2009–10.

## The single delivery system

The TDA's relocation to Manchester has created a unique opportunity to review our delivery infrastructure. The single delivery system project was set up to undertake this review and recommend changes to processes and procedures to ensure efficiency and VfM and to provide our customers with coherent unified messages about the TDA and our work. Through extensive process mapping, field force review, and consultation and engagement with TDA staff, partners and stakeholders, we have developed new central processes and procedures that will create a unified, coherent chain of delivery. Internally, the existing project and programme management system has been strengthened and it now enhances the business planning process. Externally, field forces have been brought together to work more collaboratively and to identify synergies to provide greater and more effective services for the TDA. The single delivery system is now being embedded into the core business of the Agency.

## CRESS extension

Project CRESS is a partnership between the TDA and Consulting Strategies Limited (CSL) that developed out of work assigned to the then National Remodelling Team. Its aims are to enable, deliver and manage the change process in LAs and to increase capacity and capability through the provision of tools and techniques and facilitating collaborative working. In partnership with the TDA, the CRESS contract in 2008–09 underpinned the delivery of many of our key projects, including: extended schools, PSAs, performance management, TYS, and regional delivery. The partnership also underpinned our work with social partners and the support we provide for effective development and deployment across the children's workforce in schools. Following the success of the partnership in 2008–09 we are securing an extension of the current contract until 30 September 2010.

## The Key

Working with the NCSL we piloted an information and support service for school leaders called The Key. This service provided information and answers to questions on school leadership and management. Following a successful and popular pilot phase, The Key became an independent service in early 2009, available to all maintained schools in England on a subscription basis.

# Supporting delivery

**In delivering our strategic aims, we have ensured our priorities accurately reflect those of schools, that our working practices offer most assistance and least burden, and that all our activities are conducted with maximum efficiency.**

## Strategic direction

The introduction to this report sets out the principal aim of the TDA: to secure an effective school workforce that raises educational standards, provides every child with the opportunity to develop his or her potential, and improves their life chances. To continue to improve the effectiveness of our services, during 2008–09 we conducted a number of strategic research programmes. These are providing us with a deeper insight into many of the critical issues facing schools today, for example, the challenges and experiences of school leaders in attracting, developing and deploying the very best people. This evidence-based approach informs our immediate business planning and our longer-term strategies.

We recognise the need to work in partnership with other Government departments and agencies, to jointly deliver on the promises contained in the Children's Plan. During the year we have reinforced and developed collaborative relationships and are working hard with many other organisations to help that vision become a reality.

## Relocation

By the end of March 2010 we will have completed our move to Manchester, in line with the Government's strategy of moving central Government posts out of London and the South East, in response to the Lyons Review.

Throughout relocation, we will remain committed to maintaining the high standard of service and support we provide to our stakeholders. Our project and programme managers have accounted for the move when planning how to deliver services during this period, and have developed detailed business continuity and transition plans.

Our focus is on building a new TDA in Manchester which has our vision and values at its heart. Roles will transfer in stages between April 2009 and March 2010 and we have already begun the process of recruiting staff in Manchester. We have organised comprehensive support for all TDA staff, helping those who choose not to relocate with us to Manchester to secure alternative employment, those who choose to come with us, or those who are joining us for the first time.

Our temporary accommodation, until 2010, has been occupied from April 2009, and the TDA will be operating on two sites for the next financial year.





### Improving services

The TDA's relocation has provided the opportunity to undertake a root and branch review of the way in which the TDA delivers its supporting services, to ensure that our front-line delivery is supported by efficient and cost-effective services which are customer focused and flexible and make the best use of technological advances.

Improvements will be delivered as the relocation progresses and the TDA settles into its new home. These improvements include:

- the merging of the finance and procurement functions, with new technological support to provide a fully integrated specialist service
- the reshaping of the TDA Events Service and Print Production Teams to increase delivery effectiveness
- the refreshing of the external contracting of web services to improve VfM, and
- the outsourcing of transactional elements of recruitment and learning and development in the human resources function to accelerate response times and improve customer service levels.

The full implementation of the recommendations over the next 12 months will enable us to streamline and improve processes, enhance the performance levels of internal customer service, and generate significant savings from 2010–2011.

## Managing our people

We encouraged our staff to contribute to the vision and direction of the TDA during the year. We have retained our Investors in People status and continue to closely align our learning and development activities with our corporate priorities and aims. We ensured our corporate priorities for our own learning and development were closely aligned to our aims. We allocated appropriate resources to ensure we developed our staff in line with these priorities, setting clear and measurable criteria to ensure our investment in our own learning is providing real benefit and best value.

Relocation is a time of great change for the TDA and for individual members of staff who are faced with a major personal and professional decision in making their relocation choice. Despite this uncertainty, our staff are still demonstrating a high degree of commitment to the work of the TDA, with our latest staff survey showing that 91 per cent of employees understand how their roles contribute to the overall strategic aims and objectives of the TDA. Eighty nine per cent say they share the TDA's values.

Through the year we have worked with the Staff Representative Group. In November, we signed a recognition agreement with the Public and Commercial Services (PCS) Union. We will work closely with PCS, as we have with the group, to ensure that our relocation plans meet staff, as well as business, needs.

## Marketing and communications

Our ability to deliver our remit depends on our stakeholders clearly understanding the TDA's role and capabilities. We achieve this through carefully targeted communications, while avoiding the burden that excessive communications can cause.

We have continued our marketing campaign to promote teaching as a profession, focusing on priority areas such as maths, physics, chemistry, information and communications technology, food technology, design and technology, and modern languages. At the end of March 2009 we have so far achieved a 39 per cent increase in eligible enquiries to teach these priority subjects, including increases of 53 per cent in maths, 17 per cent in science and 89 per cent in design and technology.

The TDA public relations campaign to encourage those from professions facing tightened economic circumstances to consider a career in teaching generated almost 240 pieces of positive media coverage between September 2008 and January 2009, supporting a 45 per cent increase in online enquiries to the TDA website.

Our flagship 'Train to Teach' event in 2009 was attended by over 7,500 people, a 50 per cent increase compared to 2008. Of these, 2,650 met teaching eligibility criteria and were interested in teaching priority subjects (an increase of 56 per cent on the previous year). Our city events, targeted at those who have been affected by the financial climate, have also attracted high numbers, with well over 1,000 attendees at eight seminars, nearly 500 of whom were eligible to teach and interested in teaching priority subjects.

This year, we have increased our activities to improve school staff awareness and understanding of our role in education, and have worked with schools to promote extended services. We have also released a new publication called Professional Teacher, which aims to promote best practice and advice for teaching and development, based on national research.

## Financial and contract management

As part of the CSR07 funding allocation the TDA was set an administration efficiency savings target of five per cent per annum on the 2007–08 baseline (a total of £3.845m) for the three-year period from 2008–09 to 2010–11. The TDA achieved £1.32m against a target of £1.25m in 2008–09.

We received the outcome of a detailed, independent, VfM study into our teacher recruitment marketing and communications activities which benchmarked our annual media spend against 14 other organisations in both the public and the private sector. Analysis confirmed that our expenditure was 'optimal' and activities in this area were effective and fit for purpose.

Following a number of reviews, the TDA has significantly strengthened the contract procurement and management processes within the Agency, introducing increased scrutiny of costs at the tender stage and additional stages for financial review at critical stages of projects, mirroring the Office of Government Commerce (OGC) Gateway approach. The Procurement and Contracts Management team has formally moved to the Finance Directorate to aid the cohesion of the functions and embed the new processes.

As part of the internal audit strategy for 2008–09, our internal auditors reviewed our resource management systems to assess the adequacy of controls ensuring the integrity, accuracy, security and authority of transactions and the associated financial records. The auditors also reviewed the controls in place to support the management accounts and the financial statements. Overall, they concluded that our framework of financial and operational procedures is robust.



### Information security and information and communication technology development

The TDA places the highest priority on the security of its information and data assets, including those relating to third parties. We have continued to make progress towards implementing an information security management system against the ISO27001 international standard during 2008–09. This framework has supported and underpinned the identification of TDA information assets and assisted in categorising the level of information and risk appetite of the Agency in this context.

In order to take this work forward, we created the new post of chief information officer. Recruitment has been undertaken and the new director appointed with effect from 6 April 2009.

# Management commentary

## Review of 2008–09

1. Full details of our achievements are given in the performance review section of this document, but in summary our significant achievements were:

- Recruiting over 38,000 new entrants onto mainstream secondary ITT courses during the 2007/08 academic year, meeting 103 per cent of the Government's target, compared with 98 per cent in academic year 2006/07
- Recruiting over 3,600 new entrants onto science ITT courses, representing 102 per cent of the Government's target, compared with 96 per cent the previous year
- Recruiting 540 new entrants onto physics and 840 onto chemistry ITT, an increase of three and six per cent respectively. This moves us closer to the 2014 target of 25 per cent of science teachers having a physics specialism and 31 per cent having a chemistry specialism
- Increasing the proportion of new trainees from minority ethnic backgrounds to 12 per cent in 2008/09 (11.8 per cent in 2007/08); we also maintained the share of new trainees with a declared disability at over five per cent
- Exceeding our key performance indicator of at least 20 per cent of primary and 20 per cent of secondary providers gaining category A (the highest quality)
- Recruiting over 370 graduates from top universities into the Teach First Programme, placing these top-performing graduates into schools facing challenging circumstances
- Developing the national framework for the MTL
- Launching an online database to provide a single source of information for schools on professional development provision across the country
- Over 5,000 candidates gained HLTA status, including over 600 with secondary maths and science subject knowledge in their training
- Helped increase the number of schools providing the full core offer of extended services to over 16,000 schools, exceeding our target of 12,300: this includes over 13,000 primary, over 2,500 secondary, and nearly 500 special schools, and
- Reviewing and improving our internal support services.

## Future developments

2. In 2009–10, we will continue to raise children's standards of achievement and promote their well-being by improving the training and development of the whole school workforce. We will:

- Secure the sufficient supply of teachers by promoting the teaching profession and quality assuring ITT
- Support the development of the school workforce by
  - creating and promoting professional and occupational standards
  - developing and promoting the MTL
  - supporting performance management arrangements, and
  - stimulating a sufficient supply of high-quality in-service training.
- Support the ongoing reform of the school workforce, the wider education sector, and children's and young people's services
  - supporting the introduction of extended services in all schools, and
  - working with the social partnership and LAs on embedding remodelling within schools.

3. Our Strategic plan for 2008–13 provides details of our approach to developing an effective school workforce that improves children's and young people's life chances. We are committed to delivering integrated training, development and reform services for schools, children's services and Government with passion and without compromise. In all that we do, we will continue to embrace our core values: listen, improve, deliver.

4. The Children's Plan outlines the Government's commitment to securing the well-being and academic attainment of children and young people. The TDA contributes to achieving these outcomes through helping to secure and develop an effective school workforce.

## Board members during 2008–09

5. Board members are appointed for a term of three years by the Secretary of State for Children, Schools and Families and are drawn from a variety of backgrounds. Some are headteachers, governors or teachers, or work in other parts of the education system. Others have business backgrounds. Several are members of the governing bodies of institutions that receive grants from the TDA. Board members during 2008–09 were:

- **Professor Sir Brian Follett:** Chair, appointed for a second term September 2006
- **Graham Holley:** Chief Executive from March 2006
- **John Atkins:** Executive Principal, The Kemnal Trust, Bromley, appointed February 2009
- **Christopher Baker MBE:** business consultant, second term ended February 2009
- **Rekha Bhakoo CBE:** Headteacher, Newton Farm First and Middle School, South Harrow, appointed February 2009
- **Brenda Bigland CBE:** Headteacher, Lent Rise Combined School, Slough, second term ended February 2009
- **Andrew Buck:** Partnership Headteacher, Eastbrook – Jo Richardson Partnership, Essex, second term ended February 2009
- **Professor Deborah Eyre:** visiting Senior Research Fellow, University of Oxford (formerly Professor of Education, University of Warwick), appointed October 2006
- **Ian Ferguson CBE:** Chairman, Data Connection Ltd, appointed October 2006
- **Professor David Green:** Vice-Chancellor, University of Worcester, reappointed February 2009
- **Professor Christopher Husbands:** Dean of the Faculty of Culture and Pedagogy, Institute of Education, University of London, appointed October 2006
- **Joan Munro:** National Adviser, Workforce Strategy, Improvement and Development Agency for Local Government, appointment ended October 2008
- **Derrick Palmer:** business consultant, appointed February 2009
- **Dame Gillian Pugh:** Children's Workforce Development Council, reappointed February 2009
- **Richard Thornhill:** Headteacher, Loughborough 'Fresh Start' Primary School and Children's Centre, London, reappointed February 2009
- **Susan Tranter:** Headteacher, Fitzharrys School, Oxfordshire, reappointed February 2009
- **Alan Wood:** Chair of the London Association of Directors of Children's Services, appointed February 2009

6. The TDA Board has the power to co-opt up to two non-voting members, subject to the approval of the Secretary of State. There were no co-opted members in 2008–09.

7. Reciprocal arrangements exist between the TDA and various sector bodies for observers to attend TDA Board meetings. The TDA Board invites observers from the CWDC, the HEFCE, the GTCE, and the NCSL. TDA Board meetings are also attended by assessors from the DCSF and Ofsted.

## Board members' directorships and other significant interests

8. The TDA requires Board members to register with the TDA any company/organisation directorship or other significant interests within 14 days of their appointment or of the interest arising. This includes remunerated employment or directorship, political activity which might influence their judgement or could be perceived to do so, connection with ITT training institutions or other aspects of the TDA business, and any significant shareholdings in a public company which 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.

9. The register of interests is available for inspection on request during normal working hours at the TDA's offices at 151 Buckingham Palace Road, London, SW1W 9SZ.



## The Audit Committee

**10.** 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 internal auditors, and
- the adequacy of management responses to issues identified by audit activity.

**11.** The members of the committee during the year were:

- **Christopher Baker MBE:** Chair to February 2009
- **Derrick Palmer:** Chair, appointed February 2009
- **James Aston MBE:** external member, appointed June 2006
- **Professor Christopher Husbands:** TDA Board member, resigned June 2009
- **Professor Deborah Eyre:** TDA Board member, appointed November 2008
- **Tim Head:** external member, appointed for a second term June 2008
- **Roy Ransley:** external member, appointed September 2007

**12.** Under the Audit Committee terms of reference, members normally serve for a period of three years, but may serve a second three-year term.

**13.** The committee met on four occasions in 2008–09. The Chief Executive in his role as Accounting Officer, the Head of Internal Auditors, the Finance Director, the Executive Director for Supporting Delivery and the Executive Director for Training normally attend the meetings. The NAO, as the external auditors, and the DCSF as the sponsoring department are advised of all meetings and attend as observers if they wish.

**14.** In accordance with its revised terms of reference, the committee submitted its annual report for 2008–09 to the Board in June 2009. The report highlighted the recommendations made by PKF, our internal auditors, on the TDA's systems of internal controls, management responses to those recommendations, and progress to date.

**15.** The committee periodically meets the internal and external auditors without officers present.





## Audit services

**16.** 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 the TDA's external auditor under statute and reports to Parliament on the audit examination.

## Other services

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

## Audit assurance

**18.** The Accounting Officer has taken the necessary steps to be aware of all relevant audit information and has also ensured that the NAO is aware of that information.

## Equality and diversity

**19.** The TDA has an equal access to employment policy which applies to all job applicants, workers and employees. We monitor our staff in post in terms of their ethnicity, their gender and whether they are disabled. As of 31 March 2009, 75 per cent of staff were white, 21.5 per cent were from black or minority ethnic (BME) backgrounds and 3.5 per cent chose not to disclose their ethnicity. Thirty five per cent of new recruits in this period were from a BME background. We record, but do not report, at individual ethnicity category level because of the risk of individuals becoming identifiable.

**20.** At the same date three per cent of staff in post declared themselves as disabled and no new starters declared a disability or impairment.

**21.** In March 2009 females accounted for 55 per cent of the TDA's workforce and males accounted for 45 per cent.

**22.** Our race, disability and gender equality schemes set out our vision and action plans for the promotion of equality in our own, and the school, workforce.

**23.** In 2009 we published our second race and disability, and our first gender equality progress reports against the equality schemes. These set out our achievements to date and the steps we need to take to promote equality.

**24.** The TDA is committed to complying with the Employment Equality (Age) Regulations, which make it illegal for employers to discriminate against employees, trainees or job applicants because of their age and ensure all employees, regardless of age, have the same rights in terms of training and promotion.



## Sustainable development

**25.** We have released our second environmental statement, following our successful retention of the eco-management and audit scheme (EMAS) and ISO14001 certification. Our new statement details the role we are playing in promoting sustainable education in schools and around TDA operations.

**26.** In 2008, we supported the development of the education for sustainable development (ESD) specific network for trainee teachers and providers by providing a focus for TDA ESD resources and materials and storing them in one place. These ESD materials are available from the teacher training resource bank (TTRB) at <http://www.ttrb.ac.uk/>

**27.** We have made progress in investigating the influence of school-based induction for support staff and SBMs in promoting sustainable development and environmental issues in schools. Our findings show that although induction material did not specifically mention sustainability or environmental issues, this issue will be covered as part of the continuing review of the guidance which will accompany induction materials used by schools and LAs.

**28.** In light of targets set in the 2006 Sustainable Operations on Government Estates, we have made good progress by implementing new measures to ensure our operations are carried out in a more sustainable manner.

**29.** In 2008, we managed to:

- Print less and use electronic marketing and other business materials more actively
- Investigate stationery and catering suppliers for their environmental credentials
- Increase materials for raising staff awareness on resource efficiency
- Discuss the issue of lights left on overnight and at weekends, and changing the size of toilet cisterns with the landlord and other tenants – which affects the overall resource efficiency of the building
- Check on the energy efficiency of light bulbs in our office
- Increase water efficiency signage around the office
- Ask our cleaning company to conduct a spot check of our waste segregation practice and report on non-conformity, and
- Obtain and maintain appropriate duty of care documents for the transfer of waste.

**30.** We will place further emphasis on sustainable plans and operations during the Manchester relocation. Full consideration will be given to minimising the environmental impact of our relocation and maximising the potential benefits.



## Health, safety and welfare at work

**31.** We maintain an up-to-date health and safety policy statement and a health and safety manual, which is 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.

## Sickness absence

**32.** During 2008–09 the total number of working days lost due to sickness absence amounted to 1,854 (2007–08; 2,050 days) which is an average of six days per employee (2007–08; 6.2 days).

## System of internal control

**33.** The Chief Executive's Statement on Internal Control (SIC) is produced on pages 48 to 52. In reviewing the effectiveness of this system of internal control, the Chief Executive is advised by the work of the Directors' Group (DG) and Strategic Leadership Team (SLT), the Audit Committee, the HEFCE, and PKF, the TDA's internal auditors.

## Information security

**34.** In accordance with Cabinet Office guidelines, the TDA is required to report personal data-related incidents. The Agency maintains personal data pertaining to employees, contractors, suppliers, school workforce candidates and stakeholders. In 2008–09, there were no incidents formally or informally reported to the Information Commissioner's office.

**35.** The information security paragraph in the Statement on Internal Control on page 51 sets out our data protection statement and actions to manage information risk.



## Grant and grant-in-aid for the period and net expenditure for the year

**36.** The grant and grant-in-aid (GIA) was £738.222m (2007–08: £777.313m). The total GIA includes £4.436m allocated in 2007–08 but which remained not drawn down at 31 March 2008. This has been accounted for as part of the year's resources.

**37.** Of the £738.222m, funding for programme costs was £713.35m (2007–08: £752.65m) and for administration costs was £24.872m (2007–08: £24.663m). The capital expenditure element in the administration costs amounted to £267k (2007–08: £542k) and it is shown as additions in notes eight and nine to the accounts. The programme funding includes £2.223m (2007–08: £500k), excluding provisions, towards the preparatory work for the relocation to Manchester by March 2010.



38. Programme and administration expenditure continue to be accounted for through the operating cost statement (OCS) regardless of the source of funding, while the GIA goes directly to the balance sheet and forms part of the general reserves. As a result, the OCS shows expenditure

net of general receipts for the year of £737.297m (2007–08: £795.641m) of which £713.635m is programme expenditure. The diagram below shows our programme expenditure funding trends since 2004–05.

### Actual programme expenditure figures in £ million



39. The diagram below shows the TDA administration spend trends for the five years to 31 March 2009, split between staff and non-staff costs. During the period the staff and non-staff costs have increased from £9.7m to £17.3m and £5.9m to £9.3m respectively.

Overall administration cost as a proportion of programme expenditure has increased from 2.8 per cent in 2004–05 to 3.7 per cent in 2008–09.

### Actual administration costs figures in £ million



## Financial results for 2008–09

**40.** The operating cost statement on page 55 shows a net expenditure of £737.297m compared to GIA of £738.222m, an excess of income over expenditure for the year of £925k (2007–08 deficit (£18,328k) due largely to the relocation provision).

**41.** The Manchester relocation provision amounted to £6.361m (2007–08: £9.418m) and has been calculated under Financial Reporting Standards (FRS12 – provisions, liabilities and contingencies). The reduction in provision of about £3m is largely due to more accurate forecasting information becoming available from the relocation transition plan.

## Going concern

**42.** The balance sheet at 31 March 2009 shows net total liabilities of £5.449m (2007–08: £6.387m), which takes into account a relocation provision of £6.361m. The DCSF has already agreed to fund the relocation programme out of funds voted by Parliament. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.



## Notional costs

43. In accordance with HM Treasury guidance on non-departmental public bodies' reports and accounts, the accounts include the notional cost of capital, which amounts to (£435k) (2007–08: (£5k)). Note five to the accounts explains the basis for calculating these charges.

## The TDA/DCSF financial memorandum

44. During 2008–09, there were no services provided free of charge by the DCSF. All services were paid for in accordance with the provisions of the individual service level agreements (SLAs) concluded with the DCSF.

## Income other than the DCSF grant and grant-in-aid

45. Income other than the DCSF grant and the GIA (note two to the accounts) is £1.578m (2007–08: £1.513m). This income is generated under a memorandum of understanding with the National Assembly for Wales for promoting teaching in Wales and with HEFCE for non-HEIs' capital expenditure contribution.

## Cash balances at 31 March 2009

46. At 31 March 2009, the TDA had a cash balance of £9.738m (2007–08, £3.319m) which was fully committed (note 12 to the accounts). In addition there was £4.436m in 2007–08 which was drawn down in 2008–09.



## Fixed assets

47. Note one to the accounts explains the policy adopted for the capitalisation of fixed assets. The accounts include capital expenditure amounting to £267k in the period, which was incurred through the provision of new computers and enhancement of the finance system. The corresponding figure in 2007–08 was £542k.

48. During 2008–09, all IT assets and other assets including those acquired during the year, were revalued using average price indices. As a result, and after adjusting for additions and accumulated depreciation, the net book value of fixed assets went down from £2.232m at 31 March 2008 to £1.5m at 31 March 2009. The decrease in net book value is due to the deferral to replace assets until after our relocation.

## Payment of creditors

49. The TDA supports HM Treasury's better payment practice code. During the period ending 31 March 2009, 94.5 per cent (2007–08: 93 per cent) of invoices were paid within the 30-day period.

50. In December 2008 the DCSF advised NDPBs to move as soon as practicable to the payment of all undisputed invoices from small and medium-sized enterprises within 10 working days to help them better manage their cash flow in the current economic climate. In response, the TDA changed payment processes within one week of the notification and paid almost all the invoices from small and medium-sized enterprises within the new deadline.

51. No interest has been paid or claimed by creditors under the Late Payment of Commercial Debts Act (2007–08: nil).

**Graham Holley**  
Chief Executive and Accounting Officer

24 June 2009

# Remuneration report

## Part one

### Unaudited information

#### Service contracts of senior management

**52.** 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.

**53.** 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 have a retirement age of 65 and a notice period of three months.

**54.** Early termination, other than for misconduct or inefficiency, would result in compensation under the Civil Service Compensation Scheme. There have not been any payments in 2008–09.

#### Remuneration of senior management

**55.** The Remuneration Committee comprises three members: Professor Sir Brian Follett (TDA Chair), Dame Gillian Pugh and David Green. Christopher Baker attended one meeting in April 2009.

**56.** 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, the public sector and the Senior Civil Service, in particular the annual Treasury pay guidance
- 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.

**57.** 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.

**58.** 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.

**59.** The remuneration package includes basic pay and non-consolidated bonus payments. Increases in basic pay are dependent on satisfactory levels of performance, and non-consolidated bonuses are to incentivise and reward higher levels of performance. Non-consolidated bonuses are awarded for higher levels of performance. Non-consolidated bonuses do not exceed 10 per cent of basic salary.



## Part two

### Audited information

#### Emoluments of Board members

**60.** The TDA pays Board members £300 each per day for attendance at Board and subcommittee meetings. However, members who are public sector employees, who already draw a full-time salary from the public purse, are not remunerated for serving as Board or

subcommittee members. Headteachers can request payment to be made to their schools instead.

**61.** In 2008–09, the following sums have been paid to Board and subcommittee members or their respective employers.

#### Member/Employer

2008–09

2007–08

£

£

James Aston *	1,050	1,058
John Atkins	750	0
Christopher Baker *	9,626	10,046
Rekha Bhakoo	750	0
Brenda Bigland (Lent Rise Combined School)	1,350	1,500
Andrew Buck (Jo Richardson Community School)	4,200	5,850
Deborah Eyre	3,300	4,800
Deborah Goodwin	0	600
David Green	3,000	3,150
Tim Head	1,200	1,500
Christopher Husbands	4,650	5,850
Nick Johnson	0	3,829
Derrick Palmer	2,700	0
Dame Gillian Pugh	3,750	4,650
Roy Ransley	1,800	600
Richard Thornhill (Loughborough 'Fresh Start' Primary School)	3,300	4,500
Susan Tranter (Fitzharrys School)	4,950	4,500
Alan Wood	750	0
<b>Total</b>	<b>47,126</b>	<b>52,433</b>

\* Include VAT

Note: Board members also receive £150 per day in addition to the £300 attendance allowance for meeting preparation, which is included in the figures shown above.

**62.** Details of non-taxable travel and subsistence payments made to Board members are shown in note seven to the accounts.

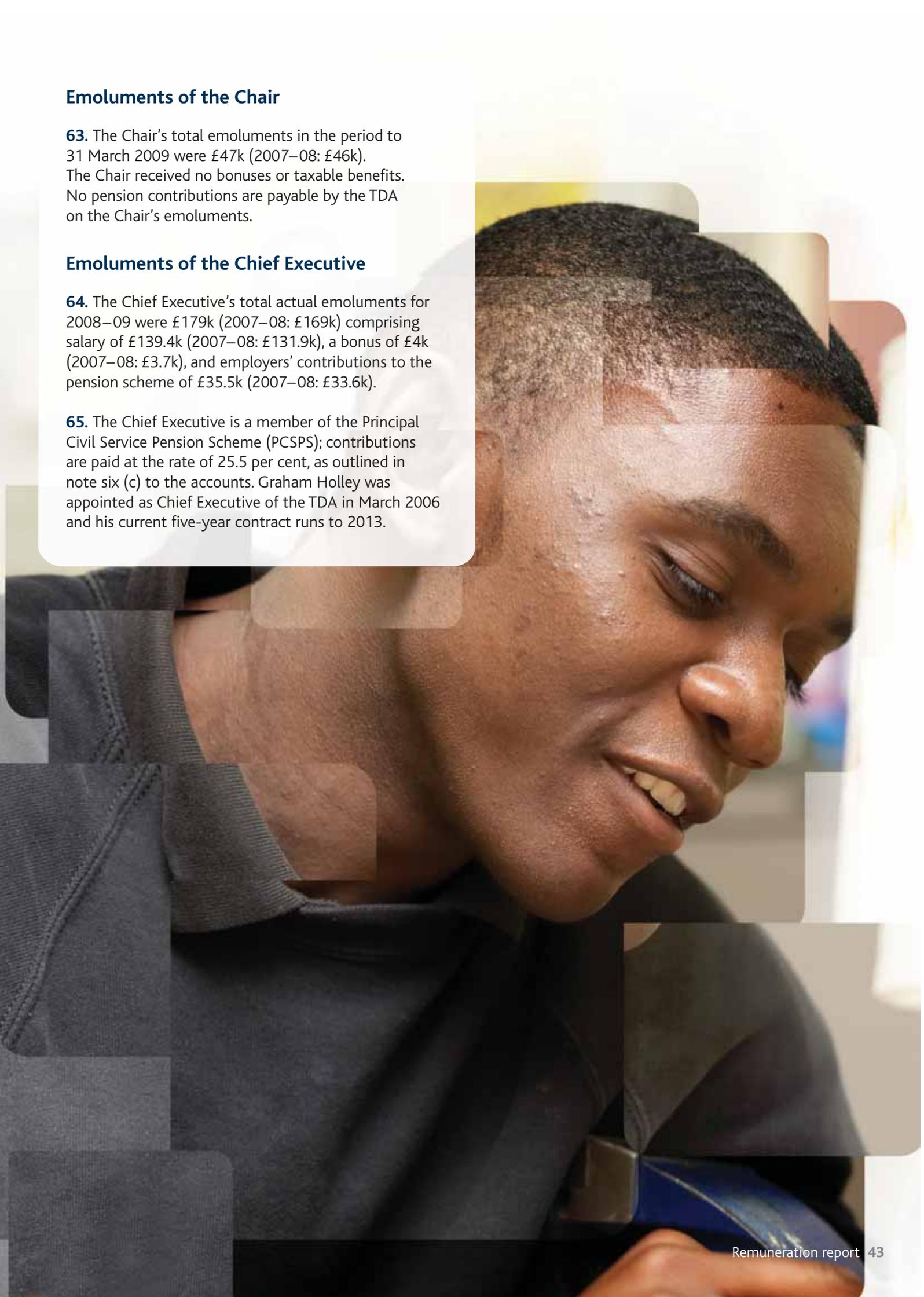
## Emoluments of the Chair

**63.** The Chair's total emoluments in the period to 31 March 2009 were £47k (2007–08: £46k). The Chair received no bonuses or taxable benefits. No pension contributions are payable by the TDA on the Chair's emoluments.

## Emoluments of the Chief Executive

**64.** The Chief Executive's total actual emoluments for 2008–09 were £179k (2007–08: £169k) comprising salary of £139.4k (2007–08: £131.9k), a bonus of £4k (2007–08: £3.7k), and employers' contributions to the pension scheme of £35.5k (2007–08: £33.6k).

**65.** The Chief Executive is a member of the Principal Civil Service Pension Scheme (PCSPS); contributions are paid at the rate of 25.5 per cent, as outlined in note six (c) to the accounts. Graham Holley was appointed as Chief Executive of the TDA in March 2006 and his current five-year contract runs to 2013.



## Salary and pension entitlements of senior management

66. The table below shows the salary paid, and pension benefits accrued, for each member of the Strategic Leadership Team in 2008–09 with the corresponding prior year figures (in brackets). Salary includes gross salary, performance-related pay allowance, recruitment and retention allowances, and location allowance.

67. All senior managers, with the exception of the CEO, are employed on permanent employment contracts with a notice period of three months.

68. No benefits in kind have been paid to any member of the Senior Management Team in 2008–09 or 2007–08.



	Salary paid, including performance bonus	Real increase in pension at 60	Total accrued pension at 60 at 31/3/09	Real increase in lump sum	Lump sum at 31/3/09	CETV* at 1/4/08	CETV at 31/3/09	Real increase CETV at 31/3/09
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Graham Holley</b> Chief Executive	140 – 145 (135 – 140)	0 – 2.5 (2.5 – 5)	65 – 70 (55 – 60)	5 – 7.5 (10 – 12.5)	190 – 195 (175 – 180)	1,221	1,345	42
<b>Michael Day</b> Executive Director, ITT	95 – 100 (90 – 95)	0 – 2.5 (0 – 2.5)	25 – 30 (20 – 25)	0 – 2.5 (0 – 2.5)	75 – 80 (70 – 75)	478	525	10
<b>Hilary Emery</b> Executive Director, Development	120 – 125 (110 – 115)	2.5 – 5 (0 – 2.5)	5 – 10 (0 – 5)	–	–	34	116	76
<b>Leanne Hedden</b> Executive Director, Supporting Delivery	85 – 90**	2.5 – 5	35 – 40	7.5 – 10	105 – 110	537	623	48
<b>Lorraine Chapman</b> Director, Corporate Services	80 – 85 (55 – 60)***	0 – 2.5 (2.5 – 5)	25 – 30 (25 – 30)	5 – 7.5 (7.5 – 10)	85 – 90 (75 – 80)	557	638	32
<b>Habte Hagos</b> Director, Finance	80 – 85**** (70 – 75)	0 – 2.5 (0 – 2.5)	20 – 25 (20 – 25)	–	–	380	422	12
<b>Robert Wood</b> Director, Strategy	80 – 85 (75 – 80)	0 – 2.5 (0 – 2.5)	25 – 30 (25 – 30)	2.5 – 5 (2.5 – 5)	85 – 90 (80 – 85)	595	658	19

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

\*\* Started on 21 April 2008. Annualised salary and bonus would be in the range 90–95

\*\*\* Started on 11 June 2007

\*\*\*\* Includes backpay to 1 December 2007

## The Civil Service Pension

**69.** Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes, either a 'final salary' scheme (classic, premium, and classic plus) or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining after 1 October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

**70.** Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the RPI. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.



**71.** The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between three per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of three per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

**72.** The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

**73.** Further details about the CSP arrangements can be found on the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk). Note six (c) to the accounts provides further information on the actual pension contribution rates payable and the actual pension contribution paid by the TDA in 2008–09.



## The cash equivalent transfer values

**74.** The cash equivalent transfer value (CETV) 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. The CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

## The real increase in the value of the cash equivalent transfer value

**75.** This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, 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**

Chief Executive and Accounting Officer

24 June 2009



# Accounts



# Supporting delivery

## Statement of Accounting Officer's responsibilities

Under Schedule 13, paragraph 17(2) of 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 the year-end and of its operating cost statement and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular 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 applicable accounting standards as set out in the Government FRM 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 DCSF has designated the senior full-time official, the Chief Executive, as the Accounting Officer for the TDA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the TDA's assets, are set out in chapter three of *Managing Public Money*, which is available on the Treasury website.

## 2008–09 statement on internal control

### Scope of responsibility

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, while safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The TDA is an NDPB of the DCSF established by the Education Act 1994 as amended by the Education Act 2005. The TDA can therefore do only those things that the Education Acts provide that it can do.

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 2008–13 Strategic plan details the direction that the Agency will take over the five-year period. This is the first time that the Agency has produced a high-level strategy for more than one year and will help business continuity during the two transition years and the three years following our move to Manchester. The plan sets out how the TDA will contribute, through workforce development and reform, to improve children's and young people's well-being and educational achievement. The strategic plan has been drawn up by officials and the Board and is approved by ministers. The plan is supported by detailed project and programme information, found in the TDA Business Plan.

The management statement defines the reporting requirements placed on the TDA. Appropriate communication channels are in place to ensure the DCSF is informed of the business of the TDA and that we in turn are informed of its requirements.

The TDA Board consists of between 12 and 16 non-executive members, one of whom is appointed by the Secretary of State as the Chair. They meet regularly with me and my senior managers to provide strategic guidance to the executive. As the Chief Executive I am a member of the Board.

The Board, through the Directors' Group and Strategic Leadership Team, which acts as the Risk Management Committee, is informed of the risks facing the TDA and the TDA's responses for dealing with risks. The Audit Committee has, as part of its responsibilities, a role in challenging the effective identification and management of risks, including personal and other sensitive information risk.

### The purpose of the system of internal control

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 an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the TDA for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

### Capacity to handle risk

The TDA has developed a comprehensive risk management policy, which is regularly reviewed. A Risk Management Committee with formal terms of reference consisting of the DG and SLT and chaired by myself was in place from the start of the financial year.

Bespoke training is provided to members of staff with responsibility for establishing and managing risk at programme and project level. The TDA's Head of Programme and Information Management provides day-to-day support to all staff on risk management and, in particular, supports the SLT and operational groups throughout the annual planning process to ensure risk issues are included at all stages.

### The risk and control framework

The TDA does not operate a risk-averse culture; it accepts that risks need to be taken in order to deliver its challenging agenda. I do, however, require risk to be properly evaluated and managed appropriately. In doing so I expect a balanced response to be made to risks, whereby the cost of control is weighed against the likely impact of a risk becoming a reality. We have a 12 month rolling risk register. Risks are

identified routinely at an operational level; high level risks are subject to regular scrutiny and reported on. The strategic risk register was reviewed quarterly by the Risk Management Committee, taking into account the emerging issues and priorities for the forthcoming financial year and the prevailing assessment of the risks on the existing register. The strategic risk register was approved by the Board at the start and assessed quarterly the 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 adequacy of mitigating actions.

### Review of effectiveness

The Board reviews the risk register every quarter. 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. 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 being considered. Risks are monitored and reported on in accordance with the TDA's monitoring process, or at project or programme board meetings as appropriate.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the HEFCE Assurance Service, the OGC through their Gateway review of procurement and programme/project management, and other senior managers within the TDA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management report and other reports. 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 the Risk Management Committee. Plans to address weaknesses and ensure continuous improvement of the system are in place.

## The Audit Committee

A duly constituted Audit Committee (a subcommittee of the Board) has operated through the year and its terms of reference reflect best practice. It consists of two Board members and three independent members, three of whom are from the accounting profession and all have recent and relevant financial experience. All are non-executives.

The Audit Committee aims to ensure that the TDA has a comprehensive and reliable assurance for the framework of risk management, control and governance. In providing its broad-based assurance to me, the Audit Committee wishes to assure itself that information risk is well managed across the Agency.

The Audit Committee has met regularly and has considered reports from internal audit on the system of internal control, risk management and governance, from the HEFCE on HEIs ITT providers' systems of internal control and the National Audit Office. They have also taken evidence from senior managers as and when they have deemed appropriate.

The committee, also in line with best practice, has considered its own effectiveness. The Agency has made funding available for members' professional development training which each member is actively encouraged to undertake.

## Internal audit

A professional and independent internal audit service, conducted by PKF, was maintained throughout the year. The Audit Committee agreed the internal audit strategy and plans for 2008–09. I met regularly with the internal auditors and received from them reports on internal audit findings, which included their professional opinion on the level of assurance applicable to the TDA.

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. Internal audit was carried out in accordance with the internal audit strategy programme set out in the audit plan. The programme took into account the challenging agenda of the TDA and the internal auditors' assessment of the coverage required to meet Government internal audit standards. The audit programme agreed for the year included reviews of the corporate governance and risk management, business planning and continuity, resource management system, financial procedures and

operations. The school-centred initial teacher training (SCITT) review was carried out by my staff for the first time but quality checked by the internal auditors. Based on the audit work carried out, the internal auditors concluded that the system of internal control is adequate for the purposes of the TDA and is operating effectively in all key areas. In particular the governance and planning arrangements were found to be strong and there is generally a robust framework of financial and operational procedures. In their view there are no specific failures that need to be disclosed in the TDA's Statement on Internal Control.

The key areas arising from the internal audit that the TDA needs to address relate to:

- grant payments to LAs – the need to establish suitable ongoing monitoring and assurance arrangements
- contracts and procurement – ensuring that the plans to strengthen contract and procurement arrangements are fully implemented and operate effectively
- personal data – establishing ongoing arrangements for obtaining assurance in respect of the handling of personal data both within the TDA and its suppliers, and
- funding of support staff training and qualifications – strengthening the performance monitoring arrangements.

Through their report, the internal auditors have alerted me to where improvements are necessary, and I take a personal interest in the implementation of such plans. A spirit of cooperation exists between my staff and internal audit and they work together to maintain a culture of continuous improvement. All recommendations made by the internal auditors have been accepted by management, and the implementation of previous recommendations is reviewed annually as part of the internal audit.

In addition to their audit of the TDA systems of internal control PKF also carried out a quality review of the SCITTs audits conducted by the Finance Directorate. They concluded that the assurance work carried out can be relied upon for assessing the compliance of SCITTs with their financial memorandum. However, they recommended obtaining adequate supporting evidence and putting in place a proper sign-off arrangement, which my staff have accepted in full and will implement in 2009–10.

The objective of the review was to assess the planning, delivery and quality of the in-house SCITTs review. The objective of the in-house SCITTs review was to assess the adequacy of the framework of controls designed to safeguard the funds provided by the TDA to SCITTs. The review covered 15 out of the 60 SCITTs currently in operation and found two to have poor control frameworks. My staff will work with the two SCITTs to help them strengthen their controls and report progress to me on a regular basis.

The internal auditors have reviewed this Statement on Internal Control and confirmed that it reflects HM Treasury guidelines and follows a similar format to last year. They concur with the views expressed in this statement on internal control.

### Other assurance mechanisms

As Accounting Officer I am required to be satisfied that those organisations that the TDA funds also operate in an appropriate control environment. The Finance Directorate monitors this through a number of control checks, foremost of which are:

- provider financial assurance reports
- receipts and examination of ITT providers' accounts
- contract management reports
- performance reviews
- Audit Committee scrutiny, and
- third party assurance (HEFCE, the Audit Commission, OGC Gateway review).

The TDA has established a SCITTs assurance process through audit visits and other monitoring processes put in place by my Finance Directorate. The TDA has a service level agreement with the HEFCE. This empowers the council to monitor the control environment operated by those institutions that receive funding from the TDA and report their findings to me on a regular basis.

### Information security

Information is a valuable asset to the TDA and its security and proper use is fundamental to the delivery of our services. Building on the good practice established in 2007–08, we have continued to review existing, and implement new, processes and systems to safeguard both personal data and other sensitive information. This includes:

- developing an information and communication technology (ICT) strategy that outlines an infrastructure capable of supporting the delivery of our strategic and corporate goals for 2008–11
- appointing a chief information officer to take responsibility for this area in his capacity as the senior information risk owner
- continuing our work with best practice frameworks (ISO27001 and ITIL standards) which will confirm and demonstrate the TDA's commitment to information assurance and customer service
- working with the DCSF to implement the requirements of the data handling review, and for 2009, the security policy framework
- reviewing the data handling arrangements of key partner organisations and service suppliers, and strengthening them considerably
- developing business continuity plans across the TDA
- fully testing our disaster recovery ICT infrastructure, including a penetration test of our external facing security systems, and
- information risk is now listed on the TDA risk register and information risk management is assessed annually by the Audit Committee.

We have continued to make progress towards implementing an information security management system against the ISO27001 international standard. This framework has supported and underpinned the identification of TDA information assets and assisted us in categorising the level of information and risk appetite of the Agency in this context.

### Value for money study (VfM) of teacher recruitment activity

I commissioned an independent study of our teacher recruitment activity to establish whether there is scope to achieve greater VfM from the marketing and communications area of our teacher recruitment activities. The study was conducted in three parallel and interconnecting work streams:

- a review of the current marketing and communications rationale, operations and processes
- an evaluation of the VfM provided by each category of marketing and communications activity (TV, radio, cinema, internet, press and outdoor), and
- benchmarking of the TDA's marketing mix against other comparable organisations' recruitment activities.

The analysis showed the TDA's 'optimal' media spend beyond which any additional investment would bring minimal enquiries. It added that the TDA is allocating its media spend broadly in an 'optimal' way across the main channels. The study noted that improvements could be made through increased investment in the Teaching Information Line (TIL) database, website and Returning to Teach Programme, and that investment should be managed down in the TIL inbound contact centre and events, while the investment in media, TIL outbound activity, direct marketing and PR and media relations should be maintained. My staff have begun to act on these recommendations and they will help shape our investment strategy in the future.

### Relocation

In line with the Lyons Review the TDA offices will be relocating from London to Manchester by March 2010. My officers have formulated a detailed transition plan that is based on a phased move to ensure business continuity. Managing the relocation has and will continue to take full account of business needs with a strong focus on risk management. I have therefore set up a Relocation Programme Board which I chair personally that ensures proper governance as well as effective monitoring of the risks associated with this programme.

The relocation programme has been reviewed by the OGC Gateway team twice and by our internal auditors. Their findings concluded that the relocation programme was progressing to plan and that it was being managed robustly by my staff.

### Conclusion

As Accounting Officer I am satisfied with the TDA's governance, risk management and internal control arrangements and that the weaknesses identified by internal audit, which are being acted on, do not in any event represent a material threat to the TDA's operational effectiveness.

**Approved by the Board.**

**Graham Holley**

Chief Executive and Accounting Officer

24 June 2009

## 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 2009 under Schedule 13 paragraph 17(3) of the Education Act 2005. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### Respective responsibilities of the TDA, the Chief Executive and auditor

The Training and Development Agency for Schools and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with Schedule 13 paragraph 17(1) of the Education Act 2005 and directions made thereunder by the Secretary of State for Children, Schools and Families and for ensuring the regularity of financial transactions. These responsibilities are set out on page 48 in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited 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 Schedule 13 paragraph 17(2) of the Education Act 2005 and the directions made thereunder by the Secretary of State for Children, Schools and Families. I report to you whether, in my opinion, the information, which comprises the sections on the Training and Development Agency for Schools' role and responsibilities, Performance Review, Management Commentary and the appendix stating 2008–09 Board members included in the Annual Report, is consistent with the financial statements. 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 that govern them.

In addition, I report to you if the Training and Development Agency for Schools 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 HM Treasury regarding remuneration and other transactions is not disclosed. I review whether the Statement on Internal Control reflects the Training and Development Agency for Schools' compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Training and Development Agency for Schools' 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 the Accounting Officer's introduction, the unaudited part of the Remuneration Report, the Statement of the Accounting Officer's responsibilities, the Statement on Internal Control, and the Glossary. 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 opinions

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 judgements made by the Training and Development Agency for Schools and the Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Training and Development Agency for Schools' 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 Schedule 13 paragraph 17(2) of the Education Act 2005 and directions made thereunder by the Secretary of State for Children, Schools and Families, of the state of the Training and Development Agency for Schools' affairs as at 31 March 2009 and of its net expenditure 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 Schedule 13 paragraph 17(2) of the Education Act 2005 and the directions made thereunder by the Secretary of State for Children, Schools and Families, and
- information, which comprises the sections on the Training and Development Agency for Schools' role and responsibilities, Performance Review, Management Commentary and the appendix stating 2008–09 Board members included within the Annual Report, is consistent with the financial statements.

### Opinion on regularity

In my opinion, 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 that govern them.

### Report

I have no observations to make on these financial statements.

### Amyas C E Morse

Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria  
London  
SW1W 9SS

1 July 2009

# Operating cost statement

For the year ended 31 March 2009

	Notes	2008–09		2007–08	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Operating income	2		1,578		1,513
			1,578		1,513
<b>Expenditure</b>					
<b>Programme</b>					
Grants for qualifying activities	3	683,364		727,506	
Provision of information and advice	3	25,900		29,299	
Research on improving training of teachers	3	1,810		1,522	
School Leaders Service	3	2,355		3,099	
Other activities	3	206		399	
			713,635		761,825
<b>Relocation</b>					
Movement in provisions	15	(3,032)		9,418	
In-year costs	4	1,708		413	
			(1,324)		9,831
<b>Administration costs</b>					
Staff costs	6	17,252		16,347	
Other administration costs	7	8,311		8,152	
Loss on disposal of assets	8/9	59		10	
Depreciation and amortisation	8/9	943		1,004	
Gain on revaluation	8/9	(1)		(15)	
Cost of capital	5	(435)		(5)	
			26,129		25,493
<b>Net operating expenditure</b>			<b>(736,862)</b>		<b>(795,636)</b>
Reversal of cost of capital			(435)		(5)
<b>Net expenditure for the year</b>			<b>(737,297)</b>		<b>(795,641)</b>
<b>Statement of recognised gains and losses</b>					
<b>Unrealised gain on revaluation of tangible fixed assets</b>					
			13		15
			13		15

The notes on pages 58 to 75 form part of these accounts.

# Balance sheet

As at 31 March 2009

	Notes	31 March 2009		31 March 2008	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	8	28		21	
Tangible assets	9	1,472		2,211	
			1,500		2,232
<b>Current assets</b>					
Debtors	10	8,229		17,012	
Cash at bank and in hand	12	9,738		3,319	
		17,967		20,331	
<b>Creditors: amounts falling due within one year</b>					
Trade and other creditors	13	18,555		19,532	
Provisions	15	6,361		25	
<b>Net current assets/(liabilities)</b>			(6,949)		774
<b>Total assets less current liabilities</b>			(5,449)		3,006
Provisions for liabilities and charges	15		0		9,393
<b>Net total assets/(liabilities)</b>			(5,449)		(6,387)
<b>Financed by</b>					
General reserves	17	(5,505)		(6,430)	
Revaluation reserve	18	56		43	
<b>Total reserves</b>			(5,449)		(6,387)

The notes on pages 58 to 75 form part of these accounts.

**Graham Holley**

Chief Executive and Accounting Officer

24 June 2009

# Cash flow statement

For the year ended 31 March 2009

	Notes	31 March 2009		31 March 2008	
		£'000	£'000	£'000	£'000
Net cash outflow from operating activities	19a		(731,547)		(775,944)
Capital expenditure	19b		(256)		(535)
Financing: grant and grant-in-aid received			738,222		777,313
Decrease/increase in cash during period	19c		6,419		834

The notes on pages 58 to 75 form part of these accounts.

# Notes to the accounts

## 1. TDA accounting policies

### Basis of preparation

The accounts are drawn up in accordance with the Accounts Direction, given by the Secretary of State for Children, Schools and Families, with the approval of the Treasury, in accordance with the Education Act 2005 (Schedule 13, paragraph 17(2)) and the Financial Memorandum between the Secretary of State and the TDA dated June 2007, copies of which may be obtained from the TDA or the DCSF. The accounts have been prepared in accordance with the 2008–09 Government FReM issued by HM Treasury.

The accounting policies contained in the FReM follow UK generally accepted accounting practices (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where the FReM permits a choice of accounting policy, the accounting policy that 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.

### Basis of accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

### 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. Website costs are capitalised to the extent that development costs that are directly attributable and generate income can be identified. Website content is capitalised at cost and reviewed annually. It is written down to its current value on an annual basis and the written down amount is charged to the operating cost statement.

The value of the intangible fixed assets has been stated at current cost, using appropriate indices published by the Office for National Statistics: Price Index Numbers for Current Cost Accounting (MM17) and Producer Price Indices (MM22).

### Tangible fixed assets and depreciation

Expenditure on the acquisition of tangible fixed assets is capitalised where these costs exceed £1k.

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

Building refurbishment	- four years/life of lease (whichever is shorter)
Office furniture and equipment	- three years
IT equipment (hardware)	- three 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 the year-end.

Building refurbishment costs, office equipment/furniture and IT hardware are revalued by comparing average indices for the year of purchase with those for the previous financial year. Indices are drawn from the following Office for National Statistics publications: MM17 and MM22.

### Accounting for fixed assets and general reserves

Grant-in-aid used for the purchase of fixed assets is credited to the general reserve. It is therefore not necessary to release amounts to the operating cost statement to offset the depreciation charge. Other grants received (whether from the sponsoring department or other sources) for the purchase of specific assets is credited to a general reserve and released to the operating cost statement over the useful life of the asset in amounts equal to the depreciation charge in the asset and any impairment.

Gains on revaluation of assets, including those specially funded by grant-in-aid, are taken to the revaluation reserve.

Gain or loss on disposal of an asset funded by grant-in-aid is simply taken to the operating cost statement. For those assets funded by a specific grant, the gain or loss on disposal is accounted for through the income and expenditure account with a corresponding transfer from the general reserve.

### Notional costs

Cost of capital is charged to the operating cost statement at the prescribed rate of the capital employed to calculate net operating expenditure and reversed out to arrive at net expenditure for the year. Capital employed comprises the average of total assets less current and long-term 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.

### Grant-in-aid receivable

All grant and grant-in-aid from the DCSF is treated as financing as it is a contribution from controlling parties giving rise to a financial interest. It is recorded as financing in the cash flow statement and credited to the general reserve.

### Grants payable

For initial teacher training and other grants that are paid on academic year profile, grant expenditure is recognised as at the payment dates agreed with the providers and as such no financial year-end accruals are expected for these streams of expenditure. In addition where such grant is based on estimated student numbers, cash adjustments are made in the financial year in which the academic year ends, to reflect agreed adjustments arising from student number differences. These may result in a net debtor or creditor balance to the extent that the funding adjustments made to future profile payments have not been fully made/recovered before the financial year-end.

Programme debtors are also recognised where the TDA has a known entitlement to recover grant paid in the previous academic year or current/previous financial year (for example, where activity has not been delivered), but have not been able to recover the grant before the end of the financial year. A programme creditor is recognised where the TDA has not paid the amounts to which the body is entitled before the end of the financial year.

### Income

Other income is recognised in the operating cost statement for the year on an accruals basis.

### 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 it is treated as expenditure. No output VAT is chargeable.

### Taxation

The TDA does not trade, hence it is not liable to corporation tax.

### Leases

Rental costs in respect of operating leases are charged directly to the operating cost statement on an accrual basis. The TDA has no finance leases.

### Loans

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

### Pension costs

The Principal Civil Service Pension Scheme (PCSPS) is a multi-employer defined benefit scheme, but the TDA is unable to identify its share of the underlying assets and liabilities. Contribution rates are determined from time to time by the Government Actuary and advised by HM Treasury. A full actuarial valuation was carried out at 31 March 2007.

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.

## Financial instruments

This is the first time the TDA has adopted UK GAAP financial instruments standards: FRS 25 Disclosure and Presentation, FRS 26 Measurement, Recognition and Derecognition and FRS 29 Financial Instruments: Disclosures. The TDA does not have any complex financial instruments, however financial assets and financial liabilities are recognised on the TDA's balance sheet when the TDA becomes a party to the contractual provisions of the instrument. Embedded derivatives are only recognised if separable from the host contract.

The TDA does not currently have any financial assets that need to be classified as available-for-sale or financial assets at fair value through profit or loss, neither does it have cash equivalents or derivative financial instruments.

The TDA's financial assets include trade and other debtors and cash. The TDA does not currently have any financial liabilities that need to be classified as fair value through profit or loss, neither does it have derivative financial instruments.

The TDA determines the classification of its financial liabilities at initial recognition. The TDA's financial liabilities include trade and other creditors.

## Embedded derivatives

The TDA applies UITF abstract 42: Reassessment of Embedded Derivatives in full.

The TDA assesses whether an embedded derivative is required under FRS 26 to be separated from the host contract and accounted for as a derivative when it first becomes a party to the contract.

The TDA will only reassess the embedded derivative if there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

The TDA has not identified any embedded derivatives that require disclosure in the financial statements.

## 2. Operating income

	2008–09		2007–08	
	£'000	£'000	£'000	£'000
<b>Income from the National Assembly for Wales</b>				
Reimbursement of cost		776		904
<b>Other operating income</b>				
HEFCE grant income	733		608	
Aim Higher	65		0	
Miscellaneous income	4		1	
		802		609
<b>Total operating income</b>		1,578		1,513

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

Grants paid	2008–09		Restated 2007–08	
	£'000	£'000	£'000	£'000
<b>The Executive Directorate for Training</b>				
ITT provider funding	253,467		256,545	
Employment-based routes funding	87,222		92,986	
Training bursaries	149,383		170,160	
The secondary shortage subject scheme	0		749	
Access to learning funds	5		91	
The Golden Hello scheme	29,067		28,215	
QTS skills tests	3,960		3,495	
Primary modern foreign languages	3,457		2,038	
ITT development	15,776		13,211	
Additional ITT recruitment activity	11,858		12,305	
The Student Associates Scheme	11,650		12,606	
The MTL	1,292		0	
Under-represented groups	2,898		2,138	
Career-phase specific support	307		261	
Postgraduate professional development	19,272		18,421	
Curriculum	1,562		779	
Special educational needs	1,665		277	
Continuing professional development	4,057		9,759	
		596,898		624,036
<b>The Executive Directorate for Development and Improvement</b>				
Support staff training, qualifications and delivery	26,754		29,760	
Qualifications and standards	332		224	
Workforce development and deployment	7,941		3,703	
Extended schools	8,050		6,142	
TYS	5,277		6,291	
Parent support advisers	8,269		22,204	
Children's workforce in schools modernisation and development (WMDG)	21,645		21,425	
Programme delivery and management	8,198		13,721	
		86,466		103,470
Grants paid		683,364		727,506
<b>The Executive Directorate for Supporting Delivery</b>				
Media campaign, recruitment events, recruitment website	11,184		13,572	
Other communications activity	14,716		15,727	
		25,900		29,299
<b>Research</b>		1,810		1,522
<b>Other activities</b>				
Special projects		206		399
The Key (school leaders service)		2,355		3,099
<b>Total grants paid</b>		<b>713,635</b>		<b>761,825</b>

## 4. Relocation costs

In accordance with FRS12 – provisions, contingencies and liabilities, the estimated costs in respect of unused space at 151 Buckingham Palace Road during the

period leading to March 2010, and dilapidation costs, staff visits and redeployment costs, are noted below.

	Provision release	In-year cost	2008–09 £'000 Total	2007–08 £'000 Total
<b>Staff costs</b>				
Salary	0	556	556	272
National Insurance contributions	0	45	45	29
Superannuation	0	109	109	62
Total staff	0	710	710	363
<b>Non-staff costs</b>				
City Tower rent and fit-out	0	345	345	0
Consultancy	0	360	360	50
Staff and stakeholder communication	0	11	11	0
Improving services review	0	282	282	0
Provisions	(3,032)	0	(3,032)	9,418
<b>Total</b>	<b>(3,032)</b>	<b>1,708</b>	<b>(1,324)</b>	<b>9,831</b>

## 5. Notional costs

The notional cost of capital is designed to show the opportunity cost of funding the net assets needed to provide a particular service. It is a non-cash charge shown on the operating cost statement. The TDA's income and expenditure account shows a credit rather than a charge in relation to the cost of capital. This is because the TDA, instead of having overall net assets on its balance sheet, has overall net liabilities (due to its relocation provision for future programme payments as detailed in note 15 to the accounts). This means that in effect the TDA is being funded by those to whom it has a liability. As the Exchequer benefits from having these

liabilities, the operating cost statement has to reflect that benefit and show a credit. However, the effect of this notional credit is reversed on the operating cost statement so that the bottom line net expenditure for the year is not distorted.

The cost of capital for 2008–09 is calculated at 3.5 per cent (2007–08 also 3.5 per cent) of the average capital employed. In accordance with HM Treasury guidance, non-interest bearing bank balances with the Office of the Paymaster General and the Bank of England are excluded from the calculation of capital employed.

## 6. Staff costs

### a) The costs of staff, excluding those disclosed in note four on the previous page

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 2009 were:

	2008–09 £'000	2007–08 £'000
Staff salaries	11,285	10,906
Cost of temporary staff	2,754	2,309
Social Security costs	974	954
Superannuation costs	2,239	2,178
<b>Total</b>	<b>17,252</b>	<b>16,347</b>

*During the year one employee retired early. The cost to the TDA in 2008–09 was £16,738 with further additional cost in 2009–10 of £1,258.*

### b) Average number of employees

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

	2008–09 Numbers	2007–08 Numbers
Senior managers	7	11
The Executive Directorate for Training	111	115
The Executive Directorate for Development and Improvement Strategy	53	48
The Executive Directorate for Supporting Delivery	11	13
The Executive Directorate for Supporting Delivery: relocation	96	97
Temporary staff	6	5
	53	45
<b>Total</b>	<b>337</b>	<b>334</b>

### c) Pension arrangements for staff

For 2008–09, employers' contributions of £2.303m were payable to the PCSPS (2007–08: £2.214m) at one of four rates in the range of 17.1 per cent to 25.5 per cent of pensionable pay, based on salary bands (the rates in 2007–08 were the same). The scheme's actuary reviews employer contributions every four years following a full scheme valuation. From 2009–10 the salary bands and rates will be revised. The contributions rates are set to meet the cost of the benefits accruing during 2008–09 to be paid when the member retires, and not the benefits paid during the period to existing pensioners. The superannuation amounts are under staff costs and also within relocation staff costs.

Employees can opt to open a partnership pension account – a stakeholder pension with an employer contribution. Employers' contributions of £42k (2007–08: £26k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from three to 12.5 per cent of pensionable pay. Employers also match contribution up to three per cent of pensionable pay. In addition £2,874 (2007–08: £1,451) or 0.8 per cent of pensionable pay was 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 prepaid to the partnership pension providers at the balance sheet date.

There were no superannuation contributions paid to third parties in relation to secondees (2007–08: £10k).

## 7. Analysis of other administration costs

	2008–09 £'000	2007–08 £'000
Board members' emoluments	47	52
Travel, subsistence and hospitality		
Chair	6	3
Chief Executive	5	2
Board	26	21
Employees	106	43
Staff training and fees	595	462
General administrative expenditure	1,027	874
Recruitment	568	465
SLA information systems and payroll	178	186
Charges for operating leases	4,225	4,804
Dilapidations	0	246
Consumables	608	462
Legal and consultancy costs	725	361
Internal auditors remuneration	140	122
External auditors remuneration	51	40
Bank charges	4	9
<b>Total</b>	<b>8,311</b>	<b>8,152</b>

The 2008–09 external auditors' remuneration includes £5k for IFRS 'Trigger Point 1' audit. Operating lease costs of £345k associated with the Manchester accommodation have been included within in-year relocation costs shown in note four.

## 8. Intangible fixed assets

	31 March 2009	31 March 2008
	£'000	£'000
<b>Cost or valuation</b>		
Balance as at 1 April 2008	291	304
Additions	28	4
Disposals	0	0
Impairments	0	0
Surplus/(loss) on revaluation	0	0
– to operating cost statement	4	(17)
<b>Cost or valuation</b>	323	291
<b>Depreciation</b>		
Balance as at 1 April 2008	(270)	(190)
Charge for the year	(33)	(110)
Disposals	0	0
Impairments	0	0
Surplus/(loss) on revaluation	0	0
– to operating cost statement	8	30
<b>Depreciation</b>	(295)	(270)
<b>Net book value</b>	28	21

## 9. Tangible fixed assets

The cost or valuation and depreciation of the TDA's tangible fixed assets is:

2008–2009	Refurbishment of building £'000	IT assets £'000	Office equipment and furniture £'000	Total £'000
<b>Cost or valuation</b>				
Balance as at 1 April 2008	327	1,423	2,338	4,088
Additions	0	101	138	239
Disposals	0	(617)	0	(617)
Impairments	0	0	0	0
Surplus/(loss) on revaluation				
– to operating cost statement	0	(25)	0	(25)
– to revaluation reserve	11	0	86	97
<b>At 31 March 2009</b>	<b>338</b>	<b>882</b>	<b>2,562</b>	<b>3,782</b>
<b>Depreciation</b>				
Balance as at 1 April 2008	(195)	(683)	(999)	(1,877)
Charge for the year	(105)	(259)	(544)	(908)
Disposals	0	546	0	546
Impairments	0	0	0	0
(Surplus)/loss on revaluation				
– to operating cost statement	0	13	0	13
– to revaluation reserve	(13)	0	(71)	(84)
<b>At 31 March 2009</b>	<b>(313)</b>	<b>(383)</b>	<b>(1,614)</b>	<b>(2,310)</b>
<b>Net book value at 31 March 2009</b>	<b>25</b>	<b>499</b>	<b>948</b>	<b>1,472</b>
<b>Net book value at 1 April 2008</b>	<b>132</b>	<b>740</b>	<b>1,339</b>	<b>2,211</b>

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

	31 March 2009 £'000	31 March 2008 £'000
Programme debtors	7,030	16,187
Other debtors	85	115
Programme prepayments	717	257
Other prepayments and accrued income	306	362
Loans to staff	91	91
<b>Total</b>	<b>8,229</b>	<b>17,012</b>

## 11. Debtors with other government bodies: amounts falling due within one year

	31 March 2009 £'000	31 March 2008 £'000
Other central Government bodies	390	414
Local authorities	2,456	3,173
NHS trusts	0	0
Public corporations and trading funds	0	0
<b>Balance with other Government bodies</b>	<b>2,846</b>	<b>3,587</b>
<b>Balance with other non-Government bodies</b>	<b>5,383</b>	<b>13,425</b>
<b>Total</b>	<b>8,229</b>	<b>17,012</b>

## 12. Cash balances

Details of balances at year-end:	31 March 2009 £'000	31 March 2008 £'000
Cash held in the Office of the Paymaster General:		
in respect of programme costs	6,985	1,294
in respect of administration costs	2,753	2,025
<b>Total</b>	<b>9,738</b>	<b>3,319</b>

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

	31 March 2009 £'000	31 March 2008 £'000
Programme creditors	5,006	4,882
Other creditors	3	3
Programme accruals	12,691	13,424
Other accruals	855	1,223
<b>Total</b>	<b>18,555</b>	<b>19,532</b>

## 14. Creditors balances with other government bodies

	31 March 2009 £'000	31 March 2008 £'000
Other central Government bodies	27	432
Local authorities	3,394	3,614
NHS trusts	0	0
Public corporations and trading funds	798	3,893
<b>Balance with other Government bodies</b>	<b>4,219</b>	<b>7,939</b>
<b>Balance with other non-Government bodies</b>	<b>14,336</b>	<b>11,593</b>
<b>Total</b>	<b>18,555</b>	<b>19,532</b>

## 15. Provisions for liabilities and charges due within one year

	31 March 2009 £'000	31 March 2008 £'000
<b>Relocation</b>		
Balance brought forward	9,418	0
Additional amount for the year	0	9,418
Provision written back	(3,032)	0
Provision utilised during the year	(25)	0
<b>Balance carried forward</b>	<b>6,361</b>	<b>9,418</b>

*The provision for staff costs and loss of office space was created in 2007–08. The provision has been reduced in 2008–09 to reflect the changes in our relocation transition plan.*

## 16. Leases and hire purchase obligations

At 31 March 2009, the TDA had the following commitments under non-cancellable operating leases:

	31 March 2009 £'000	31 March 2008 £'000
Land and buildings		
<b>Operating leases which expire:</b>		
Within one year	5,096	0
Within two to five years	0	4,610
Over five years	0	0
<b>Other operating leases which expire:</b>		
Within one year	0	0
Within two to five years	344	154
Over five years	0	0

## 17. Reconciliation in movement of general reserve

	31 March 2009 £'000	31 March 2008 £'000
Balance brought forward	(6,430)	11,898
Grants and grant-in-aid funding	738,222	777,313
Net expenditure for the year	(737,297)	(795,641)
Transfer from revaluation reserve on disposal of assets	0	0
<b>Reserves carried forward</b>	<b>(5,505)</b>	<b>(6,430)</b>

## 18. Reconciliation in movement of revaluation reserve

	<b>31 March 2009</b> £'000	<b>31 March 2008</b> £'000
Balance brought forward	43	31
Modified historic cost accounting depreciation	(84)	(26)
Revaluation on cost	97	38
Reserves carried forward	56	43

## 19. Notes to the cash flow statement

	2008–2009 £'000	2007–2008 £'000
<b>19a. Reconciliation of net cash outflow from operating activities</b>		
Net operating expenditure for the period	(736,862)	(795,636)
Add: depreciation charges	943	1,004
Add: loss on disposal of assets	59	10
(Subtract)/add: (gain)/loss on revaluation of assets	(1)	(15)
(Subtract)/add: reversal of cost of capital	(435)	(5)
(Increase)/decrease in debtors	8,783	282
Increase/(decrease) in creditors	5,359	8,998
Increase/(decrease) in provisions	(9,393)	9,418
<b>Net cash outflow from operating activities</b>	<b>(731,547)</b>	<b>(775,944)</b>
<b>19b. Capital expenditure</b>		
Payments to acquire intangible assets	(28)	(4)
Payments to acquire tangible assets	(238)	(538)
Sales proceeds of tangible assets	10	7
	(256)	(535)
<b>19c. Reconciliation of net cash flow to movement in net debt</b>		
Net funds at 1 April	3,319	2,485
Increase/(decrease) in cash for the year	6,419	834
<b>Net funds at 31 March</b>	<b>9,738</b>	<b>3,319</b>

## 20. Commitments at the end of the period

### Capital commitments

As at 31 March 2009 the TDA had no capital commitments.

### Programme financial commitments

Current ITT and postgraduate professional development (PPD) funding for institutions is approved on an academic year basis – 1 August to 31 July. The figures as at 31 March 2009 cover the TDA's known commitments in respect of the academic years 2008/09 and 2009/10, ending on 31 July 2009 through to 31 July 2010 respectively.

	<b>31 March 2009</b> £'000	<b>31 March 2008</b> £'000
<b>The Executive Directorate for Training</b>		
Provider funding	334,990	330,527
Training bursaries	198,633	204,438
Employment-based initial teacher training funding	118,150	115,080
The Student Associates Scheme	16,675	14,280
The subject knowledge enhancement scheme	12,673	0
Postgraduate professional development	26,966	29,199
<b>The Executive Directorate for Development and Improvement</b>		
Parent support advisers	0	6,646
The Golden Hello Scheme	26,007	29,120
Wider workforce	18,210	905
WMDG	21,478	21,470

## 21. Events after the balance sheet

There have been no events after the balance sheet date requiring an adjustment to the financial statement. The financial statements were authorised for issue on 1 July 2009 by Graham Holley (Accounting Officer).

## 22. Financial instruments

FRS 13 (Financial instruments and derivatives) requires organisations 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 DCSF 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.

## 23. Audited accounts for initial teacher training providers

Included in these accounts are grants to providers of ITT, 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 HEIs 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 2007/08 academic year

For the academic year ended 31 July 2008 the TDA has received audited accounts from all of the 74 higher education ITT providers and all of the 59 other ITT providers which are required to submit accounts.

## 24. Related party payments schedule

The DCSF is the TDA's parent department and is therefore a related party, as are other DCSF NDPBs, in particular the HEFCE and the NCSL.

other central Government bodies. Most of these transactions have been with the National Assembly for Wales (see note two).

In addition, the TDA has had a small number of material transactions with other Government departments and

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

Member	Third party	2008–09	2007–08
		£'000	£'000
James Aston MBE**	BDO Stoy Hayward	1	1
John Atkins	The Kemnal Trust	30	0
Christopher Baker MBE	National College for School Leadership (NCSL)	6,037	0
Rekha Bhakoo**	Newton Farm School	1	0
Brenda Bigland*	Lent Rise Combined School	4	22
Andrew Buck**	Jo Richardson Community School	4	10
Andrew Buck	National College for School Leadership (NCSL)	6,037	0
Prof. Deborah Eyre	Warwick University	6,732	7,026
Prof. Sir Brian Follett (Chair)	University of Oxford	2,442	2,622
Prof. David Green	University of Worcester	6,965	7,728
Prof. Christopher Husbands	University of London, Institute of Education	13,946	14,370
Prof. Christopher Husbands	University of East Anglia	0	4,536
Dame Gillian Pugh	Children's Workforce Development Council (CWDC)	77	43
Dame Gillian Pugh	University of London, Institute of Education	13,946	0
Richard Thornhill**	Loughborough 'Fresh Start' Primary School	3	5
Susan Tranter*	Fitzharrys School	5	5
Susan Tranter	Specialist Schools and Academies Trust	371	0
Alan Wood	The Learning Trust (London Borough of Hackney)	219	0

\* Figures include the emolument payments noted in paragraph 61

\*\* Figures are the emolument payments noted in paragraph 61

Dame Gillian Pugh is a related party to CWDC from which the TDA received an income in 2008–09 of £174k (2007–08 £59k). This income relates to rental income of office accommodation and the receipt has been netted off against charges for operating leases in note seven.

Andrew Buck and Christopher Baker are both related parties to NCSL from which the TDA received an income in 2008–09 of £355k. This income relates to rental income of office accommodation and the receipt has been netted off against charges for operating leases in note seven.

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

# Glossary

CETV	cash equivalent transfer value
CPD	continuing professional development
CSL	Consulting Strategies Limited
CSP	Civil Service Pension
CWDC	Children's Workforce Development Council
DCSF	Department for Children, Schools and Families
ECM	Every Child Matters
ESD	education for sustainable development
FRem	Financial Reporting Manual
GIA	grant-in-aid
GO	government office
GTCE	General Teaching Council for England
GTP	Graduate Teacher Programme
HEFCE	Higher Education Funding Council for England
HEI	higher education institutions
HERRG	Higher Education Regulation Review Group
HLTA	higher level teaching assistant
IEM	impact evaluation model
ITT	initial teacher training
LA	local authority
LLUK	Lifelong Learning UK
LSP	local social partnerships
MTL	Masters in Teaching and Learning
NAO	National Audit Office
NCSL	National College for School Leadership
NDPB	non-departmental public body
NQT	newly qualified teacher
OCS	operating cost statement
Ofsted	Office for Standards in Education, Children's Services and Skills
OGC	Office of Government Commerce
PCS	Public and Commercial Service
PCSPS	Principal Civil Service Pension Scheme
PGCE	postgraduate certificate in education
PPD	postgraduate professional development
PSA	parent support adviser
QTS	qualified teacher status
RPI	retail price index
RTP	Registered Teacher Programme
SBM	school business manager
SCITT	school-centred initial teacher training
SEN	special educational needs
SIC	statement on internal control
SLA	service level agreement
SLT	Strategic Leadership Team
STEM	science, technology, engineering and mathematics
TDA	Training and Development Agency for Schools
TIL	Teaching Information Line
TTRB	teacher training resource bank
TYS	targeted youth support
UK GAAP	UK generally accepted accounting practices for companies
VfM	value for money
WAMG	Workforce Agreement Monitoring Group

## Internal auditors assurance level definitions:

### Sound

Sound design of internal control that addresses risk and meets best practice and is operating as intended.

### Adequate

Adequate design of internal control that addresses the main risks but falls short of best practice and is operating as intended.

### Inadequate

Major flaws in design of internal control or significant non-operation of controls that leaves significant exposure to risk.

# Board members 2008–09



**Prof. Sir Brian Follett**

Chair



**Graham Holley**

Chief Executive, TDA



**John Atkins**

Executive Principal,  
The Kemnal Trust,  
Bromley



**Rekha Bhakoo CBE**

Headteacher,  
Newton Farm First  
and Middle School



**Prof. Deborah Eyre**

Visiting Senior  
Research Fellow,  
University of Oxford



**Ian Ferguson CBE**

Chairman,  
Data Connection Ltd



**Prof. David Green**

Vice-Chancellor,  
University of Worcester



**Prof. Chris Husbands**

Dean of the Faculty of  
Culture and Pedagogy,  
Institute of Education,  
University of London



**Derrick Palmer**

Business consultant



**Dame Gillian Pugh**

Children's Workforce  
Development Council



**Richard Thornhill**

Headteacher,  
Loughborough  
Primary School



**Susan Tranter**

Headteacher, Fitzharrys  
School – secondary



**Alan Wood**

Chair, London Association  
of Directors of Children's  
Services



**Christopher Baker MBE**

Business consultant



**Brenda Bigland CBE**

Headteacher, Lent Rise  
Combined School – primary



**Andrew Buck**

Partnership Headteacher,  
Eastbrook – Jo  
Richardson Partnership –  
secondary



**Joan Munro**

National Adviser,  
Workforce Strategy,  
Improvement and  
Development Agency for  
Local Government



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