



The Government's Expenditure Plans 2001–02 to 2003–04 and Main Estimates 2001–02

Department for Education and Employment  
and Office for Standards in Education

Departmental Report

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

March 2001

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**Employment**   
**Service**



OFFICE FOR STANDARDS  
IN EDUCATION



**Department for**  
**Education and Employment**

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# FOREWORD

I am pleased to be introducing my fourth departmental report. It sets out the work that the Department, OFSTED and the Employment Service – working with our many partners – have done during the financial year 2000-01. The year was also notable in that the Department celebrated the fifth anniversary of its creation.

The report is an important way of letting Parliament and a wider public know what is being achieved with public resources. And of showing how investment in education and employment is paying dividends for the whole country and its economy.



Under this Government, we have made explicit the link between the resources that are invested, and the results departments are expected to achieve. So this report details achievements against our public service agreements and against the Department's business plans. I am particularly pleased that we can report that, as promised, a quarter of a million young people have found work through the New Deal, and that we are very close to achieving our ambitions both for smaller infant class sizes and for literate and numerate 11-year-olds. In both cases, we are on target. And that our plans for new services such as the Learning and Skills Council, Connexions and the Disability Rights Commission are well grounded.

I would wish to highlight the Government's renewed commitment to invest in education and employment, as demonstrated in July's spending review announcements and the March Budget. This proved our determination to make a reality of the aims of this Department: giving young people the skills they need for life, improving everyone's chances through lifelong learning, and helping those without a job into work, particularly those at a disadvantage. Examples of what has already been achieved on the ground for people can be found throughout the Report – they show the benefits that can be reaped from joined-up thinking on education, employment and equality in a single department; and how this delivers both economic benefits and improvements to people's engagement with, and stake in, society.

New challenges and priorities, however, are arising for the Department. We are developing policies to address these. We have set new public service agreement targets to guide delivery to 2004 and beyond, linked to investment.

Achieving a transformation of people's chances and securing a cohesive, prosperous and inclusive society is not a task for the Government alone. The report pays tribute to everyone throughout the country who has contributed. I add my own thanks to them, and commend this report to you.

A handwritten signature in black ink that reads "David Blunkett".

**DAVID BLUNKETT**

# AIMS AND OBJECTIVES

## Department for Education and Employment

**Aim** – To give everyone the chance, through education, training and work, to realise their full potential, and thus build an inclusive and fair society and a competitive economy.

**Objectives** – DfEE is working with others in Government and beyond, towards two overarching goals: an inclusive society where everyone has an equal chance to achieve their full potential; and a globally competitive economy with successful firms and a fair and efficient labour market.

**Objective 1** – Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.

**Objective 2** – Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need.

**Objective 3** – Helping people without a job into work.

## Office for Standards in Education

### Aims

**1** – To help improve the quality and standards of education through independent inspection and advice.

**2** – To help ensure and improve the quality and standards of childcare through regulation (in support of the Government's aim of raising the quality of childcare) by establishing and operating a national system for the regulation of childcare.

**Objective 1** – To deliver high-quality inspection of schools, further education for students up to 19, local education authorities and teacher training; and provide well-informed, high-quality advice to the Secretary of State for Education and Employment to assist in the formation and evaluation of government policies concerning education for young people aged 5 to 19 in schools and colleges and the training of teachers of this age group.

**Objective 2** – To establish and ensure high-quality regulation of childminders and day care providers, including the delivery of high quality inspections of childcare and funded nursery education; and provide high-quality advice to the Secretary of State for Education and Employment to assist in the formation and evaluation of government policies on early years childcare and education.

## Employment Service

**Aim** – To help people without jobs to find work and employers to fill their vacancies.

**Objective A** – To help all people without jobs, and particularly those on welfare and at a disadvantage in the labour market, to find and keep work by providing appropriate information, advice, training and support, and by encouraging employers to open more opportunities to them.

**Objective B** – To ensure that the rights and relevant labour market responsibilities of people on Jobseeker's Allowance and other benefits are fulfilled, whilst helping to combat fraud and abuse of the system.

**Objective C** – To harness new technology, the pursuit of excellence and continuous improvement to deliver effective, efficient and accessible services to all people without jobs and to employers in Jobcentres and, increasingly, through other locations and means of communication.

**Objective D** – To deliver services to all ES customers in a way which respects individual differences, helps to overcome disadvantages due to ethnicity, gender, age or disability, and achieves the best possible outcome for each of them.

## Sure Start

**Aim** – To work with parents and children to promote the physical, intellectual and social development of pre-school children – particularly those who are disadvantaged – to ensure they are ready to flourish when they get to school.

**Objective 1** – Improving children's social and emotional development.

**Objective 2** – Improving children's health.

**Objective 3** – Improving children's ability to learn.

**Objective 4** – Strengthening families and communities.

**Objective 5** – Increasing productivity.

# Ministerial Team



**Rt Hon David Blunkett MP**  
Secretary of State



**Rt Hon Tessa Jowell MP**  
Minister for Employment,  
Welfare to Work and Equal  
Opportunities



**Rt Hon Tessa Blackstone**  
Minister for Education  
and Employment in the Lords



**Rt Hon Estelle Morris MP**  
Minister for Schools  
and Standards



**Michael Wills MP**  
Parliamentary Under-Secretary  
of State for Learning and  
Technology



**Malcolm Wicks MP**  
Parliamentary Under-Secretary  
of State for Lifelong Learning



**Jacqui Smith MP**  
Parliamentary Under-Secretary  
of State for School Standards



**Margaret Hodge MP**  
Parliamentary Under-Secretary  
of State for Employment and  
Equal Opportunities

# Organisational Charts

## **Employment Service**

**Leigh Lewis**  
Chief Executive

**Clare Dodgson**  
Chief Operating Officer

Welfare to Work Delivery  
**Richard Foster**  
Director

Finance, Commercial  
and Corporate Services  
**Mark Neale**  
Director

Human Resources  
**Kevin White**  
Director

The Employment Service is an  
executive agency of DfEE.



**Department for  
Education and Employment**

**Michael Bichard**  
Permanent Secretary  
(until 31 May 2001)

Lifelong Learning  
**Nick Stuart**  
Director-General

Schools  
**David Normington**  
Director-General

Sure Start Unit and Children  
and Young People's Unit  
**Naomi Eisenstadt  
and Althea Efunshile**  
Directors

Employment, Equality and  
International Relations  
**Peter Shaw**  
Director-General

Strategy and Communications  
**Peter Wanless**  
Director

Corporate Services  
and Development  
**Susan Thomas**  
Director

Finance and Analytical Services  
**Peter Makeham**  
Director-General

## **GOVERNMENT OFFICES FOR THE REGIONS**

East Midlands  
**Dennis Morrison**  
Director

East of England  
**Alan Riddell**  
Director

London  
**John Owen**  
Director

North East  
**Bob Dobbie**  
Director

North West  
**Keith Barnes**  
Director

South East  
**David Saunders**  
Director

South West  
**Jane Henderson**  
Director

West Midlands  
**David Ritchie**  
Director

Yorkshire & the Humber  
**Felicity Everiss**  
Director

The Government Offices are  
responsible for delivery of the  
Department's policies and  
programmes in the regions  
(along with those of the  
Departments of the Environment,  
Transport and the Regions, and  
Trade and Industry).



**OFFICE FOR STANDARDS  
IN EDUCATION**

**Mike Tomlinson**  
Chief Inspector

Policy, Planning  
and Resources  
**Judith Phillips**  
Director

Early Years  
**Maggie Smith**  
Director

Inspection  
**Elizabeth Passmore and  
David Taylor**  
Directors

OFSTED is a non-ministerial  
government department.

## SECTION A: BETTER PUBLIC SERVICES



*Tessa Jowell and David Blunkett with 5 New Deal clients mark the 250,000th young unemployed person into work through the New Deal for Young People, 30 November 2000.*

# DEPARTMENT FOR EDUCATION AND EMPLOYMENT



## Public Service Agreement Targets

In announcing its spending plans for 1999-00 to 2001-02 in the 1998 comprehensive spending review, the Government set new priorities for public spending, with significant extra resources for key services such as education. The Government also committed itself to linking this extra investment to modernisation and reform. The 1998 white paper *Public Services for the Future*, and its 1999 supplement, delivered this commitment by publishing for the first time, in a series of departmental public service agreements, measurable targets for the full range of the Government's objectives. Last year's departmental report, published in April, reported progress towards these targets for the first time.

As recognised at the time of the comprehensive spending review, setting targets for central government was a process that would need to be refined over time. So, in the spending review 2000, which set new plans for public spending for 2001-02 to 2003-04, the Government has further developed the public service agreements in order to prioritise the most important goals and reforms it wants to deliver. These new targets are set out in the white paper *Spending Review 2000: Public Service Agreements 2001-04*, published in July, and will be reported on for the first time in departmental reports in 2002.



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The white paper *Modernising Government*, published in 1999, states the Government's vision for reform and modernisation of the delivery of public services (see chapter 18 for further details).

## Education and Employment Targets

The following tables set out progress against the Department's performance and efficiency targets, with the text of the performance targets showing the baseline position at the start of the Parliament (although not all data derives from the same date, see footnotes). Overall, the Department has now met several of its targets and is making good progress towards almost all of the others. Particular examples of success to date include:

- The number of pupils in infant classes of 31 or more pupils taught by one teacher in September was 30,000 (2 per cent), compared to 171,000 (11 per cent) a year earlier and 477,000 (29 per cent) in 1997;

- The percentage of children reaching level 4 or above in key stage 2 tests in English has risen to 75 per cent, an increase of 4 percentage points over the 1999 figure of 71 per cent. This builds on the 6-percentage-point increase the previous year, meaning that there has been a rise of 10 percentage points since the start of the literacy strategy in 1998;
- In mathematics, there has been a large improvement in key stage 2 attainment levels since 1998: 72 per cent achieved level 4 or above in 2000 compared to 59 per cent in 1998; and
- with over 274,000 young people into jobs by the end of December, the Government's target of moving 250,000 young people off benefit and into jobs during the life of the Parliament under the New Deal for Young People has been achieved.

### National Learning Targets

The Department also measures itself against a set of national learning targets, some of which are the same as the public service agreement targets. The national learning targets were set in October 1998 to underpin departmental priorities. The Department published its second report on the targets in February, showing that progress has been good and that the Department expects to meet most of the targets by December 2002. Further detail on each target, including tables showing progress, is given in the relevant chapters. The National Advisory Council for Education and Training Targets also reported on progress and advised on targets beyond 2002 in *Aiming Higher*, published in November. The responsibility to advise the Government on post-16 targets passes from the Council to the Learning and Skills Council in April 2001.

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[www.dfee.gov.uk/nlt/index.htm](http://www.dfee.gov.uk/nlt/index.htm)

### Other websites

[www.dfee.gov.uk/sda2000/](http://www.dfee.gov.uk/sda2000/)

[www.hm-treasury.gov.uk/sr2000/index.html](http://www.hm-treasury.gov.uk/sr2000/index.html)

**Table 1.1** Targets for Objective 1

Public Service Agreement Targets	Achievement (Date of data differs – see footnotes)
<b>Objective 1 Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.</b>	
I. Increase provision of nursery places for 3-year-olds from 34% to 66% by 2002, focusing on the most deprived areas of the country; <sup>1</sup>	50%
II. The number of pupils aged 5, 6 or 7 in infant classes over 30 to fall from 477,000 to zero by September 2001 at the latest; <sup>2</sup>	30,000
III. An increase in the proportion of those aged 11 meeting the standard of literacy for that age (level 4 in the key stage 2 test) from 63% to 80% by 2002; <sup>3</sup>	75%
IV. An increase in the proportion of those aged 11 meeting the standard of numeracy for that age (level 4 in the key stage 2 test) from 62% to 75% by 2002; <sup>3</sup>	72%
V. A reduction by one third in school truancies (from 0.7% to 0.5% half days missed a year through unauthorised absence) and exclusions (from 12,500 to 8,400 permanent exclusions a year) by 2002; <sup>4,5</sup>	0.7% 10,400
VI. An increase in the proportion of those aged 16 who achieve one or more GCSEs at grade G, or equivalent, from 92% to 95% by 2002; <sup>6</sup>	94.4%
VII. An increase in the proportion of those aged 16 who achieve five or more GCSEs at grade A*-C from 45% to 50% by 2002; <sup>6</sup>	49.2%

1 Baseline data was collected in relation to the January 1997 Schools Census. Latest data is taken from the January 2000 Schools Census and the autumn 2000 termly three-year-old headcount.

2 Number of pupils in key stage 1 classes taught by one teacher in maintained schools in England, collected via headcount in January and September each year. Baseline data relate to January 1997 and latest data to September 2000. Final outturn data for September 2001 is expected to be available by November 2001.

3 Source: National Data Collection exercise following National Curriculum tests in May each year. Provisional data are published September/November each year with final data published in the November Performance Tables. The calculation is based on all pupils eligible for the end of key stage 2 tests in maintained schools, plus those from independent schools choosing to take part. It therefore includes all pupils who are disapplied from the National Curriculum, those working below the level of the tests and those who were absent. The baseline figure relates to tests sat in May 1997 and the latest data to tests sat in May 2000. Data relating to the 2002 target will be published in November 2002.

4 Unauthorised absence data is collected in May/June each year for September to May of the current academic year. The data represents half days of teaching time missed due to unauthorised absence. Absence data is published in November. Baseline data for absence relate to the 1996/97 academic year and latest data to the 1999/00 academic year. Final outturn data for 2002 will be available in November 2002.

5 Permanent exclusions data is collected in January each year and relates to exclusions in the previous academic year. The provisional data is published in the summer. Baseline data for permanent exclusions relate to the average number of permanent exclusions per year for the three-year period 1994/95 to 1996/97. The latest data available is for the 1998/99 academic year (provisional). Final outturn data for 2002 will be available in summer 2003.

6 Source: Examination results of 15-year-old pupils (aged 15 at the start of the academic year). Provisional data is published in October and final data in the November Secondary School and College Performance Tables each year, for examinations taken at the end of the academic year just ended. Baseline data is for the academic year 1996/97 and latest data for 1999/00. Final outturn data for 2002 will be published in autumn 2002.

**Table 1.2** Targets for Objective 2

Public Service Agreement Targets	Achievement (Date of data differs – see footnotes)
<b>Objective 2 Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need.</b>	
VIII. An increase in the proportion of those aged 19 to have achieved national vocational qualification level 2 or equivalent, from 72% to 85% by 2002; <sup>1</sup>	75.3%
<ul style="list-style-type: none"> <li>● 2% reduction in unit price per work-based trainee in 1999-00 over 1998-99<sup>2</sup></li> <li>● 1% reduction in unit funding per full-time equivalent further education student in 1999-00 over 1998-99<sup>4</sup></li> <li>● 1% reduction in unit funding per full-time equivalent higher education student in 1999-00 over 1998-99<sup>5</sup></li> </ul>	<p>Not<sup>3</sup> achieved</p> <p>Too soon to report</p> <p>Too soon to report</p>

1 Source: Labour Force Survey for England (Office for National Statistics). Autumn survey data is the chosen annual milestone; data for the autumn survey is collected between September and November each year. Latest data relates to autumn 2000 survey data.

2 This is the average funding per trainee in England for work-based training programmes pursued by 16- to 24-year-olds.

3 See chapter 4, **Work-based Training for Young People**.

4 This is the total government funding received by further education colleges in England divided by the number of full-time-equivalent students. Source: Further Education Funding Council's Individualised Student Record. Final data for 1999-00 will not be available until December 2001.

5 This is based on funding to the Higher Education Funding Council for England, the Teacher Training Agency and tuition fees, divided by the number of full-time equivalent students. Funding includes students' estimated private contributions towards tuition fees.

**Table 1.3** Targets for Objective 3

## Public Service Agreement Targets

Achievement  
(Date of data differs – see footnotes)**Objective 3 Helping people without a job into work.**

IX. Get 250,000 under-25-year-olds off benefit and into work by using money from the Windfall Tax (target shared with HM Treasury, to be achieved by the end of the Parliament).

**Measure**

● New Deal for Young People participants placed into work <sup>1</sup>	274,230
● New Deal for Disabled People placings into work since autumn 1998 (no target) <sup>2</sup>	6,288

**Employment Service Annual Performance Agreement (APA) Targets 2000-01****Measures**

● Employment Service job entries <sup>3</sup> of New Deal and Employment Zone participants (2000-01 target = 178,000) <sup>4</sup>	159,448
● Employment Service job entries of people with disabilities (as defined by Disability Discrimination Act) (2000-01 target = 100,000) <sup>5</sup>	75,172
● Employment Service job entries of disadvantaged jobseekers (as defined within the APA) (2000-01 target = 295,000) <sup>6</sup>	308,238
● Employment Service job entries of people who are included within the Welfare to Work definition (as defined within the APA) (2000-01 target = 735,000) <sup>7</sup>	531,404
● Number of jobless people helped into work by the Employment Service (2000-01 target = 1,325,000) <sup>8</sup>	911,911

1 Counts the number of participants in New Deal for Young People who have started work since the start of the programme in 12 pathfinder areas in January 1998, and nationally since April 1998. Total consists of all young people who have left New Deal for Young People for a known job destination. Data collected monthly by the Employment Service (ES) and published by the Government Statistical Service. Latest position relates to period ending December 2000.

2 Data collected monthly from the start of the pilots (autumn – September/October 1998). Latest data relates to period beginning autumn 1998 to December 2000.

3 'Job entries' replaces the term 'job placing' in APA 2000-01. Job entry relates to confirmation from an employer that a jobseeker has started employment rather than received an offer of employment. This refinement ensures that ES focuses on helping people move from welfare actually into work rather than just gaining a job offer.

4 Data collected by ES performance monitoring systems. These figures will differ from Government Statistical Service statistics for New Deal, which record the total number of participants who have found work through the New Deal. Latest data relates to period April 2000 to December 2000.

5 Data collected by ES performance monitoring systems. Latest data relates to period April 2000 to December 2000.

6 Data collected by ES performance monitoring systems. Target measures all those job entries from New Deals and Employment Zones, unemployed people with a disability, plus those Jobseeker's Allowance recipients aged 25 and over unemployed for more than six months, plus working age benefit recipients covered in the ONE pilot areas. Latest data relates to period April 2000 to December 2000.

7 Data collected by ES performance monitoring systems. Target measures all those job entries from New Deals and Employment Zones, unemployed people with a disability, disadvantaged jobseekers, plus unemployed people claiming Jobseeker's Allowance for up to six months. Latest data relates to period April 2000 to December 2000.

8 Data collected by ES performance monitoring systems. Target measures the total number of ES job entries into work of unemployed people, both claimant and non-claimant. Latest data relates to period April 2000 to December 2000.

**Table 1.4** Operations and Productivity Targets

Public Service Agreement Targets	Achievement (Date of data differs – see footnotes)
Employment Service to cover costs of pay and price inflation and other pressures through efficiency savings, equivalent to an average efficiency gain of 4% a year on running costs provision	Employment Service ended the year (1999-00) with a small running costs underspend indicating it has lived within its means
DfEE will deliver its performance targets within running costs total agreed – additional activity these performance targets represents implies an annual efficiency gain of 2.5%	DfEE ended the year (1999-00) with a small running costs underspend indicating it has lived within its means
100% of DfEE and Employment Service gross running costs covered by planned reviews by April 2000	100%
25% of DfEE dealings capable of electronic delivery by 2002 <sup>1</sup>	65%
25% of Employment Service dealings capable of electronic delivery by 2002 <sup>2</sup>	50%
Average days lost to sickness by each member of DfEE staff a year <sup>3</sup>	7.6
Average days lost to sickness by each member of Employment Service staff a year <sup>4</sup>	11.5
100% of invoices paid on time, DfEE <sup>5</sup>	95%
100% of invoices paid on time, Employment Service <sup>6</sup>	97%

1 Autumn 2000 Electronic Service Delivery (ESD) Progress Report.

2 As of spring 2000, ESD capability is 50% with two categories enabled (advise jobseekers and vacancy taking follow up). The remaining two categories (adjudicate and provide grants and benefits) will be enabled in 2005 to provide 100% ESD capacity.

3 Figures for baseline calendar year 1998 (8.6). Current figures relate to calendar year 1999. Agreed milestones towards joint departmental and Employment Service target are 6.9 by 2001 and 6 by 2003.

4 Figures for baseline calendar year 1998 (12.0). Current figures relate to calendar year 1999. Agreed milestones towards joint departmental and Employment Service target are 10 by 2001 and 8.6 by 2003.

5 April to December 2000.

6 April to December 2000.

## Spending Review 2000

The following table sets out the public service agreement targets published in the *Spending Review 2000* white paper. Progress on these new targets will be reported on in the 2002 departmental report.

**Table 1.5** Spending Review 2000 Targets

### **Objective 1 Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.**

1. Increase the percentage of 11-year-olds at or above the expected standard of literacy and numeracy for their age. By 2004:
  - increase the percentage of children who achieve level 4 in each of the key stage 2 English and maths tests beyond the targets for 2002 of 80% in English and 75% in maths. This target will be announced in due course; and
  - reduce to zero the number of local education authorities where fewer than a set percentage of pupils achieve these standards, thus narrowing the attainment gap. This target will be announced in due course.
2. Increase the percentage of 14-year-olds at or above the standard of literacy, numeracy, science and information and communications technology (ICT) for their age. Subject to consultation:
  - by 2007, 85% to achieve level 5 or above in each of the key stage 3 tests in English, maths and ICT, and 80% in science;
  - as milestones towards that target, 80% to achieve level 5 in maths, and 75% in English and ICT and 70% in science by 2004; and
  - for 2004, a minimum performance target will be set which will result in higher standards for the bottom 20% of pupils and narrow the attainment gap.
3. Increase the percentage of pupils obtaining five or more GCSEs at grades A\* to C (or equivalent);
  - increase the proportion achieving the standard by 4 percentage points between 2002 and 2004; and
  - at least 38% to achieve this standard in every local education authority by 2004.
4. Increase the percentage of pupils obtaining five or more GCSEs at grades A\* to G (or equivalent), including English and maths: by 2004 92% of 16-year-olds should reach this standard;
5. On pupil inclusion:
  - Reduce school truancies by a further 10% from the level achieved in 2002; and
  - Ensure that all pupils who are permanently excluded obtain an appropriate full-time education.

### **Objective 2 Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need.**

6. By 2004, increase by 3 percentage points the number of 19-year-olds achieving a qualification equivalent to national vocational qualification level 2 compared to 2002.
7. In higher education: while maintaining standards;
  - increase participation towards 50% of those aged 18 to 30 by the end of the decade;
  - make significant, year-on-year progress towards fair access, as measured by the Funding Council's benchmarks; and
  - bear down on rates of non-completion.
8. Reduce the number of adults who have literacy or numeracy problems by 750,000 by 2004.

### **Objective 3 Helping people without a job into work.<sup>1</sup>**

9. To increase employment over the economic cycle.
10. A continued reduction in the number of unemployed people over the age of 18, over the three years to 2004, taking account of the economic cycle.
11. Reduce the number of children in households with no-one in work, over the three years to 2004.
12. Over the three years to 2004, an increase in the employment rates of disadvantaged areas and groups, taking account of the economic cycle – people with disabilities, lone parents, ethnic minorities and the over-50s, the 30 local authority districts with the poorest initial labour market position – and reduce the difference between their employment rates and the overall rate.

### **Value for Money**

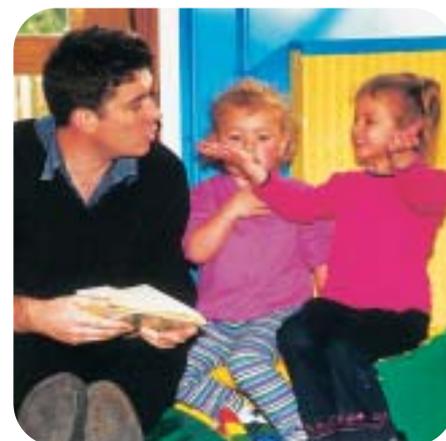
13. Complete benchmarking work for schools by December 2002 so that schools will then be able meaningfully to compare costs with one another and thus improve value for money year on year.

<sup>1</sup> The targets under this objective are shared. No 10 is shared with HM Treasury, No 11 and 12 with the Department of Social Security, and No 9 with both. The key measures listed are those for which DfEE is accountable.

# SURE START

## Public Service Agreement Targets

Sure Start is a cross-departmental programme which is overseen by a steering group involving ministers from the departments of Education and Employment; Health; Social Security; Environment, Transport and the Regions; Culture, Media and Sport; Trade and Industry; and the Home Office; Lord Chancellor’s Department and HM Treasury. It has a separate public service agreement setting out its own targets. The programme works with parents-to-be, parents and children to promote the physical, intellectual and social development of pre-school children – particularly those who are disadvantaged – to ensure they are ready to flourish when they start school. To achieve this aim, Sure Start has five objectives, each measured by a set of targets.



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**Table 2.1** Targets for Sure Start

Public Service Agreement Targets

Achievement

### Objective 1. Improving children’s social and emotional development

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>● Parenting support and information available for all parents.</li> </ul>  | <p>All local programmes’ plans include parenting support and information services</p> <p>Trailblazers are now delivering services to over 10,000 children each month. This includes visiting almost 100% of parents within two months of the birth of their baby to introduce them to Sure Start’s services. They are making good progress in contacting all parents of young children in Sure Start areas. Each local programme is contacting an average of 50 new children every month.</p> |
| <ul style="list-style-type: none"> <li>● 10% reduction in children re-registered on a child protection register.</li> </ul>   | <p>– <sup>1</sup></p>   |
| <ul style="list-style-type: none"> <li>● All local Sure Start programmes to have agreed and implemented, in a culturally sensitive way, ways of identifying, caring for and supporting mothers with post-natal depression.</li> </ul> | <p>All local programmes’ plans include services to identify, care for and support mothers with post-natal depression.</p>   |

### Objective 2 – Improving children’s health

- |   |                       |
|---|-----------------------|
| <ul style="list-style-type: none"> <li>● 5% reduction in low-birth-weight babies.</li> </ul>  | <p>– <sup>1</sup></p> |
| <ul style="list-style-type: none"> <li>● 10% reduction in children admitted to hospitals as an emergency during their first year of life with gastro-enteritis, a respiratory infection, or a severe injury.</li> </ul> | <p>– <sup>1</sup></p> |

### Objective 3 – Improving children’s ability to learn

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>● At least 90% of children with normal speech and language development at 18 months and three years.</li> </ul>  | <p>– <sup>1</sup></p>   |
| <ul style="list-style-type: none"> <li>● 100% of children in Sure Start areas to have access to good quality play and early learning opportunities, helping progress towards early learning goals when they get to school.</li> </ul> | <p>All local programmes’ plans include provision for good quality play and early learning opportunities. The 128 trailblazer and round two programmes plan to support an additional 16,000 childcare places including nurseries, day care, childminders, wraparound care and crèches.</p> |

Public Service Agreement Targets	Achievement
<p><b>Objective 4 – Strengthening families and communities</b></p> <ul style="list-style-type: none"> <li>75% of families report personal evidence of an improvement in the quality of services providing family support.</li> <li>All local Sure Start programmes to have parent representation on local programme boards.</li> </ul>	<p>All local programmes are setting baselines.</p> <p>All approved programmes have parent representation on their programme boards. Many have their own local target of having between one third and one half parents on their programme board.</p>
<p><b>Objective 5 – Increasing productivity</b></p> <ul style="list-style-type: none"> <li>At least 250 local programmes in England.</li> <li>100% of families in contact with the local Sure Start programme within the first two months after birth.</li> <li>Evaluation strategy in place by 2000-01.</li> </ul>	<p>260 programmes have been announced. Of these:</p> <ul style="list-style-type: none"> <li>128 trailblazer and second-wave programmes are up and running;</li> <li>66 third-wave programmes have drawn up plans and will start work from spring 2001;</li> <li>66 fourth-wave programmes were announced in January and should start work from autumn 2001.</li> </ul> <p>Programmes are visiting almost 100% of parents within two months of the birth of their baby to introduce them to Sure Start's services.</p> <p>Contract to carry out the national evaluation of the Sure Start programme in England is now in place and work began early in 2001. All local programmes have evaluation plans.</p>

<sup>1</sup> Data measuring progress towards the targets is collected annually. The first full set of data for trailblazer programmes will be collected for the 12 months to 31 March 2001 and national figures will be available by autumn 2001.

## Spending Review 2000



As part of the Government's spending review 2000 a revised public service agreement for Sure Start has been drawn up to cover the period 2000-01 to 2003-04. Five hundred local programmes will be established by 2003-04, reaching a third of children aged under 4 who live in poverty.

### Table 2.2 Spending Review 2000 Targets

#### Objective 1 Improving children's social and emotional development

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

#### Objective 2 – Improving children's health

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

#### Objective 3 – Improving children's ability to learn

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

#### Objective 4 – Strengthening families and communities.

- Reduce the number of 0- to 3-year-old children in Sure Start areas living in households where no-one is working by 2004.

# OFFICE FOR STANDARDS IN EDUCATION

## Public Service Agreement Targets

The Office for Standards in Education (OFSTED) plays an important part in helping raise the quality of education for all. It has its own public service agreement setting measurable targets for its activities. In pursuing its objectives, OFSTED has striven to carry them out efficiently, effectively and economically within the resources provided, to work with partners in education to raise standards, and to improve communications both internally and externally. OFSTED is on course to meet almost all of its targets.

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**Table 3.1** Targets for Objectives 1 and 2

Public Service Agreement Targets	Achievement <sup>1</sup>
<b>Objective 1. To deliver high-quality inspection of schools, funded nursery education and local education authorities, providing independent assessment to help them raise educational standards.</b>	
<b>Objective 2. To provide high-quality advice, based on inspection evidence, to the Secretary of State for Education and Employment to assist in the formation and evaluation of Government policies.</b>	
I. 18% of schools (4,615) to be inspected in 2000-01.	On course to conduct 4,615 inspections
II. 8,000 nursery settings inspected in 2000-01.	On course to conduct at least 8,000 inspections
III. 50 local education authorities inspected in 2000-01.	On course to inspect more than 50 LEAs
IV. 92% of inspections and reports reviewed in 2000-01 meeting Her Majesty's Chief Inspector's standards.	Over 92% of reports monitored since 1 April meet the required standard
V. Target cost of contracted inspection in 2000-01: £50 million.	Within target cost
VI. Initial teacher training: 160 secondary subject and 36 primary subject inspections in 2000/01 (academic year).	At least 160 secondary inspections and 45 primary inspections are currently under way <sup>2</sup>

1 As the departmental report is published before the end of 2000-01 it is not possible to include data for the final quarter. Tables show performance to 31 December 2000.

2 Initial teacher training inspections take place across a whole academic year so that all stages of the training process can be inspected.

**Table 3.2 Efficiency Indicators**

Efficiency Indicator	Achievement <sup>1</sup>
Average time taken to handle correspondence. (Target: 20 working days)	3.37 working days <sup>2</sup>
Average time taken to respond substantively to complaints. (Target: 42 calendar days)	24 calendar days
Extent of achievement of the targets for prompt payments. (Target: 100% of undisputed invoices to be paid within 30 days)	Achieved in 96.2% of cases
Extent of the achievement by OFSTED of its Better Quality Services programme	A broader review of services is underway, as part of OFSTED's programme of expansion, connected with its new responsibilities to inspect childcare and post-16 provision. The Better Quality Services programme has been adjusted in the light of this. <sup>3</sup>

1 As the Departmental Report is published before the end of 2000-01 it is not possible to include data for the final quarter. Tables show performance to 31 December 2000.

2 Based on sample survey of correspondence.

3 This is the first year of this indicator.

As OFSTED is a small department its public service agreement will be replaced from 2001-02 by a service delivery agreement covering three financial years, the first for 2001-02 to 2003-04. The agreement will contain a greater range of objectives and performance standards, and some of these will run over the whole period of the agreement. OFSTED's main aim and objectives have also been revised to reflect its expanded remit in the regulation and inspection of childcare, and in the inspection of post-16 education (see page 6). Performance targets have been grouped under each objective.

## Spending Review 2000

**Table 3.3 Spending Review 2000 Targets**

**Objective 1. To deliver high-quality inspection of schools, further education for students up to 19, local education authorities and teacher training; and provide well-informed, high-quality advice to the Secretary of State for Education and Employment to assist in the formation and evaluation of government policies concerning education for young people aged 5 to 19 in schools and colleges and the training of teachers of this age group.**

- I. High-quality inspections of 50% of schools subject to regular inspection between April 2001 and March 2004 (high quality to be measured as 93% of inspection reports reviewed meeting HM Chief Inspector's standard by March 2002, rising to 95% by March 2004);
- II. Inspection of schools in special measures within five to seven months of the original inspection in order to assess the progress made against the action plan;
- III. Monitoring of the 500 schools identified by the Secretary of State as lower attaining schools and the schools within the Education Action Zone and Excellence in Cities initiatives;
- IV. High-quality inspections of 29 local education authorities, between April and December 2001 (reporting upon the capacity of the LEA to support school improvement and upon Best Value); then of 30 LEAs each year. All inspection reports to meet HMCI standards and provide information to DfEE to decide if intervention is required;
- V. Number of high-quality initial teacher training inspections meeting HMCI's standard: in 2000/01, 160 secondary subject and 36 primary inspections; in 2001/02, 280 secondary subject and 51 primary inspections (plans for inspection of teacher training beyond September 2002 yet to be finalised);
- VI. Successful establishment of a system of joint inspections of further education institutions falling into the remit of OFSTED by March 2002;
- VII. Successful establishment of a system of inspection of the new Connexions strategy and Framework for Inspection by March 2002;
- VIII. Completion of inspection of all further education institutions falling within OFSTED's remit by September 2005; and
- IX. Up to ten major published reports on a relevant topic, drawing upon inspection evidence, to be published each financial year. This will include reports on literacy and numeracy, on the new strategy for secondary schools and its success in meeting targets for 14-year-olds, and on strategies to promote social inclusion.

**Objective 2. To establish and ensure high-quality regulation of childminders and day care providers, including the delivery of high-quality inspections of childcare and funded nursery education; and provide high-quality advice to the Secretary of State for Education and Employment to assist in the formation and evaluation of government policies on early years childcare and education.**

**Performance targets**

*Transitional*

- I. To establish an Early Years Directorate to implement progressively a national system of regulation of childcare by 2002;
- II. To establish a publicly accessible national register of childminders and day care providers by April 2002;
- III. To establish integrated inspections of childcare and nursery education by April 2003 to be conducted at a frequency and within a timescale to be established;
- IV. To transfer staff from local authorities to OFSTED and provide initial training by September 2001;

*Operational*

- V. To conduct annual inspections of all registered childminders and day care providers by April 2003;
- VI. To set targets for the registration and inspection of childcare providers by December 2001;
- VII. All inspectors of childcare to be trained to an accredited standard by April 2003;
- VIII. At least two major published reports on relevant topics to be published each financial year.
- IX. To develop targets for dealing with complaints from childcare providers by December 2001; and
- X. To develop a target for satisfaction for childcare providers by December 2001.

**Table 3.4 Efficiency Indicators**

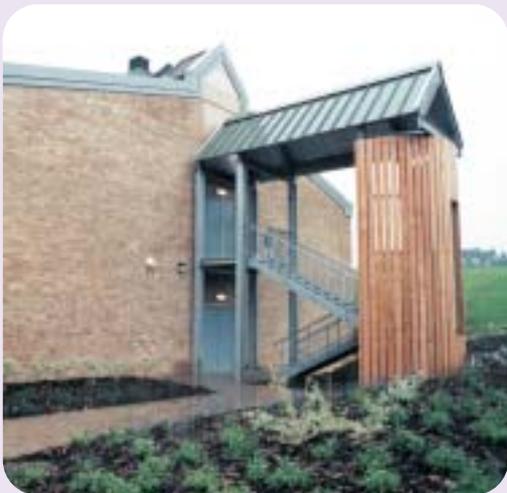
The service delivery agreement also contains an expanded range of efficiency indicators, although those that appeared in the previous year's public service agreement will be included to aid continuity and comparison of measurement.

**Efficiency Indicators**

- I. % of schools that have improved since their last inspection between April 2001 and March 2004;
- II. % of advice to DfEE which is timely and in accordance with specification;
- III. Average time taken to handle correspondence (target: 20 working days);
- IV. Average time taken to respond substantively to complaints about inspectors and inspection reports (target: 42 calendar days);
- V. Average time taken to respond to helpline calls (target: response by end of next working day);
- VI. Extent of achievement of Better Quality Services review programme (completion by 2004-05);
- VII. Extent of achievement of the targets for prompt payment (target: 100% of undisputed invoices to be paid within 30 days);
- VIII. Extent of achievement of targets for electronic government – by March 2002, 25% of dealings with OFSTED to be capable of being done by the public electronically: 100% by March 2005;
- IX. Extent of achievement of targets for sickness absence; and
- X. Extent of achievement of target for publication of school inspection reports on OFSTED's website (target: publication within 90 days of a school inspection).<sup>1</sup>

1 The 90-day target was set to allow time for schools to prepare their action plans in response to the recommendations in the report, and also to allow for situations when an inspection takes place in the summer term and the report is sent to the school during the summer holidays. It would not be appropriate for a report to appear on the Internet before it had been read by the school and the summary distributed to parents.

# SECTION B: EXPENDITURE AND INVESTMENT



## Fig 4.1 FINDING FINANCIAL INFORMATION

To find out	what DfEE & OFSTED spend	look at	<p><b>Table 4.1</b> (page 27): summary totals, including total spent on education, and on education &amp; training.</p> <p><b>Table 4.2</b> (pages 28–29): individual programmes.</p> <p><b>Main Estimates</b> (pages 141–175): request to Parliament for resources in 2001–02.</p>
To find out	what is given for and spent on education	look at	<p><b>Table 4.3</b> (page 32): DfEE, OFSTED and local government.</p> <p><b>Table 4.4</b> (page 34): local government.</p> <p><b>Annex P</b> (pages 202–204): individual local authorities.</p>
To find out	what is given for and/or spent on each pupil, student or trainee	look at	<p><b>Table 4.5</b> (page 35): central government funding per pupil.</p> <p><b>Table 4.6</b> (page 35): spending per pupil in schools.</p> <p><b>Table 4.7</b> (page 36): DfEE funding per further education student.</p> <p><b>Table 4.8</b> (page 38): DfEE funding per higher education student.</p>
To find out	what DfEE, local authorities and others spend on employment programmes	look at	<p><b>Table 4.9</b> (page 38) DfEE spending from Windfall Tax/ Employment Opportunities Fund on welfare to work.</p> <p><b>Table 4.10</b> (page 39): DfEE, local government and voluntary spending on supported employment.</p> <p><b>Table 4.4</b> (page 34): local government.</p>
To find out	what DfEE, local authorities and others invest in buildings and equipment	look at	<p><b>Table 4.4</b> (page 34): local government.</p> <p><b>Table 5.1</b> (page 42): investment by DfEE and private sector (via PFI).</p> <p><b>Table 5.2</b> (page 45): DfEE capital assets.</p> <p><b>Table 5.3</b> (page 46): ES capital assets.</p>
To find out	detailed and technical analysis of DfEE and OFSTED's finances	look at	<p><b>Annexes B to H</b> (pages 184–192): in resource terms.</p> <p><b>Annexes L and M</b> (pages 196–198): in cash terms.</p>
To find out	what is spent on administration	look at	<p><b>Annex I</b> (pages 193–194): DfEE</p> <p><b>Table 4.10</b> (page 39): Welfare to Work from Windfall Tax/ Employment Opportunities Fund</p> <p><b>Annex N</b> (page 198): main non-departmental public bodies</p>

**Table 4.1 Summary of Resource and Capital Tables 1998–99 to 2003–04<sup>1</sup> (£ million)**

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Total spending in Departmental Expenditure Limits<sup>2</sup></b>						
<b>DfEE and Employment Service</b>						
Ensuring that all young people reach the age of 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world <sup>3</sup>	1,820	2,328	4,402	6,149	7,447	8,248
Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need	10,810	11,247	12,138	13,230	14,318	15,224
Helping people without a job into work <sup>4</sup>	1,336	1,367	1,571	1,541	1,502	1,506
Activities to support all objectives <sup>5</sup>	301	306	332	500	342	840
<b>Total DfEE and Employment Service</b>	<b>14,268</b>	<b>15,247</b>	<b>18,443</b>	<b>21,419</b>	<b>23,608</b>	<b>25,818</b>
OFSTED	111	88	107	163	197	192
<b>TOTAL DfEE and OFSTED</b>	<b>14,378</b>	<b>15,335</b>	<b>18,549</b>	<b>21,583</b>	<b>23,804</b>	<b>26,009</b>
<b>Employment Opportunities Fund expenditure<sup>6</sup></b>	<b>487</b>	<b>679</b>	<b>1,357</b>	<b>787</b>	<b>796</b>	<b>774</b>
<b>Total central government spending on education<sup>7</sup></b>	<b>11,373</b>	<b>11,954</b>	<b>15,167</b>	<b>17,495</b>	<b>19,405</b>	<b>21,507</b>
<b>Total central government spending on education and training</b>	<b>12,320</b>	<b>13,081</b>	<b>16,529</b>	<b>19,108</b>	<b>21,266</b>	<b>23,465</b>
<b>Local government Education Standard Spending Assessments<sup>8</sup></b>	<b>19,384</b>	<b>20,414</b>	<b>21,479</b>	<b>22,513</b>	<b>23,863</b>	<b>25,261</b>

1 The figures in the main part of this table are a summary of those in Annexes E and F.

2 Includes both resource and capital expenditure.

3 Includes expenditure on Sure Start and the Children's Fund.

4 These figures do not include Employment Opportunities Fund expenditure.

5 Includes Capital Modernisation Fund expenditure in 2000–01 and 2001–02. 2003–04 includes the Service Development Fund which is used to support innovative projects.

6 New Deal for Schools capital expenditure is included within this total until 2000–01. Thereafter it is included within the Departmental Expenditure Limit.

7 Total central government spending on education includes DfEE spending on schools, further and higher education (including the student loans Resource Budget charge), plus New Deal for Schools capital, the Children's Fund, Sure Start and OFSTED.

8 These figures are not comparable with the local authority recurrent spending in tables 4.3 and 4.4.

**Table 4.2 Department for Education and Employment Spending by Function  
1995-96 to 2001-02 (£ million)**

	Cash terms				Resource terms		2001-02 plans
	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	
<b>Objective One: Early years and schools<sup>2</sup></b>							
Sure Start <sup>3</sup>				#	7	58	184
Under-fives <sup>2,4</sup>	1	21	637	134	122	143	31
Provision for 3-year-olds					28	109	250
Childcare	17	9	4	26	52	69	162
Class size reductions					142	235	250
Schools remaining capital <sup>5</sup> of which	616	657	651	693	778	1,127	1,883
Voluntary-aided schools	95	83	104	118	130	132	200
Former grant maintained schools <sup>6</sup>	126	143	149	132	126	80	11
Capital grants within Standards Fund				67	71	375	819
Credit approvals	395	431	399	376	450	540	559
New Deal for Schools <sup>5,7</sup>							293
Assisted places	105	118	135	125	103	83	70
Music & ballet scheme	7	8	9	10	11	12	12
Other Standards Fund (including former GEST programmes) <sup>8</sup>	202	215	288	255	491	845	901
Special grants to schools						345	640
Childrens Fund							100
Specialist schools and city technology colleges	65	77	89	97	106	128	142
Education Action Zones				10	25	60	60
Excellence in Cities					23	180	199
National Grid for Learning				50	51	99	129
Qualifications framework	57	68	69	82	84	92	96
Modernising the teaching profession	126	196	211	210	249	737	982
Other miscellaneous programmes <sup>9</sup> of which	115	123	161	128	56	80	58
Grant-maintained schools current spending <sup>10</sup>	88	97	110	94	16	25	13
<b>Total</b>	<b>1,312</b>	<b>1,493</b>	<b>2,254</b>	<b>1,820</b>	<b>2,328</b>	<b>4,402</b>	<b>6,149</b>
<b>Objective Two: Lifelong learning<sup>1</sup></b>							
Further education (FE) <sup>11</sup>	3,025	3,154	3,154	3,146	3,271	3,523	
FE student support <sup>11,12</sup>		6	6	24	53	104	
Education maintenance allowances <sup>13</sup>							156
Work-based training for young people <sup>11</sup>	635	734	740	712	801	886	
Learning and Skills Council						31	5,476
Careers service <sup>14</sup>	193	199	208	205	227	240	
Union Learning Fund				2	3	5	6
Connexions service						21	336
Connexions card						7	18
DfEE Innovations Fund	7	4	6	7	5	2	2
Neighbourhood Support Fund					10	15	20
Adult education and skills initiative <sup>15</sup>	4	5	5	92	67	117	120
Youth service	5	4	4	4	5	5	5
Youth enterprise initiative	3	3	3	3	4	6	9
Adult Learning Inspectorate/Training Inspectorate <sup>16</sup>				5	7	7	20
Higher Education Funding Council for England	3,613	3,448	3,508	3,544	4,113	4,349	4,689
Student loans RAB charge	260	330	359	410	604	938	818
Mandatory awards: maintenance and fees	2,107	2,008	1,982	1,877	1,073	768	682
Access funds and bursaries	28	22	22	39	82	87	96
Students support administration	19	16	19	21	49	36	33
British Academy	24	24	29	29	31	34	36
Local competitiveness budget <sup>11</sup>	65	76	62	55	73	67	8
FE collaboration fund	31	29	16	27			
Learning Partnership Fund					5	10	10
Training and enterprise council strategy budget <sup>11</sup>	123	133	156	114	116	145	3
Training and Vocational Employment Initiative	52	22	4	#			
Career development loans	12	14	11	13	15	15	13
Individual learning accounts				1	2	41	47
Learndirect			1	3	6	12	10
Adult guidance <sup>11</sup>					7	19	10
Ufi (within Departmental Expenditure Limit)				1	42	69	60
Improving the training market	17	16	7	6	7	6	6
New entrepreneur scholarships/management development <sup>17</sup>	2	2	2	1	1	1	2
Investors in People UK	2	2	2	2	2	2	2
European Social Fund <sup>18</sup>	239	284	232	387	540	500	388
European Regional Development Fund	13	18	18	25	16	27	27
Other miscellaneous programmes	56	33	41	56	12	43	149
<b>Total</b>	<b>10,533</b>	<b>10,584</b>	<b>10,596</b>	<b>10,810</b>	<b>11,247</b>	<b>12,138</b>	<b>13,230</b>

	Cash terms				Resource terms		2001-02 plans
	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	
<b>Objective Three:</b>							
<b>Helping people without a job into work<sup>1,19</sup></b>							
Work-based learning for adults <sup>20</sup>	504	460	382	264	264	296	19
Employment Service administration	1,061	991	822	742	748	844	794
Employment Service programmes <i>including</i>	256	172	193	143	143	153	454
Work-based learning for adults <sup>20</sup>							287
Job finders grant	2	3	4	2	4	3	2
Travel to interview scheme	2	2	1	1	1	1	1
Action Teams						3	3
National development <sup>3</sup>			1	1	#	1	1
Worktrials <sup>5</sup>	2	2	1	1	#	#	#
Project work		5	44	10			
Research and evaluation	2	1	2	1	1	1	1
Job search	59	51	40	31	33	30	35
Employment Zones <sup>21</sup>			1	5	3		
Rehabilitation	7	8	10	10	10	11	10
Job introduction scheme	1	1	1	1	1	2	2
Access to work	20	13	15	20	24	30	35
Other services for people with disabilities	1	1	1	1	1	1	1
Supported employment grants to local authorities	34	32	35	34	35	35	38
Supported employment grants to voluntary bodies	26	26	27	26	27	31	33
Employ	94	94	94	94	94	99	99
Public Corporation Profit and Loss						11	9
New Deal programmes within DEL delivered by the Employment Service				82	86	89	86
Employment Zones <sup>21</sup>					12	55	54
Civil rights/Disability Discrimination Act			2	3	8	15	16
Equal Opportunities Commission/Fairplay for Women	7	6	6	7	9	12	15
Other miscellaneous programmes	1	1	1	1	1	1	1
<b>Total</b>	<b>1,923</b>	<b>1,724</b>	<b>1,500</b>	<b>1,336</b>	<b>1,367</b>	<b>1,571</b>	<b>1,541</b>
<b>Activities to support all objectives<sup>1</sup></b>							
Research and publicity	20	23	16	18	19	25	26
Emergency reserve							30
Administrative costs (excluding Employment Service)	304	283	254	276	278	274	278
Other miscellaneous programmes <sup>22</sup>	7	7	7	8	9	32	165
<b>Total</b>	<b>331</b>	<b>313</b>	<b>276</b>	<b>301</b>	<b>306</b>	<b>332</b>	<b>500</b>
<b>Total DfEE</b>	<b>14,099</b>	<b>14,113</b>	<b>14,627</b>	<b>14,268</b>	<b>15,247</b>	<b>18,443</b>	<b>21,419</b>
OFSTED <sup>23</sup>	82	122	150	111	88	107	163
<b>TOTAL DfEE and OFSTED</b>	<b>14,181</b>	<b>14,235</b>	<b>14,777</b>	<b>14,378</b>	<b>15,335</b>	<b>18,549</b>	<b>21,583</b>

1 Total figures for objectives may differ slightly from those shown in last year's Annual report due to a re-assignment of some smaller items of expenditure and due to figures now being shown in resource accounting terms from 1998-99.

2 £527 million for nursery vouchers was transferred from local to central government spending in 1997-98 and returned to local government from 1998-99.

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

4 The majority of funding from 2001-02 has been transferred to local authorities.

5 Other programmes in this table include an element of capital spending. This line shows the remaining capital spend. These figures exclude New Deal for Schools allocations of £78 million in 1997-98, £231 million in 1998-99, £234 million in 1999-00 and £714 million in 2000-01.

6 Capital spending for former grant-maintained schools has been absorbed by the capital spending for other schools on a roll-out basis since 1999-00. This reflects the change in status of former grant-maintained schools.

7 The New Deal for Schools Programme does not form part of the Departmental Expenditure Limit until 2001-02. However, expenditure prior to this date – as shown in footnote 5 – has been included in the Capital funding totals in Table 5.1

8 Excludes Special Grant for Schools in 2000-01 and 2001-02. Also excludes expenditure on National Grid for Learning, Education Actions Zones, and Excellence in Cities from 2001-02.

9 Includes elements of residual funding for former grant-maintained schools, a proportion of funding for the National Grid for Learning, and elements of funding for teacher recruitment, literacy and numeracy and school publications.

10 Spending from 1999-00 onwards funds grants to former GM schools and local education authorities in connection with the transition of those schools into the new schools framework.

11 Funding from April 2001 becomes the responsibility of the Learning and Skills Council.

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

13 Education Maintenance Allowances were funded through the Standards Fund prior to 2001-02.

14 The activities of the Careers Service will be taken over by the Connexions Service on a roll-out basis starting in 2001-02.

15 £60 million was made available in the 1998 Budget for the setting up of a number of Centres of Excellence for IT and High Technology Training and Skills Challenge projects.

16 This work will be taken over by the Adult Learning Inspectorate from April 2001.

17 This work and other smaller programmes will be amalgamated into the New Entrepreneur Scholarships scheme from April 2001.

18 For technical reasons, the estimated outturn contains unspent funds rolled forward from the previous year. For reasons of timing and some slippage, payments will peak in 1999-00.

19 This total excludes funding from the Employment Opportunities Fund.

20 This programme will be taken over by the Employment Service during 2001-02.

21 Employment Zones were funded through the Employment Service until 1998-99, thereafter they were part of DfEE funding.

22 Figures include Capital Modernisation fund allocations in 1999-00 to 2001-02.

23 From 2001-02 OFSTED will take on responsibility for regulation of childcare.

# EXPENDITURE PLANS



The Government is committed to transforming people's prospects through education and employment, and has demonstrated that commitment by allocating resources through the comprehensive and Year 2000 spending reviews. In education, the Government has increased the share of national income spent on education as it decreased expenditure on the bills of economic and social failure. In employment, the Windfall Tax was raised to fund the New Deal for Young People. This programme has helped more than a quarter of a million young people unemployed for over six months move from welfare to work. This chapter sets out key points from the Department's expenditure plans.

## Spending Review 2000

In July, the Government published the results of its second spending review, which covered the three-year period 2001-02 to 2003-04.

As a result of the spending review and additions announced in the Budget 2001, average real-terms annual growth in spending on education and training in England between 2000-01 and 2003-04 will be 5.7 per cent a year, and between 1999-00 and 2003-04, 6.7 per cent a year. Capital expenditure on education and training will rise by an average of 18 per cent a year in real terms between 2000-01 and 2003-04. By 2003-04, spending in England on education and training will be over £10.5 billion more than in 2000-01. The allocations included extra resources for Sure Start: funding will increase from £184 million a year to £500 million by 2003-04.

The review also announced a new interdepartmental Employment Opportunities Fund, covering Great Britain. The fund brings together the remaining Windfall Tax receipts and additional resources. It will make the New Deals permanent and will also fund future welfare to work developments. The fund amounts to £1.1 billion in 2001-02, £1.4 billion in 2002-03 and £1.4 billion in 2003-04. It also announced an increase in funding for childcare, to some £200 million by 2003-04.

In November's Pre-Budget Report the Government announced an additional £172 million for education in England in 2000-01. This comprised £167 million for school buildings and £5 million for the e-Learning Foundation.

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## Budget 2001

In March's Budget, the Government has made available additional resources for schools in England, for each of 2001-02, 2002-03 and 2003-04. The package consists of:

- £100 million a year to fund direct grants to schools, on top of the £545 million a year from the spending review 2000. The total available to a typical primary school will now be £24,000 in 2001-02, and to a typical secondary school, £70,000.
- An additional £100 million a year for New Deal for Schools devolved formula capital, to help schools address premises repair and improvement needs. A typical primary school will get nearly £10,000 in 2001-02, and a typical secondary school over £28,000.
- Extra funding to support teacher recruitment and retention, totalling £200 million over the three years 2001-02 to 2003-04 and including a teacher retention fund to help tackle local recruitment and retention problems.
- Extra private finance initiative credits, totalling £200 million in each of 2002-03 and 2003-04.

As a result of the spending review 2000 and the Budget, average real-terms spending per pupil will be £200 higher in 2001-02 than in 2000-01, and £500 higher than in 1997-98. Spending on education and training in England will rise by over 35 per cent in real terms between 1997-98 and 2003-04.

The Government announced a jobs package offering new opportunities for unemployed people. The announcements were expanded in the employment green paper on 14 March (see chapter 15). The Government also announced that, from 2001-02, childcare support available through working families tax credit will be £94.50 per week for one child and £140 per week for two – increases of £24.50 and £35 per week respectively. Other budget measures to support working parents include: from 2002-03, Statutory Maternity Pay will increase to £75 per week and, from 2003-04, £100; paid maternity leave will increase from 18 to 26 weeks from 2003-04 as well, paid paternity leave for two weeks will be introduced in 2003-04 at £100 per week; and paid adoption leave will also be introduced for one adoptive parent at the same rate and for the same period as maternity leave, again from 2003-04.

[www.hm-treasury.gov.uk/budget\\_2001/index.html](http://www.hm-treasury.gov.uk/budget_2001/index.html)

**Table 4.3 Education Expenditure<sup>1</sup> by Central and Local Government by Sector in Real Terms<sup>2,3</sup> in England, 1995-96 to 2000-01 (£ million)**

	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 estimated outturn	2000-01 estimated outturn
<b>Schools<sup>4</sup></b>						
<b>Capital<sup>5</sup></b>	1,085	1,088	1,129	1,232	1,361	2,189
<b>Current,</b>	<b>18,755</b>	<b>18,841</b>	<b>18,964</b>	<b>19,284</b>	<b>20,577</b>	<b>22,573</b>
<i>Of which, Under-fives</i>	1,710	1,747	1,847	1,880	2,071	2,312
Primary	6,843	6,876	6,907	6,997	7,252	8,022
Secondary <sup>6</sup>	8,600	8,621	8,560	8,683	9,042	9,906
Other <sup>7</sup>	1,601	1,597	1,651	1,723	2,212	2,322
<b>Further education and other adult learning<sup>8,9</sup></b>	3,517	3,533	3,425	3,420	3,472	3,746
<b>Higher education<sup>9, 10, 11</sup></b>	5,267	5,002	4,955	4,898	4,903	5,177
<b>Student support,</b>	<b>1,612</b>	<b>1,505</b>	<b>1,423</b>	<b>1,431</b>	<b>1,243</b>	<b>1,352</b>
<i>Of which, Further education<sup>12</sup></i>	105	95	73	75	87	112
Higher education <sup>11, 13</sup>	1,507	1,410	1,350	1,357	1,156	1,240
<b>Administration, inspection costs and miscellaneous services<sup>14</sup></b>	1,463	1,469	1,516	1,573	1,103	1,217
<b>Total</b>						
<b>Real terms</b>	<b>31,698</b>	<b>31,437</b>	<b>31,413</b>	<b>31,838</b>	<b>32,659</b>	<b>36,253</b>
<b>Cash</b>	<b>28,366</b>	<b>29,037</b>	<b>29,838</b>	<b>31,105</b>	<b>32,659</b>	<b>36,887</b>

- 1 Excludes DfEE expenditure on work-based training for young people, careers service, career development loans, learndirect, improving the training market, management development and Investors in People. Figures for 1998-99 onwards are resource-based. Central government figures for 1995-96 to 1997-98 are cash-based. The shading of the table reflects this.
- 2 All figures have been converted to 1999-00 price levels using the 7 March 2001 gross domestic product deflators.
- 3 The recurrent local authority figures in this table are drawn from table 4.4; the footnotes to that table set out the underlying data source – which changed from the Department of Environment, Transport and the Regions' education Revenue Outturn return (the 'RO1') to the DfEE's Section 52 return in 1999-00. They reflect actual expenditure for 1995-96 to 1998-99 and are estimated for 1999-00 and 2000-01. They are not comparable with the local authority figures in table 4.1 as the latter relate to Education Standard Spending Assessments.
- 4 Includes expenditure on county, voluntary-aided, special agreement, grant-maintained schools, city technology colleges and other specialist schools. Central government funding on grant-maintained schools has been appointed to under-fives, primary and secondary sectors using pupil numbers. Under-fives figures include expenditure on Sure Start. Secondary school figures include expenditure on the assisted places, music and ballet schemes and the Technical and Vocational Education Initiative.
- 5 Includes local authority schools capital expenditure financed by central government grants (including New Deal for Schools, and information and communications technology funded through the National Grid for Learning), credit approvals, local education authorities' own contributions and the schools element of the Capital Modernisation Fund. Excludes Private Finance Initiative credits (£35 million in 1997-98, £130 million in 1998-99 and £350 million in each of 1999-00 and 2000-01). The figures are not directly comparable with those in 'main school building total' of table 5.1 as the latter reflect investment in school buildings and exclude local education authorities' own contributions. See chapter 5 for more on capital investment.
- 6 Changes between 1996-97 and 1997-98 reflect a range of factors including demographic pressures and local decisions on relative priorities.
- 7 Includes expenditure on meals, transport, non-maintained school fees, teacher development, access/pupil support and other support services (as defined in table 4.4).
- 8 Includes expenditure by the Further Education Funding Council (FEFC) and on other adult education, local authority expenditure and the UK online centres in England funded by the Capital Modernisation Fund. FEFC has responsibility for funding further education and sixth form colleges, a number of specialist schools, some institutions outside the further education sector and further education courses in higher education institutions. The newly formed Learning and Skills Council will take over these responsibilities from April 2001. The 1996-97 and 1997-98 figures reflect changes in FEFC demand led expenditure.
- 9 The Higher Education Funding Council for England (HEFCE) and FEFC received from 1997-98 (FEFC) and 1996-97 (HEFCE) a total grant figure with flexibility to make both capital and recurrent allocations. From 1999-00 HEFCE and FEFC have also been allocated some separate earmarked capital funding. The 1995-96 to 1998-99 figures reflect, in part, efficiencies secured in the sector. The 1998-99 figures reflect the introduction of private fees in that year.
- 10 Includes tuition fees paid on students' behalf by local authorities, in addition to institutional funding by the Teacher Training Agency and HEFCE. Excludes maintenance expenditure.
- 11 Excludes Welsh element of mandatory awards fee payments. Includes, for 1999-00 onwards, the English element of student support funded via the Student Loans Company. For 2000-01 this has been estimated using the projected number of resident students in England and Wales. The split of student support in that year into fees and maintenance payments has been derived from projected estimates of expenditure. Figures reflect the phasing out and replacement of local authority discretionary awards by centrally administered access funds.
- 12 Comprises mainly expenditure by local authorities and FEFC on student support for students in further education but also some other students, e.g. in school sixth forms. It also includes some expenditure related to Education Maintenance Allowances.
- 13 Includes expenditure on maintenance awards, discretionary awards, access funds, postgraduate awards and European Union fees, resource charges for student loans and the sale of student debt. Excludes cash outlay of student loans and maintenance attributable to Wales. Figures reflect the move from the old grants-based to the new loan-based student support system.
- 14 Includes local government administration costs, local and central government expenditure on the Youth Service (recurrent and capital), central government expenditure on qualifications, international services, OFSTED, post-16 transitional funding and other miscellaneous services. Excludes DfEE's administration costs. From 1999-00, a portion of local authority administration and inspection costs is delegated to schools and is included within the school current expenditure lines.

## United Kingdom Funding for Education

Following the Spending Review 2000 and the Budget 2001, education spending in the United Kingdom as a proportion of gross domestic product will rise from the level inherited by the Government in 1996-97, 4.7 per cent, to some 5.0 per cent in 2001-02 and a projected 5.3 per cent in 2003-04. The Government will, therefore, be meeting its pledge to increase education spending as a proportion of national income.

[www.hm-treasury.gov.uk/pdf/2001/pesa.pdf](http://www.hm-treasury.gov.uk/pdf/2001/pesa.pdf)

## Local Authority Spending

For the 2001-02 local authority finance settlement for England, the Government has set the national total of local authorities' Standard Spending Assessments at £49.8 billion. Within that total, Education Standard Spending (the total of Education Standard Spending Assessments) accounts for £22.5 billion. This is an increase for education of over £1 billion, or 4.8 per cent, on the 2000-01 settlement. There will also be an increase in Standards Fund grant of £470 million. Allowing for the increases in specific and special grants for education, the total increase in revenue funding is 8.1 per cent. In the spending review 2000, the Government announced further increases in Education Standard Spending of £1.35 billion in 2002-03 and £1.4 billion in 2003-04. This is on top of the £1 billion increase already announced for 2001-02. As a result, planned local education authority expenditure in England will grow by an average 3 per cent a year in real terms between 2000-01 and 2003-04.

The Government's policy is that the great majority of education spending should be delegated to schools. Delegation as a percentage of the local schools budget rose from 79 per cent in 1997-98 to an average of 84.2 per cent in 2000-01. The Government has set a minimum target for delegation of 85 per cent in 2001-02 and 87 per cent in 2002-03, with the aim of securing an average level of delegation of 90 per cent by 2003-04.

Table 4.4 shows outturn spending for 1995-96 to 2000-01. This is recorded, up to 1998-99, on local authority RO1 returns and includes income from specific grants within Aggregate External Finance (including the Standards Fund). The figures for 1999-00 are derived from local education authorities' outturn statements, and are provisional. The 2000-01 figures are estimated and reflect total education expenditure as recorded on authorities' budget statements.

**Table 4.4** Local Authority Expenditure on Education and Employment 1995-96 to 2000-01 (£ million)<sup>1</sup>

	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 estimated outturn	2000-01 estimated outturn
<b>Education current spending schools</b>						
Under-fives <sup>2,3</sup>	1,467	1,540	1,049	1,765	1,997	2,221
Primary schools	5,761	5,971	6,153	6,397	6,813	7,692
Secondary schools	6,905	7,140	7,299	7,633	8,202	9,207
Special schools	1,011	1,061	1,092	1,156	1,164	1,251
Meals <sup>4</sup>	365	366	355	357	323	329
Transport <sup>5</sup>	396	415	461	485	531	578
Non-maintained school fees <sup>6</sup>	203	217	240	248	271	281
Teacher development <sup>7</sup>	63	69	73	76	69	74
Access/pupil support <sup>8</sup>	55	42	38	39	42	109
Other support services <sup>9</sup>	351	366	402	479	973	992
<b>Higher and further education<sup>10</sup></b>	222	196	170	163	171	151
<b>Miscellaneous services and administration</b>						
Youth service	252	247	248	257	261	270
Other community services <sup>11</sup>	72	74	64	70	50	52
Central administration <sup>12</sup>	754	750	778	872	382	354
<b>Total current spending on education less expenditure funded by specific grants outside</b>						
<b>Aggregate External Finance<sup>13,14</sup></b>	<b>17,876</b>	<b>18,454</b>	<b>18,422</b>	<b>19,996</b>	<b>21,250</b>	<b>23,563</b>
Technical and Vocational Education Initiative	35	14	3	2		
Work-related further education <sup>13</sup>	47	53	54	60	59	60
Receipts from HEFCE <sup>13,15</sup>	12	11	11	11	11	11
Mandatory student awards <sup>16</sup>	2,107	2,008	1,982	1,877	796	331
Employment miscellaneous spending	115	57	58	65	62	56
<b>Total current spending on education and employment</b>	<b>20,192</b>	<b>20,597</b>	<b>20,531</b>	<b>22,011</b>	<b>22,178</b>	<b>24,021</b>
<b>Capital spending<sup>17</sup></b>						
Gross capital spending on Education (excluding New Deal for Schools) <sup>18</sup>	1,016	1,052	1,037	1,027	1,216	1,570
Employment miscellaneous spending	2	3	2	2	2	2
Local Authority receipts	-76	-121	-133	-82	-102	-103
<b>Total net capital spending (excluding New Deal for Schools)</b>	<b>942</b>	<b>934</b>	<b>907</b>	<b>947</b>	<b>1,116</b>	<b>1,469</b>
New Deal for Schools			78	224	207	714
<b>Total net local authority capital spending</b>	<b>942</b>	<b>934</b>	<b>985</b>	<b>1,171</b>	<b>1,323</b>	<b>2,183</b>
<b>Total local authority expenditure on education and employment</b>	<b>21,134</b>	<b>21,531</b>	<b>21,516</b>	<b>23,182</b>	<b>23,501</b>	<b>26,204</b>

- Local authority expenditure includes central government support, self-financed expenditure and a range of other grants (such as Revenue Support Grant). Only the first of these elements is included in table 4.2
- 1997-98 outturn expenditure reflects the transfer of £527 million from local Government finance to central Government for the nursery voucher scheme.
- Includes expenditure on rising fives, nursery schools, all under fives in primary schools and in the private, voluntary and independent sectors. Rising fives are defined as those children registered at the January census date who were aged under five in the preceding August.
- Includes all net expenditure on meals, whether paid by the local authority or from schools' delegated budgets.
- Includes some transport for further education students.
- Mainly for pupils with special educational needs. Excludes expenditure on under-fives in the private, voluntary and independent sectors.
- This category was previously named **Teachers' centres** and covers the cost of trainers who train existing teachers and the costs of the various teacher and curriculum training centres.
- This category was previously named **Pupil support** and includes support for young people to continue in education without hardship. Figures for 1999-00 onwards include Educational Maintenance Allowance. Figures for 2000-01 include Access Funds for pupils over 16 in schools.
- For the years prior to 1999-00, **Other support services** comprises expenditure previously referred to as **Child guidance** – ie: expenditure associated with the educational welfare and psychological services, operational units such as computer centres, educational technology centres, education support centres and field centres. For 1999-00 onwards, expenditure covers, in addition to **Child Guidance** (as defined), costs associated with educational development plans, asset management plans, school places planning, admissions and appeals and, for 1999-00 only, advice to and support for schools on financial and personnel administration.
- This category is an amalgamation of the categories previously referred to as **Further education for adults** and **Discretionary student awards and support**. Local education authorities' (LEAs) powers to make discretionary awards to further and higher education (FE/HE) students were changed from 1999-00. Awards continue for some FE students but a new award scheme was introduced for those on dance and drama courses. For part-time HE students, loans of £500 and fee waivers have been introduced, and there are increased Hardship Funds.
- This category was previously named **Recreational services and research** and covers the costs of such items as the hiring of school premises to community groups and the contribution costs in respect of leisure centres.
- For years prior to 1999-2000, **Central Administration** comprises expenditure previously referred to as **Administration and inspection costs**. From 1999-00 onwards it covers the cost of carrying out statutory and regulatory duties. Other administration and inspection costs are included within the other categories of this table.
- Outturn data for 1995-96 to 1998-99 is drawn from education Revenue Outturn expenditure returns which LEAs submit to the Department of Environment, Transport and the Regions. Figures for 1999-00 are estimated from Section 52 (Table 3) outturn returns which LEAs submit to DfEE. 2000-01 figures are estimated and the schools categories include, for this year, an estimate of the teachers' green paper threshold monies.

- 14 Aggregate External Finance. Within the current structure for local authority funding, introduced in April 1990, AEF represents the combined total of Government grants to local authorities (both general Revenue Support Grant and certain specific grants) and the National Non-Domestic Rate. AEF supports the spending by local authorities which is covered by the annual standard spending settlements. The Government also paid certain grants to local authorities which are outside the Standard Spending framework; the most important for education were Technical and Vocational Education Initiative, Work Related Further Education and mandatory awards.
- 15 Grants from the Higher Education Funding Council for England in respect of prescribed courses of higher education in local authority institutions.
- 16 Includes payments to public sector higher education institutions as reimbursements of fees for European Union students. Figures for 1999-00 and 2000-01 are from central Government estimates. Includes spending on mandatory awards in Wales. LEA mandatory awards are being phased out and replaced by additional student loans administered through the Student Loans Company.
- 17 Includes expenditure from the education component of the Urban and Regeneration Programme.
- 18 Gross education capital spending includes schools, youth and other education services.

The additional resources being put into education can also be seen in terms of average funding per pupil. Between 1997-98 and 2001-02, real-terms funding will have increased by over £500 per pupil. It will increase by over £200 from 2000-01 to 2001-02. In 2003-04, funding per pupil will be around £750 higher than in 1997-98.

**Table 4.5 Revenue Funding<sup>1,2</sup> per Pupil<sup>3</sup>, 1995-96 to 2003-04**

	1995-96 actual	1996-97 actual	1997-98 actual	1998-99 actual	1999-00 actual	2000-01 provisional	2001-02 plans	2002-03 plans	2003-04 plans
Funding per pupil									
Real terms (£)	2,700	2,710	2,710	2,750	2,860	3,050	3,250	3,380	3,470
Real-terms year-on-year change (£)	-90	10	0	40	110	190	200	130	90
Real-terms index <sup>4</sup>	100	100	100	102	106	113	120	125	129

1 Figures are rounded to nearest £10.

2 Funding consists of Education Standard Spending plus all schools-related revenue grants in DfEE's departmental expenditure limit which are relevant to pupils aged 4 to 19.

3 Calculations are based on full-time-equivalent pupils aged 4 to 19 in maintained schools in England.

4 The real-terms index has been calculated using 7 March 2001 gross domestic product deflators and shows the percentage increase in real-terms spending compared with the base year 1995-96.

Table 4.6 shows the real terms trend in recurrent spending per pupil in LEA-maintained schools since 1995-96. The balance of expenditure on nursery, primary and secondary schools is determined by each local education authority.

**Table 4.6 School-based Expenditure per Pupil, 1995-96 to 1999-00<sup>1,2</sup>**

	1995-96 actual	1996-97 actual	1997-98 actual	1998-99 actual	1999-00 provisional
Nursery/Primary cash (£) <sup>3</sup>	1,690	1,730	1,740	1,880	2,030
Real-terms index <sup>4</sup>	100	99	97	102	107
Secondary cash (£) <sup>3</sup>	2,290	2,340	2,360	2,450	2,600
Real-terms index <sup>4</sup>	100	99	97	98	102
Nursery/Primary & Secondary cash (£) <sup>3</sup>	1,910	1,960	1,970	2,090	2,270
Real-terms index <sup>4</sup>	100	99	97	100	106

1 The expenditure data used to derive these unit costs cover all school-based recurrent spending, including teaching and non-teaching staff salaries, school premises costs, equipment and supplies, and unspent balances held by schools at the year end. They exclude spending on special schools, central administration and support services such as transport, and school meals as well as capital expenditure. As such, this school-based expenditure is not directly comparable with the funding figures shown in Table 4.5.

2 The expenditure data up to 1998-99 are drawn from the annual RO1 spending returns which local authorities submitted to the Department of Environment, Transport and the Regions. Expenditure data for 1999-00 are taken from local education authorities' Section 52 Outturn Statements. The pupil data are drawn from the DfEE Annual Schools Census.

3 Figures rounded to nearest £10.

4 The real-terms index has been calculated at 2000-01 prices using March 2001 gross domestic product deflators, and shows the percentage increase in real-terms spending compared with the base year 1995-96.

## Modernising Local Government Finance

The green paper *Modernising Local Government Finance* was published in September by the Department of the Environment, Transport and the Regions. The Department was closely involved in developing it, as education accounts for around 40 per cent of local authority expenditure. The green paper sets out a range of options for reforming local authority grant distribution. In relation to education, it proposes the introduction of separate spending assessments for schools and for local authorities' central services. The assessments for schools would be based on a basic entitlement per pupil, plus enhancements for deprivation and for local pay costs. Consultation ended in December and ministers will take into account all responses received before taking any decisions. A working group, involving key stakeholders, is taking forward work on the education funding proposals.

## Further Education

Following increases in funding for further education over the last two years, the spending review 2000 settlement will increase planned spending for further education allocated to the new Learning and Skills Council to £4,024 million in 2001–02 and £4,261 million in 2002–03. This excludes assumed additional employer contributions and funding for students studying for higher-level qualifications passed to the Higher Education Funding Council for England. This is an increase of £522 million in 2001–02 compared to plans for 2000–01 and a further increase of £237 million extra in 2002–03 compared to 2001–02; these are real-terms increases of 12 per cent and 3 per cent respectively. The plans for 2001–02 include £50 million for further education pay to ensure that high-calibre staff are properly rewarded.

**Table 4.7 Funding per Full-time Equivalent Student<sup>1</sup> in Further Education, 1995-96 to 2002-03**

	1995-96 actual	1996-97 actual	1997-98 actual	1998-99 actual	1999-00 provisional	2000-01 plans	2001-02 plans	2002-03 plans
Funding per full-time equivalent student <sup>1</sup> , cash (£) <sup>2,3,4</sup>	3,040	3,050	3,070	3,130	3,300	3,280	3,220	3,260
Real-terms index <sup>5,6</sup>	100	97	95	94	97	95	91	90

1 Full-time-equivalent students funded by the Further Education Funding Council (FEFC) in either further education sector colleges (further and higher education students) or external institutions, specialist designated institutions and higher education institutions (further education students only). Figures for 1996-97 and 1997-98 have been revised upwards to correct a slight measurement error in previous years.

2 Rounded to the nearest £10.

3 Until 1998-99, the figures include the total grant to FEFC, but not its administration costs. From 1999-00, the figures include only those monies provided for participation and assumed additional employer contributions; FEFC administration costs are excluded, as is certain funding for earmarked purposes, the main ones being capital, FE pay, Standards Fund, special grants to colleges for raising standards and extra funding for Qualifying for Success. From 1999/00 onwards the figures exclude 18,500 (FTE) Higher National Diploma and Higher National Certificate students and their associated funding which has been transferred to the Higher Education Funding Council for England.

4 Figures for 2000-01 and 2001-02 reflect some adjustments between FE budgets which impact on the expenditure and student numbers included in the calculation of unit funding in each year.

5 The real terms funding index has been based with 1995-96 as 100 and calculated using 7 March 2001 gross domestic product deflators and projections.

6 The figures show that annual efficiency gains for Further Education have been held to an average of 1 per cent across the years 1998-99 to 2002-03.

The year-on-year trend of the efficiency gains reflect the recruitment of students in aggregate in particular academic years. The allocation of funds to individual colleges is a matter for the FEFC and Learning and Skills Council and in making the allocations they take into account the pattern of under- and over-recruitment in those colleges through time.

Source: Further Education Funding Council's individualised student record and DfEE estimates and projections.

Between 1998–99 and 2002–03 the Department has held the efficiency gain in further education to 1 per cent on average per year.

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### Work-based Training for Young People

The Department is achieving better value for money for work-based training for young people. Departmental plans for 2000-01 and previous years were on the basis of a 2-per-cent overall efficiency gain. The consequential unit price was passed out for local negotiations to establish the actual local unit prices, within training and enterprise councils' agreed flexibilities. The overall unit price was, however, also influenced by the range of young people being helped and the mix of occupational training delivered. In 1999-00, the average numbers on higher value and quality modern apprenticeships were 10 per cent higher than in 1998-99 and numbers on higher value and quality national traineeships increased threefold. The result of negotiations and the factors for 1999-00, mentioned above, has been that training and enterprise councils have delivered a more expensive menu of training than in the previous year and the overall unit price reflects this.

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### Higher Education

In line with the Government's commitment to widening participation in higher education, publicly planned funding for higher education in 2001-02 will be in excess of £5.8 billion. This represents an additional £412 million (7.6 per cent in cash terms) increase over provision in 2000-01, with further planned increases of £268 million (4.6 per cent) and £298 million (4.9 per cent) expected to be released for 2002-03 and 2003-04. The planned provision ensures that funding per student will increase in real terms in 2001-02, the first such increase in some 15 years. Additionally, it factors in continued expansion for the following two years, in line with the Government's aim that, by the end of the decade, half of young adults will have the opportunity to benefit from higher education by the age of 30. This builds on the achievements to date, which have seen one in three young people benefiting from higher education by 2000, compared to one in eight in 1979. This strategy is underpinned by funding provision of £50 million in 2001-02 (rising to £170 million in 2003-04) for the recruitment and retention of high-quality staff. The fall in unit costs from 1998-99, shown in table 4.8 below, reflects the Government implementation of Lord Dearing's recommendation to deliver a 1 per cent reduction in costs.

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**Table 4.8 Funding<sup>1</sup> per Student<sup>2</sup> in Higher Education, 1995–96 to 2003–04**

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Funding per student <sup>2</sup> (£)	5,310	4,950	4,820	4,810	4,810	4,780	4,810	4,810	4,830
Real-terms index <sup>3</sup>	100	93	91	90	90	90	91	91	91

- 1 Publicly planned funding of higher education institutes in England includes block grant from the Higher Education Funding Council for England, and the Teacher Training Agency, and income from these tuition fees governed by the mandatory award regulations and paid by research councils. Figures rounded to the nearest £10.
- 2 Full-time equivalent students.
- 3 Real-terms index has been based with 1995–96 as 100 and using 7 March 2001 gross domestic product deflators.

## Employment

The Department's welfare to work programmes, which, throughout Great Britain, help people without jobs find work, are funded from departmental resources and the Employment Opportunities Fund. The latter is an interdepartmental fund, established in the Spending Review 2000, to support the achievement of the Government's welfare to work objectives, and is allocated to departments by a Cabinet committee. The Department will spend £4.5 billion from its own resources and £2.4 billion from the Employment Opportunities Fund on welfare to work over the next three years.

**Table 4.9 Welfare to Work: New Deal Running and Programme Costs Funded from Windfall Tax/Employment Opportunities Fund, 1999-00 to 2002-03 (£ million)<sup>1</sup>**

	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans
<b>Running costs:</b>				
New Deal for Young People <sup>2</sup>	81.9 <sup>3</sup>	106.4	101.8	118.8
New Deal 25 plus <sup>3</sup>	8.3	12.1	123.5	155.0
New Deal for Lone Parents	23.9	25.7	41.2	89.3
New Deal for Disabled People <sup>2</sup>	2.5	4.8	55 <sup>4</sup>	79 <sup>4</sup>
New Deal for Partners of the Unemployed	5.4	12.2	6.6	14.4
New Deal 50plus	2.0	11.0	4.6	6.0
New Deal Innovation Fund <sup>2</sup>	0.0	0.4	4.2	5.0
New Deal Employer Managers			5.0	5.0
<b>Programme costs:</b>				
New Deal for Young People	214.5	261.8	248.9	173.4
New Deal 25 plus	71.0	83.9	59.7	59.5
New Deal for Lone Parents	11.8	18.5	31.1	32.0
New Deal for Disabled People <sup>2</sup>	6.4	7.5	–	–
New Deal for Partners of the Unemployed	0.2	3.7	10.0	11.3
New Deal 50plus	0.0	9.9	11.0	10.2
New Deal Innovation Fund	0.0	2.1	5.8	0.0
<b>Total</b>	<b>346.1</b>	<b>560.1</b>	<b>703.4</b>	<b>753.8</b>
<b>Capital costs</b>	<b>0.3</b>	<b>5.8</b>		

- 1 Table shows Windfall Tax/Employment Opportunities Fund expenditure by the Department and Employment Service relating to the Welfare to Work New Deals. It does not include non-employment related New Deals or non-New Deal Welfare to Work expenditure.
- 2 The precise split of resources between programme and running costs in 2001-02 and 2002-03 has not been finalised.
- 3 Includes all DFEE New Deal administration costs.
- 4 Reflects the national roll-out of the enhanced New Deal 25 plus programme.

The Department is also committed to helping people with disabilities find and retain work. It therefore provides funding for the Employment Service to support employment-related services for people with disabilities, including the Supported Employment Programme.

**Table 4.10** Supported Employment Expenditure, 1999-00 to 2002-03 (£ million)<sup>1</sup>

	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans
Voluntary bodies	27	31	33	34
Local authorities	35	35	38	40
Reemploy grant <sup>2,3</sup>	94	106	107	103
<b>Total Employment Service provision</b>	<b>155</b>	<b>171</b>	<b>179</b>	<b>177</b>

1 Includes expenditure from the Departmental Expenditure Limits and Employment Opportunities Fund.

2 Excludes £5 million temporary loan facility.

3 Planned expenditure includes all chargeable items relating to public corporations.

### Other Financial Information

The report contains further detailed financial information in section G and the annexes. Figure 4.1 at the beginning of this section shows where some of the most commonly sought information may be found. For the first time this year, the report contains the Department's and OFSTED's main Estimates: their requests to Parliament for funding in 2001-02. Also, the core financial information required from all government departments by HM Treasury is given in both resource and cash terms, reflecting the government-wide move to resource accounting and budgeting. HM Treasury's technical notes on this are at Annex A.

# INVESTMENT



All expenditure on education, training and skills is an investment in the nation's people and economy. Within this, the Department also has a specific capital investment strategy, full details of which are contained in the *Departmental Investment Strategy*, published in November.

[www.dfes.gov.uk/dis/](http://www.dfes.gov.uk/dis/)

## Strategic Policy Context

The Department aims to transform the capacity of the education and employment systems to deliver opportunities for all. In the global knowledge-based economy, the returns to skills and know-how are increasingly outstripping those from other economic inputs, and international competition is intensifying. To secure sustainable prosperity and inclusion for all, therefore, it is crucial that the Department upgrades the education and employment infrastructure, and the links between them, so that they are capable of delivering a step change in standards and productivity. The Department is investing, accordingly, in buildings that invite wider access and participation and in the latest information and communications technology to make the best learning materials, systems and opportunities available faster and more widely. Together, these measures can help change the culture and capacity of communities to break the cycle of deprivation.

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The Government is investing unprecedented sums to promote sustainability and modernisation. Since 1997, annual investment in school buildings has increased from £683 million to over £2 billion in 2000-01. By 2003-04, central government investment will increase to £3.5 billion a year.

Work for the Department by PricewaterhouseCoopers has explored the nature and extent of the statistical relationship between capital investment and pupil performance. The report, *Building Performance*, confirms qualitatively that the physical school environment is a key factor in teacher motivation, which leads through strongly to pupil achievement, and shows that there is also some quantitative evidence that investing in school capital can help to improve overall pupil performance. The Department has commissioned a second phase of research to examine further the relationship between educational achievement and different types of capital investment.

The Department began, in 2000-01, to implement a new capital strategy for the schools sector that allocates more funding to local education authorities and schools through simple formulae. This will reduce bureaucracy, avoid perverse incentives, encourage local ownership of investment planning and decisions, and provide better value for money. Each authority must now prepare an asset management plan, based on a survey of its school buildings, and prioritise between schools' needs in a transparent manner, involving them and other bodies in the decision-making. The strategy also gives greater certainty on future funding allocations, so that authorities and schools can plan further ahead and invest more rationally. The Department is also committed to ensuring that all schools are connected to the National Grid for Learning through the Internet by 2002, as part of its information and communication technology strategy (see also chapter 7).

Further and higher education and lifelong learning will also benefit from investment. Up-to-date buildings and information and communications technology are critical to the drive to engage people who have become disengaged from learning. By investing in buildings and equipment that invite wider access and participation, the Department will help create the skills needed for a productive workforce and globally competitive economy. In higher education, the Department's investment in buildings and science infrastructure will enhance the employability of graduates while investment in information and communications technology for further education will enhance vocational excellence.

The Employment Service has embarked on a major programme of investment in information technology – the Modernising ES programme. This will improve its service both to jobless people and to employers and, in the process, increase the efficiency of the labour market. This investment has, among other things, financed the establishment of 'worktrain', so that all the Employment Service's vacancies can be accessed through the Internet, touchscreen Jobpoints in Jobcentres, which give jobseekers electronic access to all vacancies, and a single national telephone number for employers to notify vacancies.

[www.worktrain.gov.uk](http://www.worktrain.gov.uk)

### New Investment

By 2003-04, the Department plans to spend £1.65 billion a year more on education and employment capital than in 2000-01. By investing £8.5 billion in school buildings over the next three years, it aims to ensure that there are sufficient places and suitable teaching and learning facilities, and to move towards a sustainable schools estate. Investing in information and communications technology is, by its nature, a mixture of both capital and revenue

**Table 5.1 Capital Investment by Objective and Main Programme (£ million)<sup>1</sup>**

	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
Main schools capital programme <sup>2</sup>	627	683	661	635	705	956	1,389	2,015	2,681
New Deal for Schools (funded from Windfall Tax)			78	231	234	714 <sup>3</sup>	293		
Other (includes class sizes and information and communications technology)				76	118	172	190	295	320
Sure Start					2	24	58	163	173
<b>Objective 1 total<sup>4,5</sup></b>	<b>627</b>	<b>683</b>	<b>739</b>	<b>942</b>	<b>1,059</b>	<b>1,866</b>	<b>1,930</b>	<b>2,473</b>	<b>3,174</b>
Further education and lifelong learning	159			76	123	53 <sup>6</sup>	158	186	— <sup>7</sup>
Higher education	350			93	102	153	256	308	364
<b>Objective 2 total<sup>8,9</sup></b>	<b>509</b>			<b>169</b>	<b>225</b>	<b>206</b>	<b>414</b>	<b>494</b>	<b>364</b>
Employment Service <sup>10</sup>	88	83	41	8	4	10	10	10	10
Remploy capital grant	9	8	8	6	5	5	5	5	5
Grants to local authorities	2	3	3	2	2	3	3	3	3
Grants to voluntary bodies	2	1	1	1	1	1	1	1	1
New Deal direct capital			6	12					
<b>Objective 3 total</b>	<b>101</b>	<b>95</b>	<b>59</b>	<b>29</b>	<b>13</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Capital Modernisation Fund programmes</b>					5	97	232		
<b>DfEE administrative capital expenditure</b>	<b>21</b>	<b>16</b>	<b>15</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>1,258</b>	<b>794</b>	<b>813</b>	<b>1,151</b>	<b>1,312</b>	<b>2,198</b>	<b>2,605</b>	<b>2,996</b>	<b>—</b>

1 Figures for 1998-99 onwards are resource based. Central government figures for 1995-96 to 19987-98 are cash based.

2 Figures include funding for credit approvals, voluntary-aided and grant-maintained schools, devolved formula capital, seed challenge, Fresh Start/city academies, repairs, modernisation and other smaller programmes, for example Excellence in Cities. Private finance initiative credits are not included.

3 This figure includes £167 million which was announced in the Pre-Budget Report in November 2000.

4 Excludes capital expenditure from revenue account (CERA).

5 The figures are not directly comparable with those in the 'schools capital' total of table 4.3 as that table includes local education authorities' own expenditure.

6 Some further education capital expenditure originally planned for 2000-01 is now planned to take place in 2001-02. As a result further education capital expenditure in 2000-01 is £18 million lower than originally planned and 2001-02 expenditure £18 million higher, maintaining the same overall total.

7 Figure not announced at time of publication.

8 Separate capital outturn figures for the Further Education Funding Council (FEFC) and the Higher Education Funding Council for England (HEFCE) are not available for 1996-97 and 19978-98.

9 FEFC and HEFCE have the flexibility to augment their capital programmes from their recurrent grant-in-aid. No adjustment to reflect the estimated value of transfers into capital budgets has been made for 2000-01 and subsequent years.

10 From 1998-99 onwards, all the Employment Service's expenditure on information and communications technology has been funded from running costs budgets, as a consequence of its partnership arrangements with EDS.

costs. The Department, however, estimates that investment in this technology over the period (including local education authorities' contributions) will amount to £1 billion.

Significant investment in lifelong learning will benefit further education and community initiatives. The Department will invest £110 million in each of the next two years in further education to meet increasing demand for technology skills and electronic delivery, and to modernise the estate. Investment of £16 million to improve facilities for adult education represents an innovation in central capital investment in this area. In addition, from the Capital Modernisation Fund, the Department is investing £300 million over three years to improve access to information and

communications technology, including UK online centres. In higher education, particular priorities include scientific research capital, and electronic infrastructure; the Department will provide, in partnership with the Wellcome Trust, £1 billion for a Science and Research Investment Fund (see chapter 14). Further investment in new ways of learning through electronic links will help higher education in the United Kingdom meet global challenges.

Investment of £172 million for access for disabled people in further, higher and adult education and the youth service will help increase participation and achievement by disabled pupils, students, and adult learners. Schools will also benefit from investment of £220 million, through the Schools Access Initiative, to improve access for disabled children over the next three years.

### Asset Utilisation

Since 1998, the number of empty school places is falling due to a combination of rising pupil numbers and action to remove surplus places. Between 1997 and 1999, the number of such places fell from 773,000 to 732,000, but the position varies between local education authorities. The Department encourages robustly costed schemes to remove surplus places in both the primary and secondary sectors, particularly where they help address the issue of failing schools, of which surplus places are often a symptom.

Computer-to-pupil ratios have increased from 1:18 to 1:13 in primary schools and from 1:9 to 1:8 in secondaries. Through the National Grid for Learning (see chapter 7), 86 per cent of primary schools and 98 per cent of secondaries are connected to the Internet. The Department's investment in information and communications technology – not just equipment, but the overall package of content, software, and teacher training – will encourage increasing use.

Providers of further education are responsible for making efficient use of their own assets. Nevertheless, the Further Education Funding Council has encouraged colleges to improve asset use through its funding regime and monitoring of colleges' strategic plans, and the Department expects the Learning and Skills Council to continue this. The current programme of capital projects in further education aims to replace unsatisfactory buildings with new or refurbished accommodation. The sector will continue to reduce the space it needs. A programme of institutional rationalisation is also under way in the sector, leading to an increasing number of college mergers. From 1993 to 1997, 19 mergers took place; between 1998 and 2000, there were 25.

The Learning and Skills Council will have greater scope to ensure that local capital allocations are used effectively to meet national, regional and local objectives for the whole spectrum of adult and community learning. The Council will also help turn up to half of colleges into local, regional or national centres of excellence.

In higher education, evaluation of investment in estates between 1993 and 1998 shows an average increase in space utilisation of 33 per cent; an 8.5 per cent reduction in energy costs; and a 9 per cent reduction in estate costs, with the number of estates in poor condition reducing by 33 per cent and those in very poor condition by 56 per cent. Evaluation of the effectiveness of the current round of poor estates initiatives in raising the condition and utilisation of assets will be available late in 2001.

In both higher and further education, each institution has an estates strategy to complement its corporate strategy, and these are reviewed by the funding councils. It is in each institution's interest to improve the use of their assets and to dispose of surpluses. The institutions are allowed to retain the sale proceeds of any asset purchased from exchequer funds, as long as they are re-invested in assets that promote their educational mission.

The Employment Service has some 1,278 buildings, of which 345 are freehold and the remainder leasehold. It manages these under a premises strategy that aims to improve and maintain the environment of Jobcentres for customers and staff. Of the total, 138 are sub-let and 69 are surplus, leaving some 1,071 as operational buildings. These are well utilised, with increased demand for public space from New Deals, ONE pilots and Employment Zones. All information technology assets used by the Employment Service are owned by EDS, its private sector information technology partner, and services provided by these assets are carried out through a public-private partnership.

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The Department aims to use its own assets efficiently and effectively and only acquires or retains assets where a clear operational and business need exists. Current guidelines, based on industry benchmarks, are that facility managers should aim for an average space allocation of 15 m<sup>2</sup> per member of staff. The Department has achieved this for its estate as a whole, with independently audited figures ranging from 16.8 m<sup>2</sup> to 9.6 m<sup>2</sup> on individual sites. Obsolete information technology assets, such as personal computers, servers, or laptops, are gifted to a third-party supplier to refurbish and offer to schools and similar organisations at marginal cost. In so doing, the Department forgoes a small amount of income in order to benefit the wider community.

**Table 5.2 Long-Term Capital Projects Costing over £0.5 million. Department for Education and Employment, Current Estimate of Expenditure (£ thousand<sup>1</sup>)**

	Year of start/original estimate of year of completion <sup>2</sup>	Current estimate of year of completion	Original estimate of total expenditure <sup>3</sup>	Current estimate of total expenditure	Already spent in past years (up to Mar 2001)	Provision for 2001-02	To be spent in future years
Caxton House – Air conditioning upgrade	1997-98 2000-01	2000-01	3,485	3,381	3,381	0	0
Mowden Hall – Install mechanical ventilation	1999-00 2000-01	2000-01	522	738	738	0	0
Caxton House – Lift upgrade	1997-98 2000-01	2001-02	700	1,438	1,012	426	0
Sanctuary Buildings – Lower ground floor refurbishment	2000-01 2000-01	2000-01	1,200	1,200	1,200	0	0
<b>Other projects below £0.5 million</b>						0	
Total of relevant subhead						426	
<b>Trend</b>					<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>
% of projects with later current completion date than original					0	33	25
% of projects with higher current estimate of expenditure than original					0	33	50

1 1999-00 prices. Figures adjusted using 7 March 2001 gross domestic product deflators.

2 Dates shown for the year of start/completion refer to the main contracts. Only schemes on site during 2001-02 are shown in the table. Expenditure figures shown include preliminary expenditure prior to the main contract and residual expenditure following completion of the work on site.

3 Figures based on the agreed contract price.

## Public-Private Partnerships

The Department promotes public-private partnerships as an alternative to traditional forms of public sector procurement. They can deliver good, value-for-money solutions for accommodation, facilities and services, coupled with a transfer of risk to partners best equipped to deal with them. The Private Finance Initiative is the most prominent form of public-private partnership, and aims to introduce private-sector funding and expertise into the provision of public services in order to achieve best value for money for the taxpayer.

In schools, 21 private finance initiative deals have been signed since April 1997, covering 343 schools with a credit value of over £500 million. There are a further 32 projects in development, covering over 200 schools, with a credit value of nearly £800 million, which have been approved by the Department and the Project Review Group (chaired by the Office for Government Commerce). A further eight projects, covering 12 schools and requiring £83 million credits, are being supported to develop an outline business case for approval by the Department and the Review Group. In addition to projects procured under the private finance initiative, there are 12 signed public-private partnership projects supported by New Deal for Schools grant, with a further 13 approved by the Department, but not yet signed. In the March

## Case Study

### Public-Private Partnerships

The Miltoncross School project is an example of a design, build, finance and operate contract between Portsmouth City Council and Grannag, a consortium of King Sturge, Ballast Wiltshier, Mott McDonald and Royal Bank of Scotland. The contract was signed in March 1999 and provides for a 1,000-place secondary school and its continuing operation for 30 years. Main services began in September.

Imperial College, London and the Royal Northern College of Music have each signed deals with a capital value of £6 million each. The deal at Imperial College involves the electronic interconnection of all eight teaching sites, with the provision of voice, data and web-based services for staff and students. The deal at Royal Northern College of Music is to provide a new 600-bedroom student residence.

**Table 5.3 Long-Term Capital Projects Costing over £0.5 million. Employment Service<sup>1</sup>, Current Estimate of Expenditure (£ thousand<sup>2</sup>)**

	Year of start/original estimate of year of completion <sup>3</sup>	Current estimate of year of completion	Original estimate of total expenditure <sup>4</sup>	Current estimate of total expenditure	Already spent in past years (up to Mar 2001)	Provision for 2001-02	To be spent in future years
Kings Court	1998-99 1999-00	2001-02	1,500	1,601	901	700	0
<b>Other projects below £0.5 million</b>						9,060	
Total of relevant subhead						9,760	
<b>Trend</b>					<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>
% of projects with later current completion date than original					0	66	100
% of projects with higher current estimate of expenditure than original					0	33	0

1 Excludes Working Age Agency exemplar sites, as these are still to be chosen and costed.

2 1999-00 prices. Figures adjusted using 7 March 2001 Gross Domestic Product deflators.

3 Dates shown for the year of start/completion refer to the main contracts. Only schemes on site during 2001-02 are shown in the table. Expenditure figures shown include preliminary expenditure prior to the main contract and residual expenditure following completion of the work on site.

4 Figures based on the agreed contract price.

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Budget, the Government announced an additional £200 million in private financial initiative credits would be made available in 2002-03 and 2003-04.

The further education sector has signed 12 deals since 1996 with a total value of nearly £84 million. Eleven deals are at various stages of procurement, with a total capital value of almost £153 million. The majority of deals in further education are to rationalise estates, as modernising such infrastructure both improves educational standards and reduces the overheads associated with outdated buildings.

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In the higher education sector, 11 deals with a total capital value of £217 million have been signed. There are a further six deals in the pipeline, with a total capital value of over £150 million. The Higher Education Funding Council for England currently supports these six projects under its pathfinder scheme.

The Employment Service has entered into three private finance initiative contracts since 1997. It has established deals for the delivery of procedural guidance via networked personal computers; for a fully integrated personnel administration and payroll service; and for the delivery of all information technology, communications and related services. These deals have estimated capital values of £4 million, £6 million, and £116 million respectively. The information technology partnership with EDS continues to develop as an exemplar public-private partnership, delivering business-critical systems for jobseekers and employers. Major developments are taking place to the services provided to

jobseekers and employers, through the *Modernising ES* programme, announced in 1999. Additionally, the Employment Service also benefits from facilities management partnerships with Drivers Jonas and WS Atkins to provide estate maintenance, repairs and new works services to their offices.

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## Procedures and Systems

The Department has introduced asset management plans to enable decisions about capital funding for schools to be made at a local level in a transparent and rational manner. Appraisal under the plans will be the mechanism by which the Department is assured that funding for individual initiatives is managed effectively. This will allow the Department to devolve by formula an increasing amount of capital funding. PricewaterhouseCoopers is reviewing the Department's arrangements for private finance initiative credit funding for schools projects, and for evaluating, monitoring and advising projects.

All estates projects supported by the Further Education Funding Council have to meet certain criteria set by the Council. Procedures in higher education are controlled through the financial regulations and audit arrangements at individual institutions, supplemented by reviews by the Higher Education Funding Council for England.

The Employment Service's Board sets sub-strategies of its business strategy for estates, through a three-year rolling estates plan, and for information and communications technology. Its Estates and Vehicles Board and Information Technology Partnership Board set out a work programme in their respective spending areas. These bodies report to, and are accountable to, the Employment Service's Board and Chief Executive, who is also a member of the Department's Board.

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Within the Department, most capital is managed centrally. All spending on information and communications technology is planned and monitored by a sub-group of the Board. The provision of accommodation is driven by an estates strategy. Facility management improvement and information systems benchmarking projects have helped keep asset management and service delivery in line with best commercial practice. Within existing resources, the Department has created a £6 million *Modernising DfEE* fund to support internal bids for current investment that improve efficiency and value for money and complement the capital investment programme.

## Capital Modernisation Fund

The Government allocated £548 million in the first two bidding rounds of the Capital Modernisation Fund to projects being taken forward by the Department. This fund is a cross-government fund which supports additional, innovative capital projects. Details of the nine projects being funded between 1999-00 and 2001-02 are given in figure 5.1.

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### Figure 5.1 Projects funded by the Capital Modernisation Fund, 1999-00 to 2001-02

UK online centres are community-based centres in disadvantaged areas, which will provide hands-on learning for those without access to information technology or without the skills to use it. The first 600 centres were announced in September.

City Learning Centres, which are part of Excellence in Cities, will use information and communications technology to deliver extended educational opportunities to pupils in the targeted areas. The £100 million will provide around 80 centres by the end of 2001-02. Many of the projects will set up family-based learning facilities with new technologies.

Computers for Teachers raises teachers' competence and confidence in information and communications technology by helping them buy a personal computer. Around 27,000 teachers benefited in 2000-01 from the project, which provides up to £500 towards the cost of a new computer. The Department announced a second phase in January.

Computers within Reach provides recycled computers to low-income families on eligible benefits.

*Modernising ES* will receive £68 million to support the modernisation of the Employment Service's services, including developing the Internet job bank and a network of call centres for jobseekers and employers.

School Laboratories is receiving £60 million for local education authorities to refurbish or build science laboratories in around 400 secondary schools. It will help tackle deficiencies in science laboratories at the secondary schools most in need, and links to standards work and Science Year.

Wired-Up Communities enables disadvantaged communities to use new technologies to access jobs, learning opportunities and government and other services.

Learndirect is receiving £10 million to take its services to small and medium-sized businesses, and fund a 24-hour helpline for customers.

Space for Sports and Arts, a joint project with the Department for Culture, Media and Sport, is receiving £75 million to provide flexible facilities for sports and arts activities in primary schools in disadvantaged areas. This funding is being increased by up to £55 million from Sport England, the New Opportunities Fund and the Arts Council. Local authorities with disadvantaged areas have been invited to submit bids for funding, which will be allocated in 2001.

## Invest to Modernise and Invest to Save

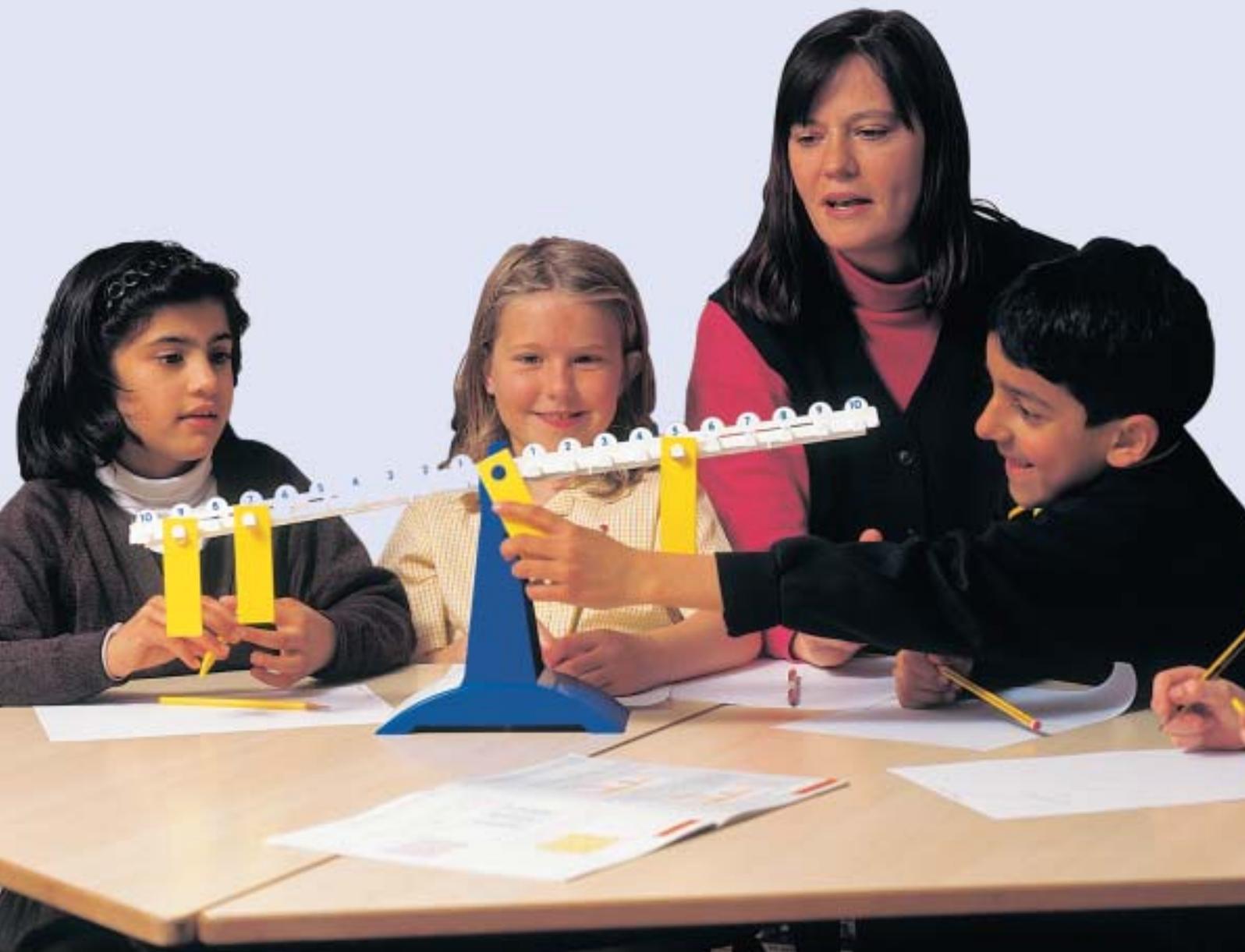
The Cabinet Office has approved nine Invest to Modernise projects in support of the Department's management reforms and two of the Employment Service's projects. Funding for the Department's projects is £930,000 in 2000-01 and £2.3 million in 2001-02, and for the Employment Service's, £24 million in 2000-01 and £23.1 million in 2001-02. Projects range from staff initiatives to call centre pilots for the Employment Service. In round three of Invest to Save, the Department's external partners were also allocated £4 million over three years to fund various projects. The Invest to Save budget helps projects which bring together two or more public sector bodies to deliver better services. For example, a Sheffield school is to create a website to spread best practice in promoting citizenship in schools, and the Qualifications and Curriculum Authority is to develop electronic marking and collation of national tests.

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## SECTION C: DfEE OBJECTIVE 1

Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.



# FIRM FOUNDATIONS



Children deserve the best possible start in life, and the Government is ensuring that pupils are prepared well for formal education and go on to achieve high standards. The Department is, therefore, working to support families in disadvantaged areas (with the Department of Health and the Sure Start Unit), increase the availability and improve the quality of affordable early education and childcare, and reduce infant class sizes.

In 2000-01, the Department introduced the Foundation Stage, recognising for the first time the importance of early education to children's development, and Early Learning Goals, setting out what the majority of children should achieve by the end of their reception year. It also publicised and built on the successes of the Early Excellence Centre programme. It expects to get close to meeting the Government's class size pledge a year early and looks for further progress on literacy and numeracy at key stage 2. The Government re-emphasised its commitment to this work in the green paper, *Schools: Building on Success* (see chapter 8),

Sure Start



## Sure Start

Sure Start aims to improve the health and well-being of families and children in many of the most disadvantaged areas in the country before and from birth, so that children can flourish when they go to school. One hundred and twenty-eight trailblazer and second-wave programmes are now up and running. In Sure Start areas all new parents are visited within two months of a birth to introduce them to Sure Start services. Each programme offers enhanced childcare, play and early learning opportunities and better access to health services. Parents are offered a range of help and advice, which might include ante-natal support, advice on

### Case Study

#### Sure Start

Sure Start in the Ore Valley, Hastings, hit the ground running. It already has:

- three Sure Start centres, which provide weekly a baby clinic, a health clinic, a music group, a group looking at healthy eating on a budget, and one-to-one occupational, speech and language therapy;
- playlink home visitors, who visit families each week, introducing children and parents to play and early learning activities, and health visitors, who help and support parents;
- a visit for all new parents within two months of the birth to introduce them to Sure Start; and
- a special needs teacher, who visits homes and helps local nurseries and playgroups.

healthy eating and help towards finding work. The Sure Start Unit announced a further 65 third-wave programmes in July to start operation from early 2001, and a fourth round of areas in January. The Unit aims to establish 500 programmes by 2004, reaching a third of all children aged under four who live in poverty.

[www.surestart.gov.uk](http://www.surestart.gov.uk)

helpline: 020 7273 4830.

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## National Childcare Strategy

The National Childcare Strategy aims to ensure good-quality, affordable childcare for children up to the age of 14 (and up to 16 for children with special needs) in every neighbourhood. It is being delivered locally by 150 Early Years Development and Childcare Partnerships, based in local education authorities. The Department aimed to create places to help 239,000 children in 2000-01. The partnerships have reported the creation of 84,000 places for 90,511 children to December (taking into account turnover in existing places). In the Spending Review 2000, the Government announced an increase in funding for childcare, to some £200 million by 2003-04. This will enable more targeting of disadvantaged areas and increased support for childminding. The New Opportunities Fund has also made available £170 million in England, between 1999-00 and 2002-03, for the Out of Schools Hours childcare programme.

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### Case Study

#### National Childcare Strategy

Nottingham City Early Years Development and Childcare Partnership uses an outreach team and grants to develop inclusive childcare provision for carers of children with disabilities. Heathfield Out of School Club is one of the groups who have received help to enable two brothers with Autistic Spectrum Disorder to attend the club in their own school, enabling their mother to develop her future career through training.

Pat, the mother said: "Having the boys at Heathfield Out of School Club has enabled me to get a 9.00-5.30pm job, instead of having to work nights as I previously had to. I feel happy leaving the boys with people who know them and understand them."

Vicky Armitage, a co-ordinator at Heathfield said, "Because of this grant we have been able to employ someone to work with the two boys so that they can come to our club. It has been a great benefit to their mother and them. Without it they would not have been able to access the club due to their needs. With this help they are able to slot straight into the club, join in all activities and enjoy being there. As a club leader, I have found it of great value to be able to provide this inclusive provision and would be happy to do it again to include other children into our club."

## Early Years

### EARLY EXCELLENCE CENTRES

*Developing high-quality integrated early years services*

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The Government has funded a major expansion in the provision of free early education for three-year-olds to complement the universal provision for four-year-olds achieved in September 1998. In total, it has created 120,000 new free places for both ages since May 1997. The Department distributed £100 million in 2000-01 among local authorities, weighting allocations towards areas of greatest social need. By March, half of all three-year-olds enjoyed a free place, and the Department is committed to providing a further 80,000 places in 2001-02. Socially deprived families will continue to be targeted as progress is made towards the target of universal provision for three-year-olds by September 2004. The Department also legislated, in the Care Standards Act 2000 (which received royal assent in July) to harmonise early education and childcare. The Act will transfer the regulation of day care and childminding from local authorities to OFSTED from September 2001; it also provides for national standards (due for publication this spring), specifying for the first time consistent minimum quality levels of care. During the year, the Department also continued to support the development of early education and childcare facilities, accessible on the same site; in an established pilot programme, 29 Early Excellence Centres are delivering integrated services to children and their families.

## Smaller Infant Classes

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The Department is on course to achieve its target to limit to 30, by September 2001, the size of infant classes for five-, six- and seven-year-olds. It has made available £620 million – enough for some 6,000 additional teachers and 2,000 classrooms – over the four years 1998-99 to 2001-02 and has been working closely with local education authorities, offering advice and support, to enable as many schools as possible to meet the limit a year early in September 2000. This course of action has produced results: when the Government came to power, nearly half a million of this age group were in infant classes of 31 or more; the figure in September 2000 was as low as 30,000.

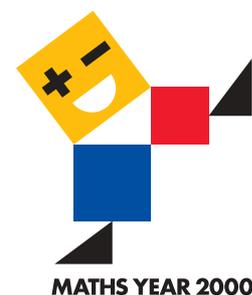
# STANDARDS

Securing Britain's economic future, an inclusive society and individual opportunities, demands that pupils achieve much higher standards of education, and so, building on the foundations laid in the early years, the Government wants to see a substantial rise in pupils' achievement to internationally competitive levels. The Department has worked, therefore, to raise standards in primary school literacy and numeracy, provide a range of diverse opportunities in schools, update methods of learning to take account of new technology, implement the revised National Curriculum, and maintain the framework of school performance measurement through national assessments and public examinations. These were key themes in the schools green paper (chapter 8).

In 2000-01, the Department has continued to invest in information and communications technology, and is on target to link all schools to the National Grid for Learning by 2002. In parallel, the Department has been working to improve the quality of the content of the Grid and to increase the take-up and quality of the training for teachers provided through the New Opportunities Fund. It has worked to implement the revised National Curriculum. Chapter 19 sets out OFSTED's inspection programme.

## National Literacy and Numeracy Strategies (National Learning Targets for 11-Year-Olds)

The National Literacy and Numeracy Strategies, including the daily Literacy Hour and mathematics lesson, are raising standards of literacy and numeracy in primary schools. They are delivering the Government's targets that, by 2002, 80 per cent of 11-year-olds will achieve the standard in English expected for their age, and 75 per cent, in mathematics. In 2000-01, the Department has provided around £90 million in each subject for targeted school training. Results have been encouraging. Over two years, in English, the key stage 2 results have improved by 10 percentage points, and in mathematics, by 13 percentage points. Three-quarters of 11-year-olds are now achieving the standard in English for their age (5 percentage points from the 2002 target) and 72 per cent in maths (3 percentage points from the target). The maths results reflect the large number of schools that chose to introduce the daily maths lesson early. The Government will consult on targets for 2004 in due course. The Department proposed in the Schools Green Paper to seek views on targets that 85 per cent of 11-year-olds should achieve level 4+ in



English and mathematics and that 35 per cent should achieve level 5+

[www.standards.dfee.gov.uk/literacy](http://www.standards.dfee.gov.uk/literacy)  
[www.standards.dfee.gov.uk/numeracy](http://www.standards.dfee.gov.uk/numeracy)  
[www.literacytrust.org.uk/](http://www.literacytrust.org.uk/)  
[www.dfee.gov.uk/nlt/index.htm](http://www.dfee.gov.uk/nlt/index.htm)

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#### Case Study

##### **Maths Year 2000**

Maths Year 2000 backs teachers' efforts in the classroom, builds on the numeracy strategy and promotes a 'can do' attitude towards maths. Water Counts is a programme of activities, developed by a major water company, that support cross-curricular problem solving, as recommended by Maths Year 2000. The programme helps pupils in the 33 primary schools in the company's area practise their maths skills, using water conservation and treatment as a central focus. It offers a variety of maths activities and materials; on visits to the company's treatment site, for example, pupils follow a maths trail and play a board game in which they have to do calculations to move round the board. There are also materials for parents and teachers.

#### Standards Fund

The Standards Fund is the Department's main means of targeting funds towards national education priorities. The fund supports major initiatives such as the literacy and numeracy strategies, Excellence in Cities, the National Grid for Learning, capital support for schools and other programmes. The growth of policies supported by the Fund has resulted in additional attainment in recent years, which in turn has made the Government's mainstream funding more productive in terms of the outputs it buys. As the performance of lower-attaining pupils improves, the Department will be making due allowance for the additional costs involved.

Since April, payment of Standards Fund grant has been by a preset schedule rather than on receipt of claims, reducing the level of paperwork involved. A review to simplify the fund also resulted in changes for the 2001-02 programme: almost all allocations will be made by formula rather than bidding; schools will have more freedom to determine spending priorities by moving money between individual grants; schools will be able to spend their allocations up to the end of the academic year; there will be a greater focus on outcomes and links with existing targets and performance measures; and a website has been developed as a single point of contact for each local education authority.

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[www.dfee.gov.uk/standardsfund/](http://www.dfee.gov.uk/standardsfund/)

## Beacon Schools

Beacon schools help to raise overall pupil performance and to close the gap between the best performing and other schools by identifying and disseminating successful practice. From September 2000, the network increased to 550 schools as 300 more schools were designated as Beacons. The Department is working to add a further 450 schools nationally in 2001, bringing the total to 1,000, and proposed in the Schools Green Paper to expand the number at secondary level in the longer term. Beacon schools receive extra funding, averaging £35,000 a year, to disseminate their effective practice to others. An independent evaluation of the pilot phase showed that Beacon schools can be levers for change and act as catalysts for debate, challenging others to review their own practices.

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### Case Study

#### Beacon Schools

Portfields Combined School, a Beacon school in Newport Pagnell, has used its funds to support work by local schools to look into factors that influence the under-achievement of boys. Following research and lesson observations in the schools, a conference was held to present findings and discuss ways to improve boys' achievement, particularly in writing. As a result, gender equality policies have been implemented and a range of strategies recommended to head teachers. These include:

- reviewing ways of grouping pupils, and raising awareness of seating arrangements in creating a learning culture;
- reviewing the deployment of male staff, encouraging more male role models into schools;
- developing the 'voice' of the pupils in matters related to teaching and learning – "I learn best when .....", and promoting their self-esteem; and
- giving staff time to explore ways of raising boys' achievement and sharing good practice with others.

## Special Measures and Fresh Start

The Department has continued to work with OFSTED to ensure that local education and diocesan authorities identify schools at risk early and take appropriate steps to intervene. Where a school requires special measures, it should be restored to health within two years or closed. At the end of 1999/00, there were under 400 schools on special measures (compared with 515 in 1998); over 650 have come out of special measures since 1997, the turn-round time now averaging 18 months (compared to 25 months in 1997). One hundred schools in special measures have closed and 25, most of which had been in special measures for over two years, been given a Fresh Start. In 2000-01, the Department built on the experience of the early Fresh Starts by providing targeted capital and recurrent funding, and professional support. As a condition, authorities must plan and support the process properly

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and focus on raising the achievement of pupils. The Department expects all Fresh Start secondary schools to achieve the minimum standard of 15 per cent of pupils achieving five GCSEs at grades A\* to C within three years of opening.

### Local Education Authorities

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Local education authorities have important responsibilities for raising standards and ensuring access to high quality education for all pupils. Over the year, the Department has taken steps to clarify these responsibilities and to encourage new and better ways of carrying them out, using the skills of the public and private sectors to ensure Best Value solutions. It published a policy paper on the *Role of the Local Education Authority in School Education* in October and a revised *Code of Practice on LEA – School Relations* in February. The Department has intervened to secure urgent improvements in 20 local education authorities, funded 11 development projects on new models of delivering local education authority services, and started work on setting standards for public and private sector services that are involved in challenging, and intervening in, schools.

### National Grid for Learning



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The National Grid for Learning enhances teaching and learning by providing schools with the means, training and support to use information and communications technology effectively and access resources on the Internet. Over 20,000 schools (88 per cent) were connected to the Internet at April 2000, and pupils' access improved to the extent that there was one computer for every 13 primary school pupils, and one for every eight secondary pupils. The Department challenged the industry in a *Prospectus for Innovation* to invest and produce new and innovative digital educational services. The Department has also continued to develop new facilities, including: Parents Online Week, held in September, and the associated website to show parents the educational benefits of the Internet; GridClub, a safe, educational and fun on-line environment for seven- to 11-year-olds, launched in January; and funding to develop and deliver courses in Latin, Japanese and maths at key stage 3. The British Educational Communications and Technology Agency reported in January that new technology is helping raise standards at key stage 2.

[www.ngfl.gov.uk](http://www.ngfl.gov.uk)  
[www.parentsonline.gov.uk](http://www.parentsonline.gov.uk)

## National Curriculum

The National Curriculum celebrates and safeguards a broad and balanced entitlement to learning for all pupils. Following the first major review of the National Curriculum for five years, the revised National Curriculum was implemented in August. The streamlined curriculum provides more opportunities for schools to respond flexibly to the needs of individual pupils. The Department has made available £18 million to help teachers prepare for the revised curriculum, including the introduction of citizenship in secondary schools from 2002, and a framework for personal, social and health education. The Department has also updated the National Curriculum website to allow searching of both Departmental and commercial resources about the curriculum.

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## Performance Tables

The provision of better information on school performance remains key to the Government's overall strategy for raising standards in schools. The annual school and college performance tables provide comprehensive information on performance in National Curriculum assessment, GCSE and GCE results, achievements in GNVQs and other vocational qualifications, and on rates of pupil absence. Development work on value-added measures of the progress pupils make from one period of education to another is at an advanced stage, with the first such measures expected in the secondary school performance tables in 2002.

[www.standards.dfee.gov.uk/performance/](http://www.standards.dfee.gov.uk/performance/)

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## Other Websites

[www.standards.dfee.gov.uk](http://www.standards.dfee.gov.uk)

[www.wiredforhealth.gov.uk](http://www.wiredforhealth.gov.uk)

**Table 7.1 National Results of 7-, 11- and 14-year-olds in England<sup>1</sup>, 1996 to 2000**

	1996	1997	1998	1999	2000 provisional
The attainment of 7-year-olds in English, mathematics and science: percentage of pupils achieving level 2 or above					
<b>Test/Task</b>					
English					
Reading	78	80	80	82	83
Writing	79	80	81	83	84
Spelling	-	62	66	71	72
Mathematics	82	84	84	87	90
<b>Teacher Assessment</b>					
English	79	80	81	82	84
Speaking and Listening	81	83	84	84	86
Reading	78	80	80	82	84
Writing	76	77	79	80	82
Mathematics	82	84	85	86	88
Science	84	85	86	87	88
The attainment of 7-year-olds in English and mathematics: percentage of pupils achieving level 2B or above					
<b>Test/Task</b>					
English					
Reading	60 <sup>2</sup>	62	62	66	68
Writing	48	47	49	53	56
Mathematics	63	65	61	64	73
The attainment of 11-year-olds in English, mathematics and science: percentage of pupils achieving level 4 or above					
<b>Test</b>					
English	57	63	65	71	75
Mathematics	54	62	59	69	72
Science	62	69	69	78	85
<b>Teacher Assessment</b>					
English	60	63	65	68	70
Mathematics	60	64	65	69	72
Science	65	69	71	75	79
The attainment of 11-year-olds in English, mathematics and science: percentage of pupils achieving level 5 or above					
<b>Test</b>					
English	12	16	17	22	29
Mathematics	14	18	17	24	25
Science	14	19	16	27	34
<b>Teacher Assessment</b>					
English	16	17	17	20	22
Mathematics	16	18	19	22	24
Science	15	18	18	23	27
The attainment of 14-year-olds in English, mathematics and science: percentage of pupils achieving level 5 or above					
<b>Test</b>					
Core subjects					
English	57	57	65	64	63
Mathematics	57	60	59	62	65
Science	57	60	56	55	59
<b>Teacher Assessment</b>					
Core subjects					
English	61	61	62	64	64
Mathematics	62	63	63	64	66
Science	60	62	62	60	62

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

2 There was only one reading test result in 1996, whereas figures from 1997 are calculated from reading task and reading comprehension test results. Level 2B + figures are based on achievements at Level 2B/A in the reading task, and Level 3 and 4 in the reading comprehension test.

Source: DfEE 2000 Autumn Package – Pupil Performance Information.

## SECONDARY EDUCATION

Building on the success of the literacy and numeracy strategies in primary schools, the Department has been developing a policy for transforming secondary education. This will include a number of strategies, including those for improving the transition from key stages 2 to 3, improving standards in key stage 3, more flexible use of time for learning, the national learning targets for 16-year-olds, Excellence in Cities, specialist and Beacon schools, and City Academies. The Government took this further in the Schools Green Paper, published in February.

### Schools Green Paper

The green paper, *Schools: Building on Success*, sets out policies to transform secondary education over the immediate future and the medium term. The Government will enhance the 'earned autonomy' of successful schools, by further increasing the delegation of budgets to them, restricting needless bureaucratic burdens (including those associated with the inspection process), and by allowing them the greater freedoms over the curriculum and teachers' pay and conditions, that schools in education action zones have under the 1998 legislation. It will extend diversity within the secondary system, on the basis of high standards, by expanding the specialist schools programme, welcoming more faith-based schools, continuing to establish city academies, and changing the law to allow external sponsors to take responsibility for under-performing schools against fixed-term contracts of five to seven years with renewal subject to performance. The Government will proceed with a standards drive in the early secondary years, with ambitious targets for performance in tests for 14-year-olds in English, mathematics, science and information and communications technology, with appropriate support and training for teachers and schools. And it will promote new pathways for pupils beyond the age of 14, better suited to the talents and aspirations of individual pupils, particularly those of high ability and those wishing to proceed on vocational and work-based routes.



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### Key Stage 3

The Key Stage 3 Strategy aims to raise standards for children entering secondary school, building on the successes of primary schools in raising standards of literacy and numeracy. The Department has invested some £10 million in a pilot, involving over 200 schools in 17 local education authorities, which began in September. The pilot is providing professional development in English and mathematics in its first year, and will add science, information and communications technology and the use of techniques such as thinking skills in its second. The Department will begin implementing the strategy nationally in September 2001. Other aspects of the strategy will include new progress tests for pupils in Year 7 entering secondary education below the expected standard for their age, which are being introduced in May 2001, optional tests in English and maths for pupils in Years 7 and 8 to help measure progress towards the national curriculum tests for 14-year-olds, and individual school targets for 14-year-olds for the English, maths and science tests for 2002. The literacy and numeracy summer school programme for 11-year-olds who are below the expected standard for their age will also continue.

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### Excellence in Cities



Excellence in Cities is designed to remedy successive failures to address the educational problems of major cities where standards have been too low for too long. Following the first phase of 25 local education authorities, the Department extended Excellence in Cities to a further 23 authorities from September 2000, and plans a third phase in ten more authorities from September 2001. Excellence in Cities has six strands: learning mentors for all pupils who need them (1,500 in place); extended opportunities for gifted pupils; learning support units (over 450 in place); a network of new city learning centres; more beacon and specialist schools; and small education action zones. Within the most recent expansion the Government is to target smaller pockets of deprivation (wherever they occur in small groups of schools) through Excellence Clusters. It has also announced Excellence Challenge to address the under-representation of students from disadvantaged backgrounds in higher education. Although it is early days, the performance tables this year show that secondary schools in the first Excellence in Cities areas are improving faster than schools elsewhere measured by the percentage of pupils gaining five GCSEs or GNVQs at A\* to C.

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## Specialist Schools

Specialist schools focus on a specialist subject area (technology, science and mathematics, modern foreign languages, sport or the arts) with a view to improving performance across the curriculum, and to sharing their resources and good practice with other schools and the wider community. Research carried out by the London School of Economics showed that between 1994 and 1998 the average annual improvement in the percentage of pupils in specialist schools achieving five or more GCSE A\* to C grades was half as much again as for other maintained secondary schools. The Department designated over 130 specialist schools from 2000/01. The total of 536 schools at September exceeds the Department's target of at least 500, and the Government has increased the overall target from 800 to 1,000 by September 2004. The schools green paper proposes to reach the 1,000 target by September 2003, a further increase to 1,500 schools by 2006, and three new specialisms: engineering; science and business and enterprise. It also proposes a new category of advanced specialist school.

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[www.dfee.gov.uk/specschl/index.htm](http://www.dfee.gov.uk/specschl/index.htm)

## General Certificate of Secondary Education (National Learning Targets for 16-year-olds)

The General Certificate of Secondary Education (GCSE) is the principal means of assessing the National Curriculum at the end of Key Stage 4, and achievement at GCSE is an important measure of the school system's effectiveness. The Department's projections, and progress so far, indicate that schools are well on course – helped by policies such as specialist schools and Excellence in Cities – to achieve the two national learning targets for 16-year-olds (50 per cent to achieve five or more GCSEs at grades A\* to C and 95 per cent to achieve one or more, at grades A\* to G, by 2002). For further details see *National Learning Targets: Annual Report 2000*. The Department, in consultation with the Qualifications and Curriculum Authority, monitors the effectiveness of the arrangements for GCSE examinations. After a successful pilot in 1999, marked examination scripts were available to GCSE candidates taking English, Irish, Welsh, and mathematics in the summer 2000 examinations; and, from summer 2001, access will be extended to all subjects. (See also chapter 11, qualifications.)

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**Table 8.1 GCSE Examinations<sup>1</sup>, 1995/96 to 1999/00 (Percentage)**

	1995/96 actual	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 provisional	Target for 2002
<b>Percentage of 15-year-olds<sup>2</sup> achieving GCSE<sup>3</sup></b>						
1 or more G or better	92.2	92.3	93.4	94.0	94.4	95.0
1 or more C or better	70.2	70.5	71.4	72.6	73.6	
4 or more C or better	49.3	49.8	50.9	52.6	53.9	
5 or more G or better	86.1	86.4	87.5	88.5	88.9	
5 or more C or better	44.5	45.1	46.3	47.9	49.2	50.0

1 Includes maintained, independent and special schools.

2 Age at the beginning of the academic year.

3 1995/96 GCSE; from 1996/97 GCSE or GNVQ equivalent.

Source: DfEE, database of school performance tables.

### Schools in Challenging Circumstances

In March 2000, the Government set challenging targets for minimum performance by secondary schools. By 2004, there should be no school with fewer than 20 per cent of its pupils achieving five GCSEs at grades A\* to C and, by 2006, none achieving less than 25 per cent. To help achieve these targets, the Department is putting in place a wide-ranging strategy to support schools in challenging circumstances. This will include: encouraging twinning to spread good practice; improving management; and monitoring by OFSTED. The Department will provide increased funding from 2001-02 to schools below the threshold through the Standards Fund. The School Improvement programme is worth £210 million in 2001-02 and includes £33 million to support schools facing challenges. The additional funding will maximise the impact in these schools of a wider range of departmental initiatives, such as advanced skills teachers. The Department will also be working with a small group of schools facing the most extreme circumstances, to pilot approaches that will help them.

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### City Academies

City academies will be publicly funded independent schools offering new responses to entrenched school failure. As part of the strategy to support schools in challenging circumstances, they will improve standards by tackling issues of management, governance, teaching and the curriculum and by having a specialist focus in one curriculum area. By December, the Government had announced the first six partnerships to run academies in Liverpool, Brent, Haringey, Middlesbrough, Lambeth and Hillingdon. These schools will ensure that more children get the opportunity to go to good schools. The Department is working with potential sponsors and local education authorities to develop further proposals, with a particular emphasis on plans that will benefit the most deprived communities.

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[www.standards.dfee.gov.uk/otherresources/publications/capropectus](http://www.standards.dfee.gov.uk/otherresources/publications/capropectus)

# INCLUSION

The Government is determined that every child should benefit from the rise in standards, and that no children and young people should be excluded or left behind. So, a range of policies and programmes tackle issues of social inclusion. The Government intends to build the capacity of communities to help themselves and to bring about social cohesion right across the country.

Co-ordinating much of this activity will be the new Children and Young People's Unit, administering the Children's Fund. Excellence in Cities and education action zones are helping raise standards in specific disadvantaged urban and rural areas. Substantial programmes deal with the needs of particular groups of pupils: those with special educational needs and disaffected pupils are mentioned below, but others help ethnic minority pupils and gifted and talented pupils. The Department is also helping schools to encourage children to learn through programmes of voluntary study support out of school hours, mentoring, work experience, and the involvement of their families, their communities, and businesses.



## The Children's Fund

The Children's Fund is a new fund that will support services which identify children and young people who are showing early signs of disturbance and provide them and their families with the support they need to get back on track. It was announced in July, following the spending review 2000 and a cross-governmental review of young people at risk, and will provide £450 million from 2001-02 to 2003-04. The fund will be the responsibility of the new Children and Young People's Unit, which, while based in the Department, is working across departmental boundaries. The Unit reports to a new Minister for Young People and supports the new cabinet committee on Children and Young People's Services. Overall, this new structure will ensure that services across the public sector, including Sure Start, Connexions, the Children's Fund and the Children and Young People's Unit, meet the Government's pledge on child poverty. The Government intends to work closely with children and young people, their parents and those who work with them, notably the children's voluntary sector.

[www.dfes.gov.uk/childrensfund/](http://www.dfes.gov.uk/childrensfund/)

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## Education Action Zones

### Education Action Zones

Education action zones, which consist of local partnerships, work to raise standards in areas of social and economic deprivation by providing targeted programmes for groups of pupils. The Department has continued to expand the programme, and the eventual aim is that, by September 2001, one in ten schools in England will be within either a large or small zone. During 2000-01, a further 48 large zones and 40 small zones began to operate, bringing the total to 113. This means that some 583,000 pupils in 1,650 schools are benefiting. At this stage, the impact of the zones can be seen most clearly in the more established round 1 zones, where real gains have been made at primary level. At key stage 1, for example, the proportion of 7-year-olds in these zones achieving level 2 in reading, writing and maths increased by 7 per cent, 6 per cent and 8 per cent – compared to national gains of 4 per cent, 4 per cent and 6 per cent over the same period. At key stage 2, there were increases of 12 per cent, 16 per cent and 20 per cent in the proportion of 11-year-olds achieving level 4 in English, maths and science – compared to national improvements of 10 per cent, 14 per cent and 16 per cent.

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[www.standards.dfee.gov.uk/eaz](http://www.standards.dfee.gov.uk/eaz)

### Case Study

#### Education Action Zones

Cleeve Primary School is situated in one of the 50 most-deprived wards in the United Kingdom. The Kingston-Upon-Hull Education Action Zone supports the school in a variety of ways, such as staffing and management support, early intervention and effective early learning projects, and a breakfast club. The school's results are now rising: the proportion of 11-year-olds reaching the expected level in English rose from 32 per cent in 1999 to 78% in 2000; maths results went up from 37 per cent to 71 per cent and science rose from 78 per cent to 98 per cent.

Cleeve's Head, Steve Graham, believes that being in the zone has created "a climate for change which has seen increased aspirations for the people of the estate we serve." In his words, "It's all about being positive and having commitment – putting in the hours and having good teachers, assistants and other staff members to help in the process".

### Mentoring

Many children and young people can benefit from the support of a volunteer mentor to help them achieve their potential. This year, the Department, with the National Mentoring Network, has been developing quality and spreading good practice. It has funded pilots of three one-stop "mentor points" to recruit, train and support volunteer mentors, and to match young people with the right mentor. In addition the Government wants to expand the National Mentoring Pilot Project, which trains and pays undergraduates who mentor 14- to 16-year-olds at risk or in need of additional encouragement. The Department also plans to introduce more Learning Mentors through Excellence in Cities. These are paid school staff who work with teachers, pupils and volunteer mentors to help pupils overcome problems that are getting in the way of their learning. Over 3,200 Learning Mentors will be working in 1,000 schools by 2004.

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## Truancy and Exclusions

To enable disaffected pupils to benefit from schooling, the Government is working to reduce the learning time lost to unauthorised absence and the number of permanent exclusions. Permanent exclusions fell by 15 per cent from 12,300 in 1997/98 to 10,400 in 1998/99, the latest year for which data are available, and the Government is on course to meet the target of a one-third reduction – to 8,400 – by 2002. Exclusions of black pupils, which have been disproportionately high, fell more quickly than for other ethnic groups. However, the Government has made clear that head teachers can permanently exclude violent or very disruptive pupils. In addition, new guidance for exclusion appeal panels makes clear that the head teacher's decision to exclude should not be overridden in a range of circumstances including where there is violence or the threat of violence.

While levels of authorised absence have fallen to 6.1 per cent, truancy levels have remained constant at 0.7 per cent. In October, the Department with the Home Office launched a further campaign to combat truancy. This included the use of additional 'truancy sweeps' involving patrols of police officers and education welfare officers, and 'truancy buster awards' of up to £10,000 for schools which succeed in cutting truancy in difficult circumstances. The Department has also provided additional resources (£131 million in 2000-01) to support local projects to reduce truancy and exclusions and other funds to increase to over 1,000 the number of on-site learning support units for pupils at risk of exclusion. This has already been achieved a year ahead of the target date.

The Government is also working to a target that by 2002 all children excluded for more than 15 days should receive a suitable education. It has already made significant progress: provision and standards at off-site pupil referral units have been increased. There are now 1,000 more places and nearly 600 more staff at these units than in 1997 and there is likely to be a further 10 per cent increase in unit numbers in 2001. A third of units were providing full-time education in 2000. By September 2001, nearly two-thirds of authorities report that they will provide full-time education for excluded secondary pupils. HM Chief Inspector of Schools' most recent annual report highlighted sharply improving standards of teaching and pupil progress in pupil referral units.

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## Special Educational Needs

The Government is committed to improving the educational achievements of children with special educational needs, as set out in *Meeting Special Educational Needs – A programme of action*. The Government introduced a Special Educational Needs and Disability Bill into the current parliamentary session. The Bill will give civil



rights to disabled pupils and students in education (schools, further, higher and adult education) and help improve the standards of achievement for children with special educational needs. The Bill strengthens the right to a mainstream place for children who have a statement of special educational needs, where this is what their parents want. Equally, there is a continuing and vital role for special schools, for individual placements and in support of the family of schools in an inclusive education system.

To improve access to education, the Government also announced a three-year funding commitment: the Schools Access Initiative will provide £220 million for schools up to 2003-04 (alongside which £172 million is also available to improve access in further and higher education). Other work includes: a revised *Code of Practice on the Identification and Assessment of Special Educational Needs*, which is due for publication in the spring and will take effect in 2001/02; support for a network of regional collaboration projects, which bring together education, health and social services to improve the delivery of services; and various good practice materials for teachers, such as the interactive CD-ROM training resource for teachers, *Connecting Schools for Inclusion*, launched in September.

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[www.dfee.gov.uk/sen](http://www.dfee.gov.uk/sen)  
<http://inclusion.ngfl.gov.uk>  
[www.disability.gov.uk](http://www.disability.gov.uk)

### Children in Local Authority Care

The Government is working to bring the educational attainment of young people in public care closer to that of their peers. In May, the Department issued joint guidance with the Department of Health on *The Education of Children and Young People in Public Care*. This goes alongside statutory guidance in the Department of Health's *Circular LAC (2000) 13*. Key features in the guidance and circular to underpin improvements in attainment are: personal education plans for all children in public care; designated teachers in schools to act as a resource and advocate for these children; and a maximum time limit of 20 school days within which a local authority must secure an education placement for any pupil in public care. The Department has appointed a team of implementation advisers to help local authorities implement the new guidance.

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[www.dfee.gov.uk/incare](http://www.dfee.gov.uk/incare)

### Other Websites

[www.dfee.gov.uk/ebnet](http://www.dfee.gov.uk/ebnet)

# TEACHERS

Good heads and teachers are essential to raising standards in schools. The Government believes that the full potential of the education system will only be realised if the profession attracts, retains and motivates highly skilled, motivated and professional teachers – people with the ability and commitment to become high-quality teachers and school leaders. The Government's proposals to reform the teaching profession, which are designed to achieve this, are now being implemented and beginning to have an effect.

## Pay

The reformed school teachers' pay system for England and Wales, introduced from September, provides new pay and conditions which recognise and reward good performance and allow schools to organise staffing more effectively. Over 200,000 teachers applied for assessment at the new performance threshold, which is a set of national standards for highly effective teaching. All those teachers assessed by their head and an external assessor as meeting these standards receive a consolidated £2,000 pay increase (from September) and access to an upper pay scale. As a result, a teacher on point 9 who passed the threshold will have received in 2001-02 an overall increase of 25 per cent since 1997, and the starting salary for good graduates will have increased by 18 per cent over the 1997 level.

Implementation of the performance threshold was delayed by a judicial review, which required the Department to remit it to the School Teachers' Review Body and, after the appropriate procedures, give it statutory force. This was done by means of an order which came into force in December. Payment of the threshold pay increase was backdated to September

The Department also introduced in September a new leadership group, with maximum pay of £79,000, covering pay for heads, deputies and a new grade of assistant heads, and a system of cash allowances for classroom teachers, covering management, work with special need pupils and recruitment and retention. The Department will use special grants to help fund the additional costs to schools of teachers passing the threshold, and to support the costs of leadership group teachers. These grants are funded centrally by government and are additional to schools' existing budgets.

[www.dfes.gov.uk/teachingreforms](http://www.dfes.gov.uk/teachingreforms)



*Alison Hatch from Northdown Primary School, Margate – Winner of the Guardian Award for Teacher of the Year in a Primary School.*

## Performance Management

From September 2000, revised performance management arrangements came into effect for teachers and headteachers. The Government believes that performance management will enable schools to develop teachers effectively and ensure greater job satisfaction, high levels of expertise and staff progression. Effective performance management helps teachers better to meet the needs of children and raise standards. The Department has also consulted on arrangements for teachers not covered by the Regulations this year, for example those employed centrally by local education authorities, with a view to introducing arrangements from September 2001.

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## Continuing Professional Development

The Department published its strategy for the continuing professional development of teachers in March. The strategy aims to put professional development at the heart of school improvement. It will give teachers more money for the professional development they see as important – through the introduction of sabbaticals for experienced teachers in challenging schools, and pilots of early professional development for teachers in their second and third years, as well as through the extension of existing initiatives. Teachers will also have more opportunity to learn from best professional development practice in other schools, through local networks and a new website.

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[www.dfee.gov.uk/teachers/cpd](http://www.dfee.gov.uk/teachers/cpd)

## Recruitment

The Department aims to ensure that there is a sufficient supply of well-qualified teachers, so that schools can continue to raise standards for pupils. It has therefore worked closely with the Teacher Training Agency to improve recruitment to initial teacher training. Training salaries for postgraduate trainees were announced in March 2000, along with enhanced, new-style 'golden hellos' for those who go on to teach in shortage subjects and pass induction. As a result, recruitment to initial teacher training in 2000/01 rose for the first time in eight years. Places on the graduate teacher programme were doubled during the year, and schools can now receive up to £17,000 to cover the costs of each trainee they take on. Special measures were also announced for London. In the schools green paper the Government has also proposed two new measures: a new, shorter route to qualified teacher status, and help with the

repayment of student loans for those entering and staying in teaching in shortage subjects. Since August, the Government has announced funding for about 13,000 refresher courses for returners to teaching. That includes help with their maintenance and childcare costs. The Budget 2001 also proposed, subject to consultation, to offer a 'welcome back' bonus to qualified teachers who return to the classroom between Easter and Christmas 2001.

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## Initial Teacher Training

The Government wants to improve the quality and flexibility of initial teacher training so that all newly qualified teachers have the skills they need to teach effectively and to raise standards in the classroom. Since 1998, all trainee teachers have had to meet national standards for the award of qualified teacher status, and in 1999, the Department introduced a national curriculum for initial teacher training covering English, mathematics, science, and information and communications technology. The Teacher Training Agency is currently reviewing the standards and curriculum, and will consult on revised requirements this summer. The Department has asked the Agency to explore the scope for streamlining requirements while retaining the current high standards for qualified teacher status. The revised requirements will be published in February 2002 and come into effect from September 2002.

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**Table 10.1 Initial Teacher Training and Graduate Teacher Programme, 2000/01 to 2002/03**

	2000/01 recruitment provisional <sup>1</sup>	2001/02 places available	2002/03 indicative places available
<b>Initial Teacher Training</b>			
Primary	13,173	12,500	12,300
Secondary	14,542	17,390	17,235
Total	27,715	29,890	29,535
<b>Graduate Teacher Programme</b>			
Primary	454	–	–
Secondary	604	–	–
Total <sup>2</sup>	1,058	1,680	1,680
Overall Total	28,773	31,570	31,215

1 2000/01 initial teacher training recruitment figures are provisional. 2000/01 graduate teacher programme figures represent allocations up to spring term 2001; further recruitment is anticipated during the summer term.

2 1,680 fully funded places are already available on the graduate teacher programme in 2000/01, 2001/02 and 2002/03; 570 further fully funded places a year were announced in the Budget 2001.

Source: Teacher Training Agency.

## National College for School Leadership

National College for  
School Leadership  
08701 601604

The National College for School Leadership, launched in November, will provide a single national focus for school leadership development and research. It aims to be a driving force for world-class leadership in schools and the wider education service, and to promote new ideas and debate on leadership issues. It will take over responsibility for the national framework of headship training programmes in its first year. Heather Du Quesnay took up post as college director in September, and other senior appointments have been made. The College's governing council also met for the first time in September, under the chairmanship of Richard Greenhalgh, chair of Unilever UK. The College is situated in interim accommodation at the University of Nottingham's Jubilee Campus, where its new headquarters are also being built.

[www.ncslonline.gov.uk](http://www.ncslonline.gov.uk) or  
[www.dfes.gov.uk/teachingreforms/leadership](http://www.dfes.gov.uk/teachingreforms/leadership)

### Case Study

#### National College for School Leadership

The National College for School Leadership's on-line community, Talking Heads, is a private forum for headteachers to discuss with national experts and policy makers and talk freely and in confidence to colleagues about all aspects of leading a school. Headteachers who took part in last year's pilot said that the networking opportunities were invaluable.

**Mark Squires**, Langdale Primary School, Cumbria: "Talking Heads is like meeting all your other headteacher colleagues in the coffee break at a conference and being able to debate when you choose, for as long as you choose, the issues that are important to you."

**Richard Dalziel**, Ashlyn's School, Berkhamstead: "... the biggest benefit is that it ends the isolation of being a Head... What I've been able to do through Talking Heads is contact other Heads...my confidence has increased and I feel that I'm part of a national network, rather than acting in isolation..."

**Jas Kalra-Phull**, Tudor Primary School, Ealing: "The difference it's made to me being part of the Talking Heads project is having a whole load of Heads to speak to at the touch of a button, across the country, not just based where I am, and to have someone to talk to, share my problems with and get immediate answers as well. ... there's always someone who's got some sort of solution out there."

## Fast Track Teaching

The fast track teaching programme will target and attract top-quality graduates into teaching and give the most talented teachers faster career progression. Recruitment from among teachers will begin in autumn 2001, and from outside the profession began in October. Successful applicants will start their initial teacher training in September 2001; over 1,500 people

applied and are going through a rigorous application process, which will end in April 2001.

[www.dfec.gov.uk/fasttrack](http://www.dfec.gov.uk/fasttrack)

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## Teaching Assistants

Improving the impact of teaching assistants, including learning support assistants, through increased recruitment, better training and more effective management by schools, will support teachers in their work and help raise standards of learning. Since 1997, over 24,000 extra education support staff are working in schools. The Department continued to provide Standards Fund grant to meet its recruitment target (to increase by 20,000 the number of full-time-equivalent teaching assistants working in primary and secondary schools in England between 1999-00 and 2001-02), and will extend the grant to nursery schools in 2001-02. Over 9,000 teaching assistants, including some 2,800 special needs support staff, were recruited in 1999-00. The Department provided introductory training materials for recently recruited teaching assistants, which local education authorities began delivering from September. It has also continued to work with the Local Government National Training Organisation, the Qualifications and Curriculum Authority, local education authorities and others to develop an overall qualifications framework for teaching assistants, due in 2001.

[www.dfec.gov.uk/teachingreforms/support/teachassist/](http://www.dfec.gov.uk/teachingreforms/support/teachassist/)

[www.dfec.gov.uk/standardsfund/circular2001.htm](http://www.dfec.gov.uk/standardsfund/circular2001.htm)

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## General Teaching Council for England

The General Teaching Council for England began work in September as the new independent professional body for teachers. The Council will maintain a register of qualified teachers, provide advice to the Secretary of State and others on a range of professional issues and draft a code of professional conduct and practice. From June 2001 teachers working in maintained schools and non-maintained special schools will have to be registered with the Council. From the same date, it will have the power to strike teachers from the register on the grounds of professional misconduct (except for child safety and welfare cases which will continue to be dealt with by the Secretary of State) or incompetence. The Department has met the cost of establishing the Council and its first year of operation, but it will become self-funding from October 2001, when teachers will be required to pay a professional fee.

[www.gtce.org.uk](http://www.gtce.org.uk)

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## Pensions

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The Teachers' Pension Scheme is one of the largest occupational pension schemes in the United Kingdom with over one million members and pensioners. The scheme is open to all full- and part-time teachers. During 2000-01, the Department introduced a number of improvements, including the facility for teachers to retire from age 55 with an actuarially reduced pension.

## Other Websites

[www.wiredforhealth.gov.uk](http://www.wiredforhealth.gov.uk) and [www.dfee.gov.uk/a-z](http://www.dfee.gov.uk/a-z)

[www.teachernet.gov.uk/](http://www.teachernet.gov.uk/)

## SECTION D: DfEE OBJECTIVE 2

Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need.

# LEARNING AND SKILLS FOR YOUNG PEOPLE



Learning means confidence, personal satisfaction, success at work, or the chance for a new direction. Continuing participation in education and training by young people after their schooling is central to the Government's plans to develop a prosperous and competitive economy and a cohesive society in a time of rapid economic and social change. The strategy for young people's learning is therefore to raise levels of participation, retention and achievement.

The Department has focused during 2000-01 on encouraging young people to continue in education and training after age 16, for example through the continued development of the Connexions Service, Education Maintenance Allowances, and the *Don't Quit Now* campaign. It has also been reinforcing the need: for individuals to take responsibility for their development to ensure the achievement of the national learning targets; and for learning providers to ensure high-quality provision, through area-wide inspections and by the reform of the qualification system.

## National Learning Targets for Young People

Steady progress has been made towards both national learning targets for young people (by 2002, 85 per cent of 19-year-olds to reach level 2, and 60 per cent of 21-year-olds to reach level 3). While the Department is confident that the country will come close to achieving them, on current trends it cannot be sure they will be met. For further details on the targets, see *National Learning Targets: Annual Report 2000*.

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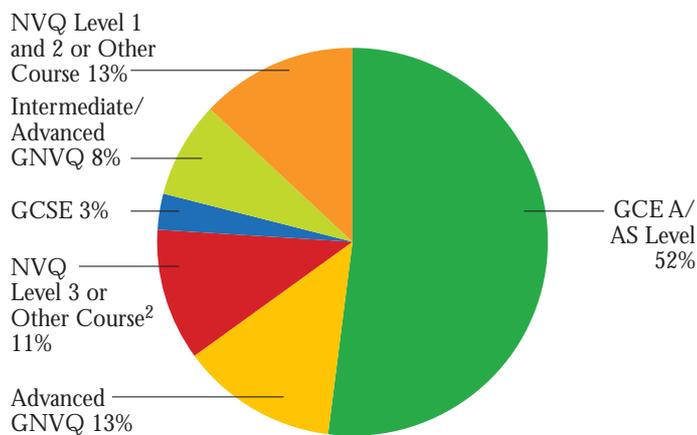
**Table 11.1** Progress Towards the National Learning Targets for Young People, 1996 to 2000 (Percentage)

	19-year-olds at level 2	21-year-olds at level 3
<b>Target for 2002</b>	<b>85</b>	<b>60</b>
1996	69.7	46.0
1997	72.3	48.2
1998	73.9	52.2
1999	74.9	53.2
2000	75.3	53.7
change from previous year	+0.4	+0.5

Source: Labour Force Survey, autumn quarters.

[www.dfee.gov.uk/nlt/index.htm](http://www.dfee.gov.uk/nlt/index.htm)

**Figure 11.1** Participation of 16- to 18-year-olds in Full-Time Education in England by Qualification Aim, 1999/00<sup>1</sup>



1. Figures are provisional.

2. Other advanced vocational includes BTEC National and City and Guilds Diploma in Vocational Education.

Sources: Schools Census, Further Education Funding Council's individualised student record, Higher Education Statistics Agency and DfEE.

## Connexions

The Connexions Service is being set up to provide, from April 2001, high-quality, coherent and co-ordinated advice and support to all teenagers, with extra targeted help for those most at risk of disaffection or failure. It will encompass careers, youth and other statutory and voluntary services. The Department piloted aspects of the service in 13 areas during the year, and will use the experience gained to the benefit of further pilot activity and the whole Connexions Service as it develops. It also established the Connexions Service National Unit in July within the Department, comprising both civil servants and inward secondees. In October, the Department announced funding for the first 16 Connexions Partnerships in England. The funding, amounting to £420 million by the end of 2002-03, will be £177 million more than the careers service currently receives. An average 3.5 per cent uplift in funding for careers services not starting Connexions in 2001 was also announced. It also published business planning guidance and national standards to clarify what the new partnerships are expected to deliver.

[www.connexions.gov.uk](http://www.connexions.gov.uk)

## Case Study

### Connexions

The Connexions Service builds on the success of New Start and the Learning Gateway, both of which helped improve the lives of young people who felt previously that education or training had nothing to offer them.

After being bullied in school, Marie changed from being happy and bubbly to staying in her room all day, not even talking to her family. She dropped out of school in her GCSE year, even though she was expected to get reasonable results. A New Start outreach worker got in touch with her and gradually built up a relationship with her. Marie was encouraged to attend a drop-in centre and got to know other young people there. With mentoring and support she built up her self-confidence. She is now at college working on a performing arts qualification – and has also become a peer mentor herself.

An 18-year-old boy, Lee, was referred to a personal adviser following the death of his father. He was doing well with A Levels and was on track to attend a good university. Although Lee felt that he was coping and didn't need further help, his Head of Year was concerned that he may need support to deal with his grief. At the first meeting it emerged that Lee was concerned that the family business (the only source of income) would have to close down. He was considering giving up his studies to get a job to support his family. Also, Lee's mother was affected by her husband's death and Lee was her only emotional support. It was established that Lee was at risk of disengaging from learning as he was focusing on his mother's welfare. The adviser helped to broker support for Lee. The last time the adviser met Lee he was continuing to do well in his A Levels and had applied to university.

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## Education Maintenance Allowances

Education Maintenance Allowances are a pilot way of helping young people fulfil their learning potential, whatever their financial circumstances, by giving them up to £30 a week (£40 in two areas) to stay on at school or college, with additional bonuses for achievement and retention. An independent evaluation of the first year of the initial 15 pilots found that they are having a positive effect on young people's aspirations to learn and on their commitment to stay in learning. There has been a 5-percentage-point rise in the number of 16- and 17-year-olds in the pilot areas staying in education because of the allowances. The Government expanded the scheme to a further 41 areas from September, which means that the scheme is now available in 30 per cent of England. Ministers will use the results from the pilots to decide whether to introduce the allowances nationally. The Department is testing different approaches as part of the evaluation, and, responding to the Social Exclusion Unit's report, *Bridging the Gap*, introduced in September some additional small-scale pilots for vulnerable young people, such as those with disabilities, teenage parents, and the homeless.

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## Qualifications

The Government has introduced revised GCE A and AS levels and vocational A levels to replace advanced general national vocational qualifications (GNVQs). There is now also a separate qualification in key skills. The Government's objective is to encourage young people to broaden their post-16 studies, take on more demanding study, and take up vocational options alongside academic courses. Early indications are that between 75 per cent and 80 per cent of students on A level programmes are taking four AS levels this year, and that a higher proportion than in the past is combining GCE and vocational A levels. The Department has worked with the Qualifications and Curriculum Authority to have in place new world-class tests, to be called Advanced Extension Awards, for the most able students. From September 2002 vocational GCSEs will be introduced. Building on the best features of part one GNVQs, the new qualification will be equivalent to two GCSEs. Achievement will be on the same scale of A\* to G as the academic GCSE, with parity of esteem.

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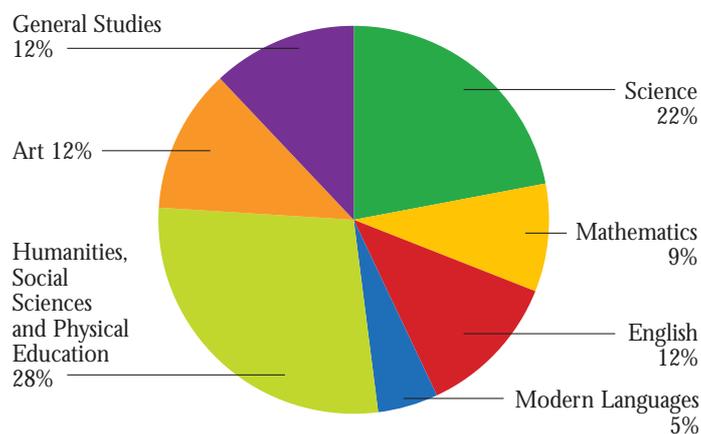
**Table 11.2** Average GCE A/AS Point Score of Young People<sup>1</sup> in Schools and Colleges, 1995/96 to 1999/00

	1995/96 actual	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 provisional
Average point score of students entered for 2 or more GCE A/AS	16.8	17.3	17.8	18.2	18.5

1 Aged 16 to 18 at the start of the academic year.

Source: DfEE database of school and college performance tables.

**Figure 11.2** GCE A Level Passes by Subject of 16- to 18-Year-Olds<sup>1</sup> in Schools and Colleges, 1999/00<sup>2</sup>



1 Age at start of academic year.

2 Figures are provisional.

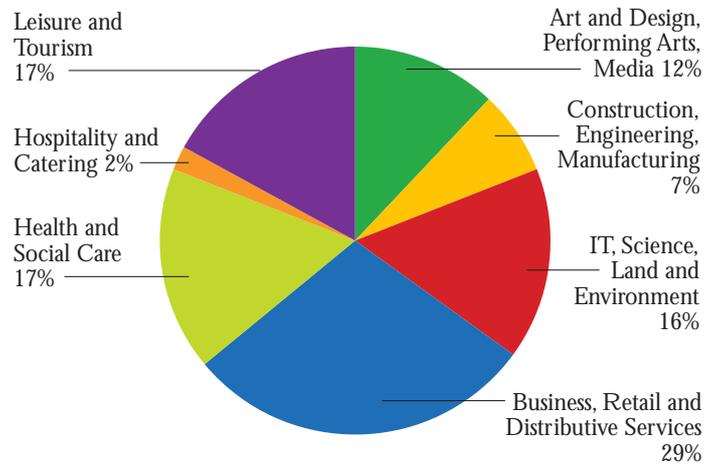
Source: DfEE database of school and college performance tables.

**Table 11.3** GNVQ Awards by Level in England, Wales and Northern Ireland, 1995/96 to 1999/00

Level	1995/96	1996/97	1997/98	1998/99	1999/00
Foundation	6,152	7,483	7,662	8,940	9,672
Intermediate	44,688	45,996	43,028	46,435	42,690
Advanced	30,921	36,997	41,346	48,733	47,211

Source: Joint Council for General Qualifications.

**Figure 11.3** GNVQ Awards (All Levels) by Subject Area in England, Wales and Northern Ireland, 1999/00



Source: Joint Council for General Qualifications.

### Key Skills

The Government is promoting key skills to young people as important to success in education and working life. The Department has introduced, from September, a new key skills qualification available at levels 1 to 4. It covers communication, application of number and information technology and will be used in all post-16 education and training routes in England, Wales and Northern Ireland. The Department has also continued the key skills support programme, which helps those who teach key skills improve their confidence and competence. The Learning and Skills Development Agency and Learning for Work Ltd manage the programme for the Department in schools and colleges and in work respectively. During the year, programme activities included published support materials, conferences, networks, and workshops.

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[www.dfee.gov.uk/key/](http://www.dfee.gov.uk/key/) and [www.keyskillssupport.net](http://www.keyskillssupport.net)

### Modern Apprenticeships

Foundation and Advanced Modern Apprenticeships provide young people with a high-quality work-based route to national vocational qualifications at levels 2 and 3 respectively, and thereby increase the supply of skills at craft, supervisory and technician level within industry. Building on the strong foundations of Modern Apprenticeships, the Department is determined to raise their status and parity. It is reforming them by: increasing the content of knowledge and understanding; offering an entitlement to a place for those who have the ability and aptitude; and further supporting young people, employers and training providers. The

Department also plans to work with the Learning and Skills Council and training providers on arrangements to phase out 'other training', the residue of Youth Training, from September 2002.

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### Area-wide Inspections

Area-wide inspections review the quality and adequacy of learning provision for all 16- to 19-year-olds across an area, as part of the Government's overall strategy to raise retention and achievement. They also look at how far that provision matches students' and communities' needs and what action is needed for improvement. They are mainly targeted on areas facing the greatest challenge. By December, 15 inspections had been completed, and all the phase one and two Excellence and Cities areas will have been inspected by the end of 2002. The area inspection reports have stimulated purposeful local collaboration in reviewing local provision for this age group across the piece and in developing action plans, including plans to restructure, where necessary. Area inspections have: triggered proposals to establish new sixth form colleges of academic excellence to equip talented young people from deprived areas to enter university; focused attention on the need to address variability in standards and attainment across areas; and highlighted the need for support for pupils in making choices about their options at age 16.

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# LEARNING AND SKILLS FOR ADULTS



*Derek Haylings, one of the Adult Learners Week award winners, 2000.*

(Photo: Nick Hayes)

Learning is the key to economic success and social wellbeing. People start to learn when they are young, but continue to do so throughout their lives. A skilled and motivated workforce is also necessary for the productivity of the economy and its international competitiveness. Skills and qualifications also help people compete for jobs and break out of welfare dependency.

During 2000-01, therefore, the Department has continued to promote the national learning targets for adults and organisations as the best indicators of progress in lifelong learning. It has continued to develop measures to encourage adults into training, such as individual learning accounts and learndirect, and to tackle the legacy of poor basic skills among adults. It has also begun work on local and sectoral workforce development plans to ensure that adult learning is focused on the needs of the economy.

## National Learning Targets for Adults and Organisations

For the targets for adults and participation (by 2002: 50 per cent of adults with a level-3 qualification; 28 per cent of adults with level 4; and a 7-per-cent reduction in non-learners), annual increases in attainment over the last three years and the Department's modelling suggest that the targets will be achieved. The initiatives supporting achievement of these targets are part of the major programme of development and reform across the lifelong learning agenda. For level 4, the country already has one of the highest rates of achievement in the world, and recent improvement trends and progress to date suggest it will reach this target in full. The Department cannot measure progress towards achieving the learning participation target until the National Adult Learning Survey results (whose first run in 1997 provided a baseline) come out in 2001.

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**Table 12.1** Progress Towards the National Learning Targets for Adults, 1996 to 2000 (Percentage)

	Economically active adults at level 3	Economically active adults at level 4
<b>Target for 2002</b>	<b>50</b>	<b>28</b>
1996	41.6	23.9
1997	43.0	24.4
1998	45.1	26.1
1999	46.2	26.6
2000	47.2	27.5
change from previous year	+1.0	+0.9

Source: Labour Force Survey, autumn quarters.

For the targets for organisations, latest information shows that 32 per cent of organisations with more than 50 employees and 6,147 organisations with between 10-49 employees have achieved the Investors in People Standard. Assuming the current rate of progress, the national learning targets for organisations (45 per cent of medium-sized and large organisations and 10,000 small organisations to be recognised as Investors in People by 2002) will be achieved.

For further details on the targets, see *National Learning Targets: Annual Report 2000*.

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**Table 12.2 NVQ Awards by Level, 1995/96 to 1999/00 (thousands)**

	1995/96 outturn	1996/97 outturn	1997/98 outturn	1998/99 outturn	1999/00 outturn
Total Level 1	60.4	76.5	70.7	59.9	63.3
Total Level 2	213.5	267.2	263.0	253.0	251.9
Total Level 3+	72.6	100.2	112.3	115.4	123.7
<b>Total</b>	<b>346.5</b>	<b>443.8</b>	<b>446.0</b>	<b>428.3</b>	<b>438.9</b>

Source: Qualifications and Curriculum Authority

[www.dfee.gov.uk/nlt/index.htm](http://www.dfee.gov.uk/nlt/index.htm)

## Individual Learning Accounts

Individual learning accounts are a new way of helping people pay for learning. They encourage people to invest in, and take more responsibility for, their learning, throughout their working lives. The Department introduced a national framework in June, operated through the Individual Learning Account Centre, which is being run by Capita Business Services Ltd. The new system for funding Individual Learning Accounts nationally began operating in September. Learners had opened more than 740,000 accounts by February, passing the Department's initial target of 500,000 accounts by the end of March. The Government is on course to meet its commitment of 1 million accounts by 2002. The Department is also running local pilots of community-based accounts, working with credit unions and others to reach those adult learners most likely to benefit from them.

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### Case Study

#### Individual Learning Accounts

Around 30 London members of the GMB, including cleaners and support staff, have taken out individual learning accounts. As many of them wanted to learn about information and communications technology, the Trade Union Education Department at Lewisham College provided a tutor for the RSA Computer Literacy and Information Technology course, and the headmaster of Hurstmere School, Sidcup, gave permission to use the school's facilities. They study in both their own and work's time. Most of those involved have no or few qualifications, and this is the first time they have received any form of training since leaving school. Many are already planning to go on to other courses once they have completed their course, and now feel much more confident, for example in helping their children with their homework.

### Case Study

#### Learndirect

Six employees from Herefordshire Council's Commercial Services department have given a whole new meaning to the term 'do it yourself' by proving that it's never too late to learn. A group of staff who were keen to brush up in numeracy and literacy used learndirect to sign up for the basic PC skills course at their local learning centre.

"Before signing up for the course I was concerned about juggling both my work and learning commitments. I needn't have worried as I soon realised that learndirect offers wide flexibility in allowing you to study in your own time," explained Tony Pask. "I was also nervous about using a computer because I had never had the opportunity to even switch one on before. However, the staff at learndirect are all extremely helpful and offer constant support to us all."

"What's great about the training is that one minute we are building walls, repairing doors or painting buildings and the next we are sat around a computer learning how to use a spreadsheet," explained Mark Lawrence. "With learndirect there really are no limits as it offers something for everyone – no matter who you are."

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### Learndirect

Learndirect is being developed by Ufi Limited. Learndirect brokers high-quality on-line learning materials and services and makes them available at home, in the workplace and at learndirect learning centres. It aims in this way to overcome barriers to access. Learndirect was officially launched in October; there are now some 928 learndirect centres throughout England, Wales and Northern Ireland, and the learndirect helpline has handled over 2.5 million calls since its introduction. Learndirect aims to advise up to 2.5 million people a year by 2002 and stimulate demand for up to one million courses and learning packages a year by 2003. In May, the Department announced a funding agreement for 2000-01: £74 million for development and operation of Ufi Limited and £10 million for development and maintenance of learndirect's advice service. The Higher Education Funding Council for England made support available for up to 2,500 full-time student places in 2000-01, and the Further Education Funding Council allocated around £48 million to fund learndirect learners.

learndirect helpline: 0800 100 900

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Telephone 0114 291 5000

[www.learndirect.co.uk](http://www.learndirect.co.uk) and [www.ufiltd.co.uk](http://www.ufiltd.co.uk)

### Workforce Development

The Department is working with partners to agree priorities for investment in workforce development nationally, locally and in industry sectors. During the year, training and enterprise councils have co-ordinated plans to meet key local skills and workforce development needs. These plans will become the responsibility of local learning and skills councils over the coming year, and will guide and inform their, and partners', funding decisions. The Department, national training organisations and their national council have produced a framework for sectoral workforce development plans, and, by April 2001, all national training organisations will have produced plans that identify industry's needs and can be used to refine the Learning and Skills Council's funding plans. The Department and the Learning and Skills Council also began to produce a national framework for workforce development, building on the work of the Skills Task Force. The Department is also consulting on a framework to guide the development of a smaller and stronger national training organisation network from April 2001.

[www.dfee.gov.uk/nlt/index.htm](http://www.dfee.gov.uk/nlt/index.htm)

## Skills Agenda

The National Skills Task Force made important recommendations in June about the national skills agenda. Its final report, *Skills for All: Proposals for a National Skills Agenda*, offered a three-point agenda: policy changes to improve skills supply; strengthening the link between learning and employment; and targets and measures of performance. In reply, the Department published an interim response, *Opportunity for All: Skills for the New Economy*, in June. It published its final response jointly with the Department of Trade and Industry in a pamphlet accompanying the white paper, *Opportunity for All in a World of Change*. These say how the Government will link learning and jobs, create excellence in vocational learning, promote basic skills, build a flexible learning system, and work with employers to boost skills and productivity. In support of the strategy, the Qualifications and Curriculum Authority is rationalising vocational qualifications. The Department also published the arrangements for the statutory regulation of qualifications and an accreditation programme.

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### Case Study

#### Access

The Department's Adult and Community Learning Fund supported the Fairbridge charity's *Kick Off with Literacy* programme, which helps unemployed young people develop their basic skills. These young people are not in education or training or are at risk of dropping out; some have been excluded from school, been unemployed for a long time or have been involved in crime. The football project gives them a range of short courses with sweeteners like football coaching at Birmingham City Football Club. It keeps the young people active physically and mentally, and builds self-confidence and basic skills. The participants also produce a magazine, which builds literacy and teamworking skills.

## Access to Lifelong Learning

The Government believes that learning should be widely available to adults in their local communities. Variety of opportunity is particularly important for people who have not been involved in learning since school and who think it has nothing to offer them. A great deal of this sort of accessible local provision has been provided in 2000-01 by local education authorities under their lifelong learning development plans. In addition, the Department supported 300 projects to re-engage disadvantaged adults in learning through the Adult and Community Learning Fund. The Further Education Funding Council ran pilot schemes to reach 22,000 people who otherwise would not have gone back into learning. The learndirect helpline and local information, advice and guidance partnerships played an important part in advising people about how to access new learning opportunities.

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## Basic Skills Strategy

The Government issued a statement and, in March, launched *Skills for Life*, its national strategy for improving adult literacy and numeracy skills. This is a government-wide strategy to help the seven million adults who have problems with these skills and to reduce their numbers by 750,000 by 2004. The Adult Basic Skills Strategy Unit, which will drive the strategy forward, started work within the Department in November. In 2000-01, the Department has allocated over £20 million new money for the first phase of the strategy to fund such developments as community and workplace provision, literacy and numeracy skills teacher training, and support for adults with learning difficulties and/or disabilities and those whose first language is not English. As a result of the spending review 2000, the Department will increase specific funding for adult literacy and numeracy by £162 million: from £241 million in 2000-01 to £403 million in 2003-04.

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### Case Study

#### Basic Skills Strategy

When Mohammed Saeed came to the United Kingdom in 1988, aged seventeen, he had no knowledge of English. Now he speaks and reads English fluently, has improved his mathematics, and has been promoted twice. His success has been made possible by his employers, Fine Lady Bakeries in Banbury, and by Oxfordshire County Council's Workplace Training programme. The programme offers training in English as a second language, literacy, numeracy and basic information technology.

"This has made an enormous difference in my life," Mohammed says. "I am better at everything, more confident. I need to be good at English because the people I am in charge of only speak English, of course, and now with the maths I can work out production schedules, calculate the percentages of work we have done and so on." Mohammed's plans include finishing a course in bakery, working out some new shift patterns and going back to college to improve his information technology skills. He has just bought his own computer. "I never expected promotion. But I got it, and learnt not just English but machines and systems and bakery as well."

## Community Champions Fund

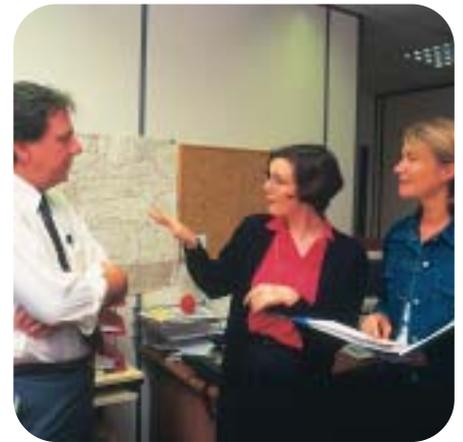
The Community Champions Fund helps people who can inspire others to participate in community groups, thus renewing their neighbourhoods. The aim is to help people build on skills they already have and encourage them to help others to become more involved in community and regeneration activity. Following a two-year pilot, the Department has extended the scheme for three years from April 2001. Its regional government offices run the scheme, in partnership with voluntary organisations, providing small grants to spread good practice, overcome barriers to regeneration, promote twinning between communities and encourage community involvement.

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# DELIVERING LIFELONG LEARNING

The programme of reform enacted in the Learning and Skills Act 2000 will create a culture of learning to underpin national competitiveness and personal prosperity, encourage creativity and innovation, and build a cohesive society in the 21st Century. The new system of post-16 learning will be coherent, accessible and responsive to the needs of individuals, businesses and communities.

The Department funds and works with a number of partner organisations to achieve this. It has completed the transformation of the organisation of lifelong learning, with the preparations for the Learning and Skills Council. At institutional level, it has promoted best practice, for example through beacon colleges, the further education standards fund and the new basic skills curriculum.



## White Paper: *Opportunity for All in a World of Change*

*Opportunity for All in a World of Change* is the Government's white paper on enterprise, skills and innovation, published jointly by this Department and the Department of Trade and Industry in February. The Government sets out in it the next steps in helping individuals, communities and businesses to prosper, pointing out that employers must recognise that their competitive position rests increasingly on how they develop and use the skills of all their people. White Paper proposals include: equipping individuals with skills, abilities and know-how, for example by tackling adult literacy and numeracy problems; building strong regions and communities, for example by establishing top-class university innovation centres; and strengthening European and global connections, for example by attracting the best young graduates to the United Kingdom.

[www.dfes.gov.uk/whitepaper/opportunity](http://www.dfes.gov.uk/whitepaper/opportunity)

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## Learning and Skills Council

The Learning and Skills Act received royal assent in July, enabling the Government to begin establishing the new Learning and Skills Council. For the first time, a single body will co-ordinate, promote and plan all post-16 education and training below higher education, focusing particularly on skills and employers' needs. It came into being as a legal entity in September, and will become fully operational from April 2001. It comprises a national body and 47 local councils; some 800 senior appointments have been made, following open, national advertisement, including the national chair, council members and chief executive and the local

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chairs, council members and executive directors. They are now establishing the new organisation and working with partners and providers to ensure an orderly transfer of responsibilities. Planned resources available to the Council, including assumed employer contributions to further education, will be £5.5 billion in 2001-02, rising to nearly £6 billion in 2002-03. From April 2002, it will have taken over the responsibilities of over 200 separate funding bodies across four different sectors. The Department has consulted extensively on a new funding system, which the Council formally adopted in December and which will be phased in over the next three years.

[www.lsc.gov.uk](http://www.lsc.gov.uk)

### Standards and Quality in Further Education

In his 1999-00 Annual Report, the Further Education Funding Council's Chief Inspector reported continuing improvement in the quality of teaching and learning in colleges, underpinned by support from the Standards Fund. In 2000-01, the priorities for Standards Fund allocations included support for rapid improvements in colleges with significant weaknesses; national priorities for improvements in teaching and learning; improved college governance, management and leadership; dissemination of good practice; and rewarding achievement. The increase in the Standards Fund from £98 million in 2000-01 to £160 million in 2001-02 will enable additional priorities to be supported, including follow-up to area-wide inspections; support for centres of vocational excellence; raising standards in middle-ranking colleges; and measures to secure a better qualified teaching force.

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### Beacon Colleges

Beacon status is awarded to colleges with excellent inspection reports, taking particular account of those serving deprived areas. The Department has identified 15 Beacon colleges of excellence. Each Beacon college receives money from the Standards Fund to enable them to share their good practice with other colleges. The Further Education Funding Council's website lists a range of the activities undertaken. The Department expects that, under the Learning and Skills Council, Beacon status will continue, subject to proposals being developed.

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#### Case Study

#### Beacon Colleges

South Cheshire College, a tertiary college in Crewe, Cheshire, received excellent inspection marks in 1999 and was subsequently allocated £250,000 from the Standards Fund to spread its good practice locally. So far the college has: delivered on-site consultancy work for other colleges in Cheshire; run seminars and secondments focusing on management and quality; and this autumn, opened a computer suite at Crewe Alexandra football ground, which will be used for training by local businesses and also provide free training to the local community.

### New Inspection Arrangements

The Learning and Skills Act lays the foundation for simpler, more consistent arrangements for inspecting post-16 learning across all routes, as a basis for continuous improvement in standards. It expands the remit of OFSTED to inspect education for 16- to 19-year-olds in further education colleges, and establishes the new, independent Adult Learning Inspectorate. The two inspectorates will share responsibility for inspecting post-16 education and training from April 2001 using a common inspection framework. The Act also provides for joint college inspections, area-wide inspections and the publication of inspection reports and provider action plans.

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### Centres of Vocational Excellence

As part of its plans for the future of further education colleges, the Department announced a new programme to enable colleges to develop centres of vocational excellence. The Learning and Skills Council will provide £100 million over three years, from within its total resources, to enable colleges, in partnership with national training organisations and employers, to meet effectively the rising skill needs of the new economy, offering tuition up to foundation degree level where appropriate. By 2004/05, the Department expects half of all general further education colleges to have a vocational specialism in which they are regarded as a centre of excellence.

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### Teaching and Leadership in Further Education Colleges

In November, the Government announced a new teaching qualification requirement for new further education teachers to improve standards of post-16 education and training. The sector showed strong support, during consultation, for raising levels of teacher qualifications and moving towards a workforce of appropriately qualified staff. The qualifications will be based on the Further Education National Training Organisation's teaching standards. The Department has earmarked up to £80 million from the Standards Fund to support this, together with continuing professional development for teachers and support for prospective and serving college principals.

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[www.fento.org](http://www.fento.org)

## Pay Arrangements in Further Education

The Government is introducing new pay arrangements for the further education sector to improve professionalism and the quality of teaching and learning. In July, it announced it would make £50 million available in 2001-02 to support their introduction and, in November, announced £100 million for 2002-03 with further increases in later years. Pay arrangements remain a matter between employers and staff. The release of funds will, however, be dependent on the development of frameworks to support the recruitment, retention and reward of high-calibre staff, based upon common principles. The Department has held extensive discussions with representatives of both colleges and staff.

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## UK Online Centres

UK online centres (which comprise, among other things, ICT learning centres) give disadvantaged communities access to information and communication technology. This supports the Government's commitment to provide Internet access to all who want it, by 2005. The Capital Modernisation Fund has made available £252 million. The 159 successful first-round applicants for funding will lead to around 600 new centres. By the end of 2002 there will be around 6,000 centres, which will include existing information technology centres (which have been invited to apply for the UK online centre brand).

[www.dfee.gov.uk/ukonlinecentres](http://www.dfee.gov.uk/ukonlinecentres)

### Case Study

#### UK online centres

Paul had had very negative experiences of information and communications technology at school: "I had a limited experience in school but I had a bit of a phobia with computers. I didn't like them because there were a lot of geeks in my class, I didn't know much so I tried to avoid them." Paul started using the centre to use the e-mail, but he is now interested in programming. He has changed his mind about who can or cannot use computers: "I think IT is all about logic. I think that anyone, if they have got logic in mind (can do it). It's just a question of money and time but it is what I would like to get into." Paul said he was now looking at jobs and courses as a result of his new interest.

Judy wanted to keep in contact with her brother in America and came into the centre asking about setting up a website and e-mail. However, after successfully using the centre to keep in touch, she began using the website more generally and, more specifically, to help her look for a job. "It is expensive to call, so initially it was to keep contact with him, but also I needed to get a job and the Internet is a good way to get a job because there are loads of job sites."

Initially using the crèche within the centre, Emma became curious about the computer facility. Having had nothing but bad experiences at school, Emma was encouraged by the informal atmosphere to have a quick go on the computer, searching for information relating to her children's forthcoming vaccinations. Since then, Emma has undertaken three computer courses for beginners: "It has inspired me to educate myself. I was a single parent. I was stressed out. I was having serious problems with my life. I don't think I would have had the confidence to just walk into college. Because I started with basic courses and I improved my confidence, it just gave me the boost to take it further."

## Teaching Basic Skills

Improving the quality of teaching is central to the Government's strategy to improve adult literacy and numeracy skills. It includes the development of initial and continuing training and career pathways for all teachers of adult literacy, numeracy and language skills. A teaching standards framework, due to be published in 2001, will give awarding bodies a basis to develop qualifications. A quality initiative for training managers and teachers will improve awareness and understanding of literacy and numeracy skills needs. The Basic Skills Agency is providing three days' training for around 7,000 teachers in the use of the new standards and curriculum, in 2001-02. A national research centre is also being set up to identify effective approaches to learning and develop and deliver teacher training and professional development programmes.

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## Basic Skills Standards and Curriculum

Another key element of the strategy is a robust and nationally recognised framework within which adult literacy and numeracy can be assessed, taught and accredited. The Qualifications and Curriculum Authority published national standards at entry level, level 1 and level 2 in May and the Basic Skills Agency published new curricula for literacy and numeracy in February, with English as a second language to follow. The first set of test items for the new national literacy and numeracy tests at level 1 and 2 were published in January. Together with screening and diagnostic assessment tools, standards and curricula, these will be piloted in nine regional pathfinder projects before full implementation from September 2001.

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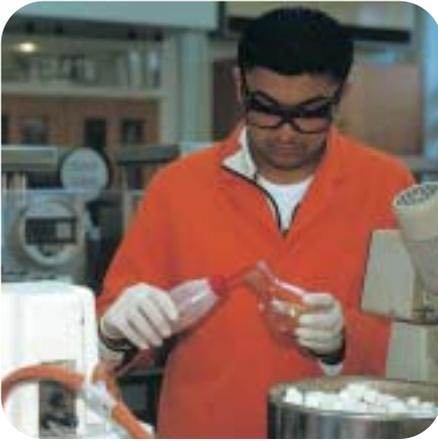
[www.qca.org.uk/basic-skills/](http://www.qca.org.uk/basic-skills/)

[www.basic-skills.co.uk](http://www.basic-skills.co.uk)

## Other Websites

[www.worktrain.gov.uk](http://www.worktrain.gov.uk)

# HIGHER EDUCATION



The emerging knowledge economy is driven by innovation and ideas, skills and knowledge. These are now the tools for success and prosperity in the 21st century just as much as natural resources and physical labour were in the 19th. Higher education is central to developing the knowledge economy, as well as generating wider cultural and social benefits. There are 125,000 more people in higher education in 2000-01 compared to 1996-97. In 1998-99, more than 370,000 people obtained qualifications from higher education institutions in England, gaining specialist knowledge as well as the generic skills needed for work. Universities and colleges also generate knowledge through research and scholarship, and ensure this knowledge is exploited.

The Government's priorities for higher education are: to increase participation so that, by the end of the decade, half of young people should be able to benefit from higher education by the time they are 30; and, in doing so, to widen participation to include able people from those social groups which have not traditionally gone to university. To that end, the Department has worked during 2000-01 towards the introduction of new foundation degrees and announced the Excellence Challenge. The Government is also committed to making sure universities and colleges collaborate with businesses to exploit the products of research, and - working with partners - to maintain the quality and standards of teaching and research.

## Foundation Degrees

Foundation degrees are new vocational, higher education qualifications that will support the development of the knowledge economy. Designed in collaboration with employers, they will provide students with the mix of specialist knowledge, wider skills and academic underpinning that the labour market demands. The courses will boost the supply of associate professionals and widen participation by attracting people who do not currently enter higher education. In November, the Higher Education Funding Council for England announced the 21 consortia that will be developing the prototype degrees for the academic year 2001/02. The Government is likely to support further foundation degree courses as part of its planned expansion of higher education. The core features of the foundation degree are found in the Funding Council's *Foundation Degree* Prospectus, issued in July.

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[www.niss.ac.uk/education/hefce/pub00/00\\_27.html](http://www.niss.ac.uk/education/hefce/pub00/00_27.html)

## Excellence Challenge

In September, the Government announced Excellence Challenge to widen participation in higher education. More than £190 million will be provided over the next three years to bring together secondary schools and further and higher education institutions in Excellence in Cities and Education Action Zone areas. The programme will work with disadvantaged young people who have the potential to enter higher education and create a coherent structure of support from age 13, by providing, among other things, summer schools, master classes, mentoring by undergraduates, better information and opportunity bursaries. The current package includes the £150 million settlement announced in September, as well as a total of £36 million for opportunity bursaries and an extension to include Education Action Zones.

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## Teaching quality

The Higher Education Funding Council for England is responsible for assessing the quality of the education it funds. In relation to teaching, it does this through subject reviews, which the Quality Assurance Agency for Higher Education carries out under annual contract to the Council. The current cycle of subject review assessments runs until December 2001, and a new cycle will start in January 2002. Following consultation, the Quality Assurance Agency is replacing the current separate processes for subject and institutional review with a new integrated method called *academic review*. This was implemented in Scotland from September, and will start in the rest of the United Kingdom from September 2001. The Institute for Learning and Teaching in Higher Education accredits programmes of staff development in higher education and offers support services to its members.

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## Science Research Investment Fund

The Government recognises that its higher education and research institutions need excellent facilities if the United Kingdom is to remain at the forefront of world science. It announced, in partnership with the Wellcome Trust, a further £1 billion investment in science infrastructure in 2002-03 and 2003-04 (£775 million from Government and £225 million from the Trust) through the Science Research Investment Fund. The new fund will have four streams: £300 million from the

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Higher Education Funding Council for England together with £375 million from the Science Budget for allocations to higher education institutions linked to research excellence and the volume of research undertaken; £150 million from the Trust for investment in buildings for sciences within the Trust's remit; a separate £75 million from the Trust for equipment and refurbishment for biomedical science projects; and £100 million, retained by the Office of Science and Technology, to modernise research council institutes and contribute to large national projects. Funding from the Wellcome Trust and the Office of Science and Technology, including the Science Budget, is for the whole of the United Kingdom. The fund is in addition to £750 million allocated over three years by the Government and the Wellcome Trust through the Joint Infrastructure Fund.

### Case Study

#### Access and Hardship Fund

Jane is a lone parent with a child under school age. A new student this year, she faced childcare costs of over £3,000. Her university was able to provide her with a mature student bursary through the Access and Hardship Fund of £1,000, plus further support of £2,250, which covered her childcare costs for the year. This made all the difference, and enabled her to start the course. She is now taking a degree in the field of engineering and mathematical science.

John needed help with childcare costs. A mature student, he was separated from his partner but needed to contribute towards childcare. He struggled through the first year and was on the verge of dropping out. When the university realised his problem, they gave him a mature student's bursary of £1,000 and additional help from the Hardship Fund of £1,000. He has now started his second year. Without the additional support this would not have been possible.

Sue is a new mature student with mental health problems. She had wanted to do a degree for some time but had not had the confidence. Most of her treatment was provided by the National Health Service, but an element of it cost £1,000, which she had to find herself. Through the university's Hardship Fund and Disabled Students Allowance, she was able to pay for her additional treatment while on the course. Without this additional support, she would never have started her degree.

### Student Support

Effective and timely delivery of financial support is essential if students are to make the most of their higher education. The Department has consolidated the new support arrangements, introduced in 1999/00, and the vast majority of students now receive their loan cheque at the start of term. It has introduced further measures to target support at those most in need: enhanced hardship funds in 2000/01, including bursaries for mature students; a childcare grant of up to £150 a week based on actual childcare costs from 2001/02; £2,000 opportunity bursaries for

disadvantaged young students from 2001/02, and fee-waivers and loans for part-time students. In 2001/02, the Department is also raising to £20,000 the income threshold at which parents contribute, so that a half of students will not have to pay tuition fees. Work will continue in 2001-02 to modernise student support administration, building on the current arrangements and developments in technology, so that students have a uniformly high standard of service wherever they live.

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**Table 14.1 Loans to Students in Higher Education in the United Kingdom, 1995/96 to 1999/00**

	1995/96	1996/97	1997/98	1998/99 <sup>1</sup>	1999/00 provisional
Value of loans taken out (£ million)	700.8	877.2	941.0	1,233.5	1,823.0
Number of loans (000s)	559.9	589.6	615.1	659.5	723.6
Loans as a percentage of eligible students <sup>2</sup>	59	62	64	68	74
Value of repayments collected (£ million) <sup>3</sup>	50.5	86.1	133.6	196.1	278.1
Percentage of borrowers liable to repay whose payments have been deferred on grounds of level of income <sup>3,4,5</sup>	48	50	48	47	39

1 Data from 1998/99 include both mortgage-style and income-contingent loans.

2 Estimates of numbers of students eligible for loans have been derived from data supplied by the Higher Education Statistics Agency, Further Education Funding Council and the Student Loans Company.

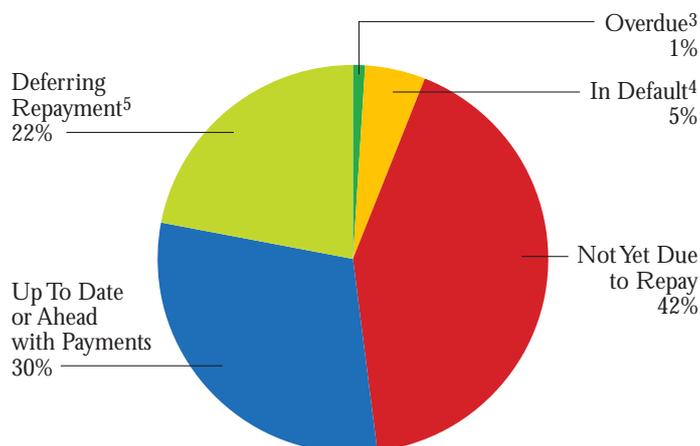
3 Financial year figures. Includes all borrowers, including those whose debt has been purchased by the private sector.

4 At or below 85 per cent of national average earnings, i.e. less than £1,516 per month in the academic year 1999/00.

5 A change in the reporting basis in 1998-99 means that comparisons cannot be made with earlier years. Data in the years prior to 1998-99 relate to the percentage of loans in deferment; data from 1998-99 relate to the percentage of borrowers with loan accounts which they were liable to repay which had been granted deferment.

Source: Student Loans Company Limited

**Figure 14.1 Student Support: United Kingdom  
Student Loan Repayments: Borrower Status  
at End of Financial Year 1999-00<sup>1,2</sup>**



1 Includes all borrowers, including those whose debt has been purchased by the private sector. A change in the reporting basis from 1998-99 means that comparisons cannot be made with earlier years. Data from 1998-99 relate to the number of borrowers with at least one loan account in the statuses/activities shown. Borrowers may be counted more than once if they have accounts in more than one repayment status.

2 Excludes loans repaid in full by the end of financial year 1999-00, including those repaid in full during 1999-00 and in earlier years.

3 One month behind with repayments.

4 Two or more months behind with repayments.

5 Including deferred repayments with arrears.

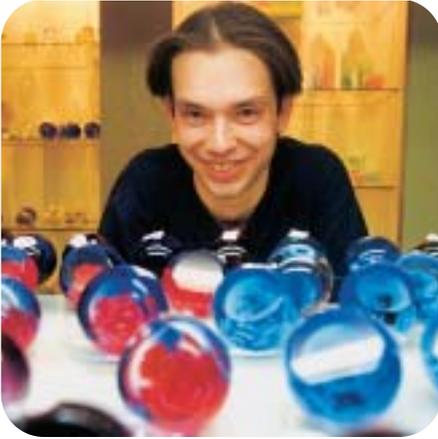
Source: Student Loans Company Limited

## SECTION E: DfEE OBJECTIVE 3

Helping people without a job into work



# FROM WELFARE TO WORK



Helping people to move from welfare into work is a priority for the Government and is at the core of its wider agenda on economic growth, combating social exclusion, and the fight against poverty. The Department supports the achievement of high and stable levels of employment through a programme of reform. These reforms are designed to open employment opportunities to all, particularly those at a disadvantage in the labour market, and to improve the basic employability of the labour force. The Department and the Employment Service have been working, along with others in Government, to promote an efficient labour market which matches people without jobs to jobs without people, to tackle structural unemployment and inactivity, and to attack exclusion by equipping disabled people and others to work and prosper.

During 2000-01, the Department has been working with the Department of Social Security, Employment Service, Benefits Agency and HM Treasury to prepare for the new Working Age Agency. The Agency will draw together the Employment Service and those parts of the Benefit Agency that deal with working-age people. A single agency will be more effective, efficient and streamlined and provide a better service to claimants. The Department has also worked to ensure continuous improvement in the New Deals, and explored new ways of helping groups at severe disadvantage in the labour market. Additionally, details of the Department's work to increase the availability of affordable childcare can be found in chapter 6. Childcare can enable parents to take up employment.

## Employment Green Paper

The Government published the green paper, *Towards Full Employment in a Modern Society*, on 14 March, setting out measures to continue the drive towards employment opportunities for all. As well as establishing the Working Age Agency, the Government's agenda includes: developing the next phase of New Deal; more help for lone parents; support for people with basic skills problems and problems with crime and addiction; outreach to ethnic communities; help for people with disabilities; an extension of action teams; and a job transition service for areas hit by large-scale redundancies.

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**Table 15.1 Labour Market Information by Gender for the United Kingdom, 1996 to 2000 (Seasonally Adjusted)**

	Employment		ILO Unemployment <sup>1</sup>		Inactivity		Claimant Count <sup>3</sup>	
	Levels (000s)	Rate <sup>2</sup> (%)	Levels (000s)	Rate (%)	Levels <sup>2</sup> (000s)	Rate <sup>2</sup> (%)	Levels (000s)	Rate (%)
<b>All</b>								
Autumn 1996	26,634	72.3	2,277	7.9	7,642	21.4	1,904	6.6
Autumn 1997	27,117	73.2	1,908	6.6	7,730	21.5	1,432	5.0
Autumn 1998	27,448	73.8	1,812	6.2	7,669	21.2	1,328	4.6
Autumn 1999	27,769	74.3	1,733	5.9	7,603	21.0	1,190	4.1
Autumn 2000	27,994	74.6	1,564	5.3	7,730	21.2	1,044	3.6
<b>Male</b>								
Autumn 1996	14,691	77.1	1,450	9.0	2,840	15.2	1,455	9.1
Autumn 1997	15,011	78.3	1,186	7.3	2,896	15.4	1,096	6.9
Autumn 1998	15,104	78.8	1,125	6.9	2,901	15.3	1,016	6.4
Autumn 1999	15,295	79.2	1,048	6.4	2,904	15.3	908.4	5.7
Autumn 2000	15,446	79.4	948	5.8	2,988	15.6	798.4	5.0
<b>Female</b>								
Autumn 1996	11,943	67.1	827	6.5	4,802	28.1	448.5	3.5
Autumn 1997	12,106	67.7	721	5.6	4,833	28.2	335.5	2.6
Autumn 1998	12,293	68.4	687	5.3	4,768	27.7	312.2	2.4
Autumn 1999	12,439	68.9	686	5.2	4,700	27.2	281.5	2.2
Autumn 2000	12,547	69.2	616	4.7	4,742	27.3	245.9	1.9

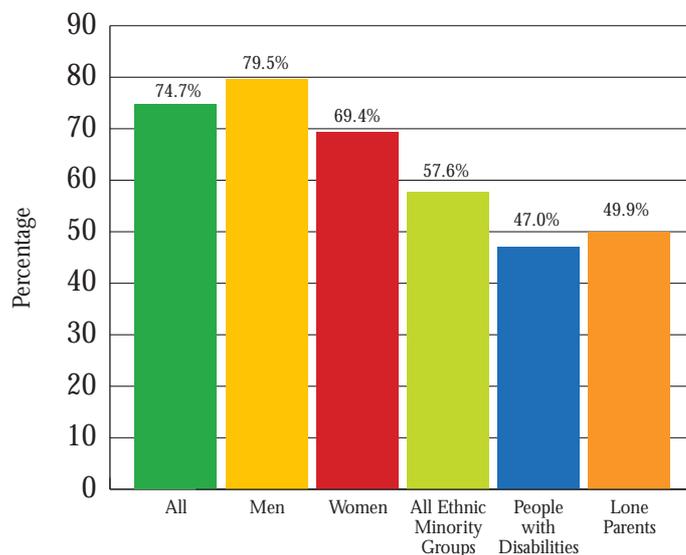
1 International Labour Organisation unemployment is for all those aged 16 and over.

2 Employment rates, inactivity levels and inactivity rates are those for working age only.

3 The month of November is used for 'autumn' for the claimant count figures.

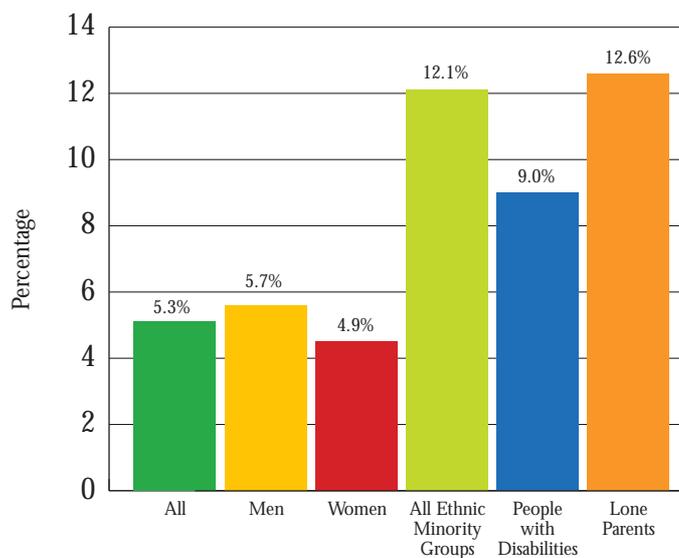
Source: Labour Force Survey and Benefits Agency Administrative System.

**Figure 15.1 Employment Rates (Working Age) for the United Kingdom, Autumn 2000 (Seasonally Unadjusted)**



Source: Labour Force Survey

**Figure 15.2** International Labour Organisation Unemployment Rates (All Aged 16 and Over) for the United Kingdom, Autumn 2000 (Seasonally Unadjusted)



Source: Labour Force Survey

**Table 15.2** Labour Market Information by Disadvantaged Groups, United Kingdom, 1997 and 2000 (Seasonally Unadjusted)

	Employment		ILO Unemployment <sup>1</sup>		Inactivity	
	Levels (000s)	Rate <sup>2</sup> (%)	Levels (000s)	Rate (%)	Levels <sup>2</sup> (000s)	Rate <sup>2</sup> (%)
<b>All Ethnic Minority Groups</b>						
Autumn 1997	1,224	56.7	213	14.8	707	33.3
Autumn 2000	1,411	57.6	195	12.1	828	34.4
<b>People with Disabilities<sup>3</sup></b>						
Autumn 2000	3,198	47.0	315	9.0	3,312	48.5
<b>Lone Parents</b>						
Autumn 1997	725	45.6	139	16.1	710	44.7
Autumn 2000	806	49.9	116	12.6	679	42.1

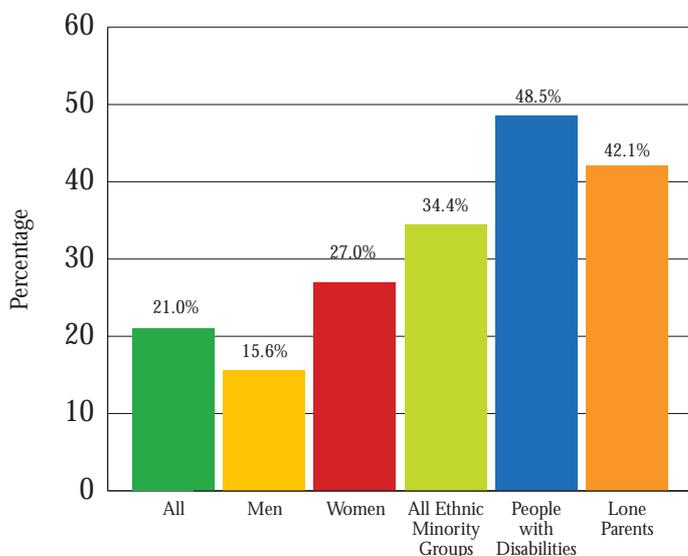
1 International Labour Organisation unemployment is for all those aged 16 and over.

2 Employment rates, inactivity levels and inactivity rates are those for working age only.

3 Due to changes in Labour Force Survey questioning, comparable data for autumn 1997 is not available.

Source: Labour Force Survey.

**Figure 15.3 Inactivity Rates (Working Age) for the United Kingdom, Autumn 2000 (Seasonally Unadjusted)**



Source: Labour Force Survey

### Efficient Labour Market

An efficient labour market is essential for high and stable levels of employment. The Employment Service works in partnership with public, private and voluntary organisations to deliver this. Through the Jobseeker's Allowance regime and a wide range of programmes, including the New Deals, the Employment Service aims to help people without work find work. This will be taken on by the Working Age Agency in 2001-02.

### Employment Service

The Employment Service, an executive agency covering Great Britain, works to help achieve high and stable employment and growth, equality of opportunity and social inclusion (see aim and objectives on page 7). It does this by helping people without a job, and particularly those on welfare and at a disadvantage in the labour market, to find and keep work by providing appropriate information, advice, training and support and by encouraging employers to open more opportunities to them. Through its partners and other providers the Employment Service delivers the Welfare to Work programmes and other employment programmes throughout its network of Jobcentres, and it increasingly uses new technology to widen access to its services and to improve their efficiency. The Employment Service's plans for meeting its objectives and targets are published in its *Operational Plan for 2000-2001*, and a summary of performance against annual targets is published quarterly on its website. Performance for 2000-01 as a whole will be published in the *Employment Service Annual Report and Accounts*.

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**Table 15.3** Employment Service's Annual Performance Agreement Targets, 1999-00: Placings Performance (000s)

	1999-00 Target	1999-00 outturn
Total unemployed placings	1,250	1,336
Long-term Jobseeker's Allowance (JSA) claimant placings	190	220
Over two years JSA claimant placings	38	47
Placing of New Deal for Young People participants into work	100	111
Placing of New Deal for Lone Parents participants into work	15	26
Placings of unemployed people with disabilities into work	85	97

Latest performance against 2000-01 targets is given in chapter 1, table 1.3.

### Working Age Agency

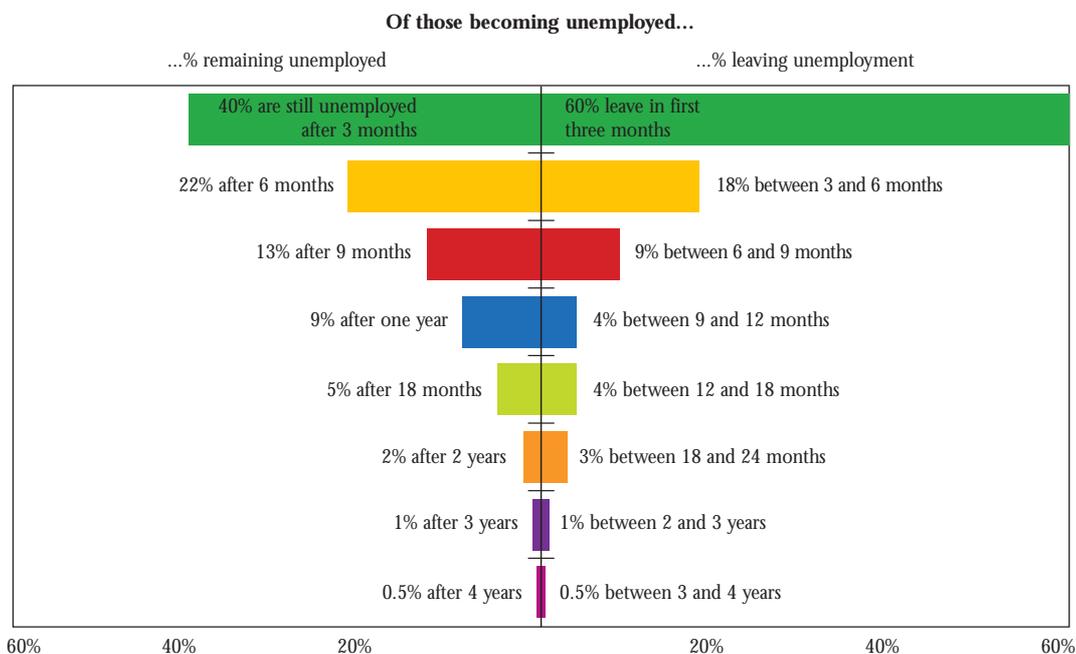
The Department has been working with the Department of Social Security and HM Treasury to prepare for the launch of the new Working Age Agency. The aim is to create a new agency for jobs and benefits that will provide a more integrated and efficient service to clients, including employers. It will bring together the Employment Service and those parts of the Benefits Agency which support people of working age claiming benefit. The aim is to help people get jobs and to pay them the benefits to which they are entitled, using new technology to provide the most up-to-date service. The departments appointed the chief executive designate for the agency in January to lead the implementation work.

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[www.employmentservice.gov.uk](http://www.employmentservice.gov.uk)

### Employment Programmes

The Employment Service delivers a structured and coherent range of advisory services for all people claiming Jobseeker's Allowance. This starts with a new claim, where the type of work a person is looking for, their availability for work and what they intend to do to look for work are discussed. The person is then required to attend the Jobcentre, usually fortnightly, to sign declarations that they remain available for and are actively seeking work. During these visits, and at other times, unemployed people have access to the Employment Service's bank of job vacancies which can be accessed at Jobcentres themselves, over the Internet, and by telephone through the ES Direct service. Advisers are ready to put jobless people forward to suitable vacancies. In addition, people are invited to attend more in-depth advisory interviews to help them find suitable jobs or training. The Employment Service also administers a number of programmes aimed at a range of clients designed to improve their employability and to offer practical measures to help them find,

**Figure 15.4** Likelihood of Leaving Unemployment or Remaining Unemployed

Source: DFEE

and keep, work. These include: programme centres; work trials; the Job Grant; the travel to interview scheme; work-based learning for adults; and, for disabled people, the supported employment programme and Access to Work.

### Tackling Structural Unemployment, Inactivity and Exclusion

Seventy-five per cent of people who make a claim for unemployment-related benefit leave again within six months. The Government therefore focuses more intensive help on longer-term unemployed people and some groups in society who face particular disadvantages. The New Deals, ONE pilots, Employment Zones and other initiatives are testing and developing a range of measures with some common themes, such as an individual focus, personal advisers, a 'gateway', partnership and an emphasis on sustainable employment. The Government is also taking particular care to ensure that no-one becomes excluded because they face discrimination or because barriers get in the way of successful job entry.

*new deal* 

**Table 15.4** New Deal Performance to December 2000, Great Britain

	New Deal for Young People <sup>1</sup>	New Deal 25 Plus <sup>2</sup>
Starts on New Deal	581,600	333,600
Jobs gained <sup>3</sup>	274,230	62,570
of which:		
sustained jobs <sup>4</sup>	209,240	51,240
On Gateway/advisory interview process <sup>5</sup>	50,000	54,700
On options: <sup>5</sup>		
Employer	4,500	2,000
Education and training	13,200	1,500
Voluntary sector <sup>6</sup>	6,400	
Environment task force <sup>6</sup>	6,100	
Work-based learning for adults/training for work		3,900
On follow-through <sup>5</sup>	18,900	3,700

- 1 New Deal for Young People was introduced nationally on 6 April 1998. Performance figure refers to the period from then to December 2000.
- 2 New Deal for Long-Term Unemployed People aged 25 Plus was introduced nationally on 29 June 1998. Performance figure refers to the period from then to December 2000.
- 3 Includes both unsubsidised jobs gained on leaving New Deal and subsidised job starts.
- 4 Sustained jobs are those whereby the person does not return to claim Jobseeker's Allowance (JSA) within thirteen weeks of gaining the job. This includes those who have been in employment for less than thirteen weeks but who have not yet returned to JSA.
- 5 Numbers on Gateway/Advisory Interview Process, Options and Follow Through are as at the end of December 2000.
- 6 The Voluntary Sector and the Environmental Task Force options refer to New Deal for Young People.

**Case Study****New Deal for Young People**

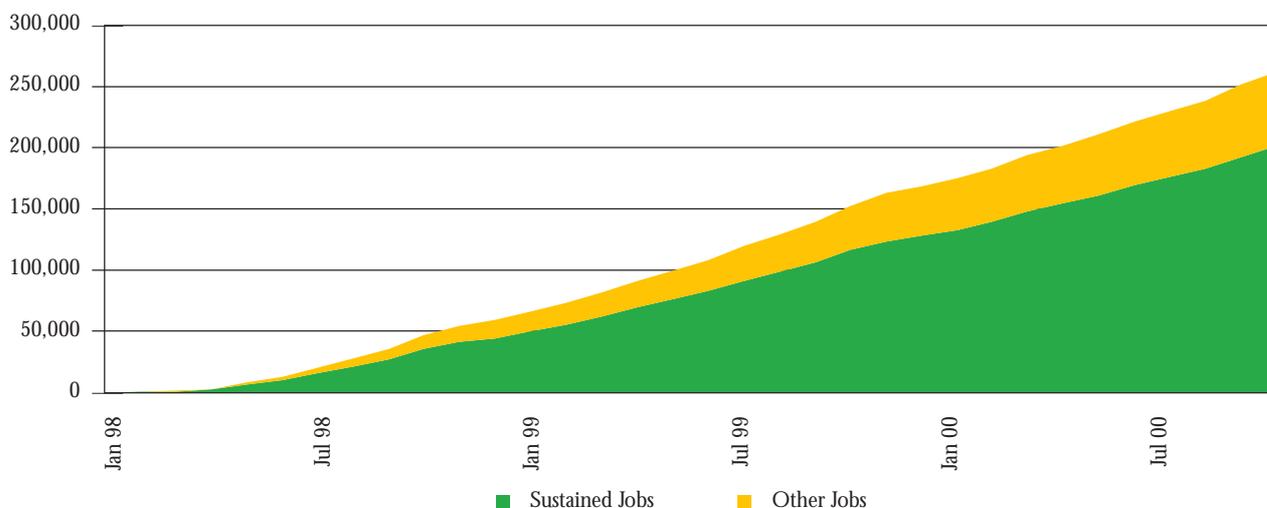
"I wanted to get into glass making because it's creative," says Derek, who had previously only had temporary jobs as a labourer and warehouse assistant. He'd been unemployed for six months when he went onto New Deal and met Jackie, his personal adviser, who asked him about his skills and interests. Derek told her he had an artistic flair and wanted to work either as an illustrator or making glass, but had no relevant qualifications. Jackie telephoned the Production Manager at Calthness Glass in Perthshire, who was recruiting for glass house assistants and was happy to interview Derek. After a two-stage recruitment process, Derek was successful and was offered a full-time post as a Lehr man - this job involves working the Lehr, which cools the glass down gradually. "Jackie was really helpful and I feel lucky to have got this job", says Derek, who started his job in September.

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**New Deal for Young People**

The New Deal for Young People helps young people who have been unemployed and claiming Jobseeker's Allowance for six months or more to find, and stay in, work. The programme starts with a period of intensive jobsearch, the Gateway, which can also include counselling, advice and help with specific problems, followed for those who remain unemployed by one of four work and training options and, if needed, a follow-through strategy. The Government committed itself to taking 250,000 young people off benefit and into work, and was able to announce in November that it had met this target. Independent research by the National Institute of Economic and Social Research found that the New Deal has had a positive impact in reducing unemployment and increasing employment, and that it has a net economic benefit to the national economy.

[www.newdeal.gov.uk](http://www.newdeal.gov.uk)

**Figure 15.5** Young People into Jobs from the New Deal, Great Britain, 1998 to 2000

Source: New Deal Evaluation Database

### New Deal for Long-Term Unemployed People Aged 25 and Over

New Deal 25 plus helps people in this age group who have been claiming Jobseeker's Allowance for two years or more to find work or improve their chance of doing so. The established national programme was enhanced in April to provide a greater level of contact with advisers and additional specialist support services. Around 333,600 people had started on this New Deal by December, of which over 62,500 have moved into jobs. New Deal 25 plus pilots, which are testing new ways of moving people back into work, have continued to run in 28 parts of Britain. These had helped nearly 20,000 people into jobs by the end of November. In April 2001, this New Deal will be intensified and enhanced. It will provide for all those who have been claiming Jobseeker's Allowance for 18 months a gateway period, flexible access to full-time activity and follow-through.

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### New Deal 50plus

New Deal 50plus is a new programme of advice and financial support for people aged 50 or over, who have been claiming Jobseeker's Allowance, incapacity benefits or income support for six months or more, to help them move off benefits and into work. It was launched nationally in April. It aims to improve employment rates amongst older workers by offering: one-to-one advice, help in looking for work, a tax-free Employment Credit paid on top of wages, and an in-work training grant. The programme is voluntary, there is no upper age limit, and support is available for people entering full- or part-time work and

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self-employment. The Department's planning assumption is that 45,000 people will come off benefits and go back to work with the Employment Credit each year in Great Britain.

New Deal Information line - 0845 606 2626

[www.newdeal.gov.uk/english/fiftyplus/](http://www.newdeal.gov.uk/english/fiftyplus/)

### New Deal for Lone Parents

New Deal for Lone Parents helps lone parents on income support overcome barriers to work, improve their chances of taking up paid work, and thus move off benefits and raise their living standards. The Department and the Department of Social Security share responsibility for policy, and the Employment Service operates the programme throughout Britain. From May, invitations to participate were extended to lone parents with youngest child aged three (as opposed to five years and three months previously). Those with younger children are also welcome to participate and, from autumn 2001, eligibility will be extended gradually to all lone parents who are not in work, or are in work of less than 16 hours per week but not on income support. So that lone parents are aware of the benefits of the New Deal, the Government is phasing in, from 2001-02 to 2003-04, compulsory meetings with a personal adviser for lone parents claiming income support who have a youngest child of five or over. This was piloted in three areas (Shropshire, South Tyneside and Fife) from October. Budget 2001 announced that the meetings will be extended to all lone parents on Income Support over the two years from April 2002, with an additional interview at the six-month stage of a claim, plus further enhancements to New Deal for Lone Parents provision, to include a new outreach service to attract more lone parents to the New Deal, help with starting up in self-employment, and extra childcare support. Participation in the programme itself remains voluntary.

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### New Deal for Partners of Unemployed People

The New Deal for Partners of Unemployed People aims to reduce the number of workless households in Great Britain. It is a voluntary programme available to partners of those claiming Jobseeker's Allowance. The programme offers partners access to a range of advice and support previously only offered to the benefit recipient, such as an interview with a trained personal adviser and access to employment and training programmes. From 23 April 2001, the Government is extending the voluntary programme, renamed New Deal for Partners, to partners of claimants of Income Support, Incapacity Benefit, Severe Disablement Allowance and Invalid Care Allowance.

From 19 March, the introduction of joint claims for Jobseeker's Allowance requires both members of younger, childless, unemployed couples to look actively for jobs, and, if they remain unemployed, take part in New Deal programmes. Both will need to satisfy the conditions of entitlement to benefit, will have the same rights and responsibilities, and will receive equal assistance. The Government intends that, from 2002, the requirement for joint claims will be extended to unemployed couples without dependent children where at least one member is aged under 45.

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[www.newdeal.gov.uk/english/partners/partners.asp](http://www.newdeal.gov.uk/english/partners/partners.asp)

### New Deal for Disabled People

The New Deal for Disabled People has been piloting projects to help disabled people and those with long-term illness find and/or keep work. This New Deal is run jointly with the Department of Social Security, is open to people who are claiming incapacity benefits, and is entirely voluntary. The programme involves an advice service (being piloted in 12 areas, covering nearly a quarter of a million people on incapacity benefits), and 24 schemes to find out what works best. The pilots have helped over 6,000 people into work since autumn 1998. The final evaluation report will be published in spring 2001. In November, the Government outlined the key elements for extending the programme nationally from July 2001 through a network of job brokers, and invited tenders from organisations interested in delivering this. As part of this New Deal, and jointly with the Departments of Health and Social Security, the Department is to mount job retention and rehabilitation pilots. These will test the contribution of better-co-ordinated, earlier, health- and/or employment-focused interventions to help people with a prolonged illness or disability stay in work.

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#### Case Study

##### **New Deal for Disabled People**

A man with a chronic mental health condition that was controlled by medication came to Newham's Personal Adviser Service in 1999. When he joined New Deal, he was already working on Therapeutic Earnings but wanted help to leave this programme for more ambitious work and better pay. As a first step, the man transferred to part-time open work with a local supermarket. This was a success and he pressed to move on to full-time work. The Personal Adviser Service has a good relationship with Transport for London, which has vacancies in its new call centre. Full training is provided for all recruits and, since the company had said at the outset how they would manage and support disabled people in work, the Adviser Service had few reservations about recommending the man to them. He has now started work at the call centre on a starting salary of £12,500. He has also applied for the Disabled Person's Tax Credit.

## ONE

ONE provides an integrated service to benefits claimants of working age in 12 pilot areas, offering help into or towards work as well as help with their benefit claims. ONE is being delivered by the Employment Service, the Benefits Agency, local authorities and private and voluntary sector organizations. Since 3 April 2000, new benefit claimants living within the pilot areas have been required to participate in a work-focused meeting with a personal adviser as a condition of receipt of benefit. These claimants are also required to meet with their personal adviser at specified trigger points, when changes in their circumstances mean that a meeting might be of help. A thorough evaluation of the service is underway, and initial findings from the voluntary phase prior to April were published in November. Experience of the ONE pilots will inform the development of the Working Age Agency.

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## Employment Zones

Significant numbers of long-term unemployed people are still out of work; for them, past interventions had not worked. Employment zones therefore test out new ways of helping long-term unemployed people aged 25 and over get and keep work. From April 2000, the Department established 15 employment zones in areas in Great Britain in which employment rates were below the national average. Nine of these are being delivered by Working Links, a public-private partnership involving the Employment Service, Manpower plc and Cap Gemini Ernst and Young, with local partners. The zones made a good start and had helped over 5,000 people into jobs by the end of January. Over 40 per cent of those starting in zones in April and May have found employment. The key factors of success are: a focus on getting a client work; emphasis on payment by results; the role of the personal adviser; and flexibility of the personal job account. The Government will build on this early success by extending the existing zones for an additional 12 months. Subject to a satisfactory evaluation of the pilots, the Government will consider extending employment zones to new areas and to other claimant groups, for example lone parents.

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## Action Teams for Jobs

Unemployment is falling and employment rates rising, but people from some areas and some ethnic backgrounds are missing out. These people are more likely to be unemployed - regardless of level of education - and more likely to find it hard to get a job. Action Teams for Jobs focus on where help is needed most and on outreach within these communities. The teams work to overcome the barriers that prevent jobless people on any benefit getting and keeping work. They started work in 40 areas of Great Britain in October, covering areas with low employment rates, high claimant count rates and large numbers of people from the ethnic minorities who are at a disadvantage in the labour market. Teams provide outreach services for people who are seeking extra help to find work. They can use funding flexibly, and work with local employers, community groups and local authorities. Their work includes breaking down prejudice against people from deprived estates or ethnic groups, helping ensure local people are considered for jobs, and tackling transport-to-work issues. The Government proposed, in the employment green paper, that funding for the existing teams would be extended to March 2004 and that new teams would be launched, bringing help to around 50 areas.

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## Responding to Large-Scale Redundancy

A major redundancy can swamp the local labour market, where there is a high dependency on one industry. The Employment Service therefore operates rapid response units to help those being made redundant with advice and training, and a Rapid Response Fund is also available for local partners. A dynamic labour market will, however, always require new and changing skills, and the Department wants to help such transitions by promoting flexibility and rapid adaptation. It is developing the new Job Transition Service to provide tailored help for both people seeking work and employers seeking skilled workers. Managed by the Employment Service, the service is being piloted in 2001-02 in areas affected by recent major redundancies, and aims to be fully operational by April 2002.

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020 7925 6512

## Other Websites

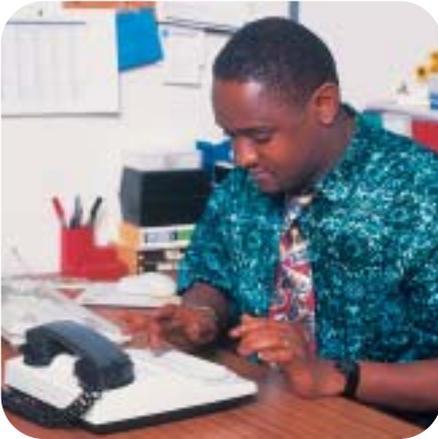
[www.skillsbase.dfee.gov.uk/reference/library.shtm](http://www.skillsbase.dfee.gov.uk/reference/library.shtm)

[www.dfee.gov.uk/skillnet/](http://www.dfee.gov.uk/skillnet/)

[www.statistics.gov.uk/nsbase/themes/labour\\_market/default.asp](http://www.statistics.gov.uk/nsbase/themes/labour_market/default.asp)

[www.worktrain.gov.uk](http://www.worktrain.gov.uk)

# EQUALITY OF OPPORTUNITY



The Government is creating an inclusive and prosperous society in which everyone has an equal chance to fulfil their potential; this is essential for economic success and social cohesion. To that end, the Department has three main responsibilities: ensuring the right legislative framework and institutional arrangements to challenge discrimination; working with others to challenge negative attitudes and promote diversity; and ensuring equality is delivered through all departmental policies and programmes.

In 2000-01, the Department made further progress towards comprehensive and enforceable civil rights for disabled people, combated discrimination in employment, based on gender, race, disability or age, and delivered to employers a clear and persuasive message that they can benefit from adopting policies that promote a better work-life balance.

## European Union Employment Directives

The European Union has adopted two directives and an action programme concerning equality. These are: a directive outlawing discrimination on grounds of race or ethnic origin in employment, training and other areas such as the provision of goods and services, adopted in June; a directive outlawing discrimination on grounds of age, disability, sexual orientation and religion or belief in employment and training, adopted in November; and an action programme to encourage exchange of best practice in the areas covered by the directives, adopted in November. The Department led negotiations on the second and third proposals and played an active part in negotiating the first. The final texts agreed for both directives represent a considerable achievement in terms of securing the United Kingdom's negotiating objectives of improving the clarity and workability of the proposals.

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## Equality in Business

The Department has continued to promote the business benefits of equality practices. Equality Direct, a new telephone advice service, started work in January, advising business managers on equality law and good practice. It is a two-year pilot and part of the Department's action to modernise government. It has been developed in partnership with the three equality commissions, ACAS and the Small Business Service and is managed by a private-sector consortium. Ministers continued their programme of breakfast briefings for company chief executives, in partnership with the Commission for Racial Equality, to promote the business case

for race diversity in employment. The Department's Race Relations Employment Advisory Service continued to provide free and confidential advice to employers across the country to help develop and implement policies and practices which support racial equality.

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Equality Direct: 0845 600 3444

[www.equalitydirect.org.uk](http://www.equalitydirect.org.uk)

#### Case Study

##### Equality in Business

Arriva North West operates bus services and has a workforce of 1,100. It decided to introduce a new approach to human resource issues, including equality of opportunity, and enlisted the help of the Department's Race Relations Employment Advisory Service. To embed their new policies, Arriva North West now runs training courses, in partnership with the Transport and General Workers' Union, for all its managers, supervisors and trade union representatives. Anne Hughes, the Personnel Development Manager, says, "We want to ensure that our employees work in an atmosphere free of harassment, whatever its source, and feel confident that any concerns that they may have will be dealt with fairly and effectively".

Currently, ethnic minority staff are not represented at all levels within Arriva North West. However, the company is determined that ethnic minority job applicants and staff are not disadvantaged. Selection and recruitment decisions and the progression of staff within the company are based upon merit and ability against objective-based criteria. Arriva is also looking beyond its current workforce: it has School Liaison Officers, who foster close ties with local schools, it offers work experience placements for engineering and office administrative functions, and gives interview guidance and practice. Anne says, "Equal opportunities is important to us. We aim to achieve a workforce that is representative of the communities we serve. Being seen as a fair employer is good for business and good for staff".

#### Age Diversity in Employment

The Department helps businesses and individuals by promoting age diversity and tackling age discrimination in employment. During the year, it launched a publicity campaign to promote the policy and publicise the Government's *Code of Practice on Age Diversity in Employment*. The campaign includes competitions and awards for employers and the industrial sector, as well as coverage in trade journals and through trade associations. The Department is evaluating the effectiveness of the code of practice through a research project, which is looking at employers' policies and practices and employers' and individuals' attitudes to age. The results of the evaluation will be available in 2001-02.

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[www.dfee.gov.uk/agediversity](http://www.dfee.gov.uk/agediversity)

#### Equal pay

Latest data from October's 2000 New Earnings Survey shows that women who work full time earn on average only 82 per cent of men's hourly pay. In December, the Department began consulting on ways of speeding up and simplifying tribunals, which will help

particularly women taking equal pay cases. Throughout its programmes the Department is developing ways to improve women's job prospects and pay by tackling occupational segregation, raising skill levels and ensuring women have easier access to lifelong learning, supporting women returning to the labour market, and making it easier to balance work and family life through childcare and a better work-life balance. This complements the work of the Equal Opportunities Commission's Equal Pay Task Force on employer pay systems.

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### Disability Rights Commission

The Disability Rights Commission, which opened in April, aims to achieve a society where all disabled people can participate fully as equal citizens. It works across Great Britain. The Commission has established a comprehensive information and advice service through a helpline, website and caseworker service. It has also provided legal advice and support for individuals; prepared and consulted on codes of practice; introduced a conciliation service for disputes about access to goods and services; and taken action on key policy areas, giving particular priority to employment, education and better health and social care services for disabled people.

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Stratford-upon-Avon, CV37 9BR.  
08457 622 633.  
Textphone 08457 622 644

[www.drc-gb.org](http://www.drc-gb.org)

### Disability Discrimination Act

The Department has continued to implement the terms of the Disability Discrimination Act which introduced further rights of access to goods and services. It consulted jointly with the Disability Rights Commission on a draft code of practice, a practical guide and regulations; the finished code should be published in July 2001. The Department launched a disability awareness campaign for businesses, *What have you got to offer?*, to encourage them to make their services accessible to disabled people. Working with COI Communications, the Department also produced guidance for government departments on the provision of information in alternative formats to make it accessible to disabled people.

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[www.disability.gov.uk/dda/index.html](http://www.disability.gov.uk/dda/index.html)

[www.disability.gov.uk/consultation.html](http://www.disability.gov.uk/consultation.html)

### Other Websites

[www.dfee.gov.uk/a-z/EQUAL\\_OPPORTUNITIES\\_furtherinfo.html](http://www.dfee.gov.uk/a-z/EQUAL_OPPORTUNITIES_furtherinfo.html)

[www.disability.gov.uk/](http://www.disability.gov.uk/)

# A SHARED INTERNATIONAL AGENDA

The Department plays a leading role internationally to secure support for the Government's agenda of employability, skills, lifelong learning and social exclusion. In particular, it works with the United Kingdom's partners in the European Union to develop a new employment and education agenda for Europe, linked to the knowledge-based economy. The Department seeks to extend this agenda to the Group of Eight and other international organisations such as the Organisation for Economic Co-operation and Development and agencies of the United Nations, such as the International Labour Organisation. The increasingly global dimension of education and employment provides opportunities to share best practice through bilateral and multilateral seminars and to help policy makers in this country with ideas and information from abroad.



*Amanda Bailey, one of the European Social Fund and Adult Learners Week award winners, 2000.*

(Photo: Nick Hayes)

## Lisbon Agenda

At the Lisbon Special European Council in March 2000, leaders of the European Union agreed a strategic goal for it "to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and social cohesion", and set a target of a 70 per cent employment rate for Europe by 2010. Progress towards these goals will be reviewed at special European councils each spring, beginning in Stockholm in March. The Department monitors the United Kingdom's progress towards the targets, for example by ensuring that there are Internet links for all schools by 2002, and by helping to improve people's employability through lifelong learning.

[www.europa.eu.int/council/off/conclu/mar2000/mar2000\\_en.pdf](http://www.europa.eu.int/council/off/conclu/mar2000/mar2000_en.pdf)

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## European Employment Strategy

The European Employment Strategy enables member states of the European Union to work together to increase employment across Europe, by developing their national policies according to a common set of employment guidelines. The United Kingdom's National Employment Action Plan, reporting progress against the employment guidelines for 2000, was published in May. Publication of the 2001 plan is expected in May 2001. The employment guidelines for 2001 were agreed in December.

[www.dfee.gov.uk/eap2000/index.htm](http://www.dfee.gov.uk/eap2000/index.htm)

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## International Relations beyond the European Union

The meeting of the Group of Eight heads of government at Cologne in 1999 agreed a lifelong learning charter. This was followed by their first education ministers' meeting in Tokyo in April. At Turin in November, their employment ministers re-affirmed their commitment to implement policies in line with the Lisbon agenda and the Cologne Charter, and agreed a charter to promote the employability of older workers, *Towards active ageing*.

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## European Social Fund



The European Social Fund provides resources to help member states promote education, skills and equal opportunities. During 2000-01, the Department completed negotiations with the European Commission on Great Britain's new Objective 3 programme for 2000 to 2006 and contributed to negotiations on the Objective 1 and 2 programmes. Great Britain is likely to benefit from over £4 billion over seven years through the Social Fund programmes. The Department will target Objective 3 resources mainly on helping people at risk of unemployment, and has prepared a plan to ensure that the programme contributes to equal opportunities at all stages. In 2001, the Department will launch the new Equal community initiative, which is designed to test and promote new means of combating discrimination and inequalities in the labour market.

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[www.esfnews.org.uk](http://www.esfnews.org.uk)

## European Education, Training and Youth programmes

The Department co-ordinates the Government's policy on education, training and youth issues in the European Union. The Union's programmes, such as Socrates, Leonardo da Vinci and Youth, give opportunities for providers in this country to share good practice and develop common approaches with European partners, and for individuals to study, undertake work experience or youth exchanges in other European countries.

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[www.centralbureau.org.uk/socrates](http://www.centralbureau.org.uk/socrates)

[www.ukc.ac.uk/ERASMUS/erasmus](http://www.ukc.ac.uk/ERASMUS/erasmus)

[www.nfer.ac.uk/eurydice](http://www.nfer.ac.uk/eurydice)

[www.naric.org.uk](http://www.naric.org.uk)

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0114 259 4359

[www.leonardo.org.uk](http://www.leonardo.org.uk) and  
[www.europa.eu.int/comm/education/leonardo.html](http://www.europa.eu.int/comm/education/leonardo.html)

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020 7273 5401

[www.connectyouthinternational.com](http://www.connectyouthinternational.com)

### Co-operation with Central and Eastern Europe

Following a successful bid for the European Union's twinning fund, the Department is advising the Polish and Czech governments on the development and implementation of their national employment plans and on their preparations for the European Social Fund. The Department is developing educational links with Hungary and Estonia, following ministerial co-operation agreements.

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### Teachers' International Professional Development Programme

The Department introduced the teachers' international professional development programme in May. The programme will help teachers in England build up their teaching skills by experiencing best practice in teaching in a number of key areas, such as information and communications technology. It will provide 5,000 places between April 2000 and 2002.

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[www.dfee.gov.uk/tipd](http://www.dfee.gov.uk/tipd)

### Attracting Foreign Students

The Government announced in June 1999 that it wants to attract more international students to the United Kingdom. The Department has now launched a three-year, world-wide promotion campaign to re-establish and maintain the United Kingdom's credentials as a world-class provider of education and training. The campaign includes: marketing materials to support the overseas promotional activity of further and higher education institutions, providers of English language courses, and independent schools; changes to improve the experience of international students who study here; more Chevening scholarships; a more user-friendly visa service; and easier arrangements for international students to work during vacations and part-time while studying.

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[www.educationuk.org](http://www.educationuk.org) and  
[www.dfee.gov.uk/international-students](http://www.dfee.gov.uk/international-students)

### Exchanging Best Practice

During 2000-01, the Department hosted a ministerial conference of the Organisation for Economic Co-operation and Development on youth employment and a high-level conference on *Learning Cities*, and participated in conferences on social exclusion, *Schooling for Tomorrow*, *Transition from school to work* and *Financing Lifelong Learning*. The Department has also continued to develop bilateral relations with the European Union and other countries to identify best practice and to share experience of policies and programmes. Contacts included: a working group on adult basic skills with Portugal, Ireland and Denmark, a seminar with France on helping young people experiencing problems. The fourth UK-Spanish seminar on skills for employability took place in January. The Employment Service has also been actively involved in EURES (European Employment Services), particularly in the development of integrated information technology systems.

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## SECTION F: MODERN GOVERNMENT



Modernising  
**DfEE**

# DEPARTMENT FOR EDUCATION AND EMPLOYMENT



The Department for Education and Employment and the Employment Service are at the forefront of the Government's programme to modernise. They aspire to lead a transformation of standards in education and in the level and quality of lifelong learning and to play a major part in achieving full employment. To that end, the Department is modernising policy making, delivery, management and the way it works. Its Modernising Government action plan details the progress made and the action planned in pursuit of this goal.

In November, central government Beacon status was awarded to the Department for its leadership, learning, use of information and communications technology and consultation unit, and to Employment Service Direct and the Employment Service's Suffolk and Cornwall districts for customer service and working in partnership.



## Policy Making



The Department has continued to take steps to ensure that policy making is joined up, based on evidence, inclusive and evaluated properly, as set out in its Modernising Government action plan. Activity during 2000-01 included: a series of day events for team leaders within the Department; the launch of a website on the Department's Intranet, bringing together guidance, advice and case studies; and, in partnership with the University of Sheffield, developing an on-line policy induction module for staff who are new to policy work. Section G of the Department's *Service Delivery Agreement* contains further information.

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[www.dfee.gov.uk/sda2000](http://www.dfee.gov.uk/sda2000)

## Regulatory Impact Assessment

The Department is committed to removing unnecessary regulation, and to ensuring that future legislation is limited to measures that are both necessary and proportionate. In response to the Better Regulation Task Force's report, *Red Tape Affecting Head Teachers*, the Department set up a series of focus groups to consult schools and local education authorities. Wherever proposed legislation is likely to impact on the private sector, the Department includes a draft regulatory impact assessment in any consultation. Between April 2000 and January 2001, the Department made 118 statutory instruments, none of which

imposed additional costs on the private sector (compared to 143 statutory instruments in 1999-00, two of which imposed additional costs on the private sector). Where possible the Department seeks non-regulatory solutions, for example guidance to caterers to accompany regulations setting minimum nutritional standards for school lunches, which was drafted in partnership with caterers, nutritionists and others. The Department also reviews regulation after implementation; for example it will review, in 2001-02, the impact on small businesses of new regulations introducing repayment of student loans through PAYE (pay as you earn). This review will be conducted with the Small Business Service.

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### Responsive and Quality Public Services

The Department aims to deliver excellent customer-focused services, working in partnership with others. During 2000-01, the Department set up a correspondence handling system to improve the handling of correspondence from the public, and held seminars for the Employment Service, non-departmental public bodies and its own staff to ensure a joined-up approach to customer service and to consider the implications of electronic government. It has also established a fund to support the modernisation of policy, service delivery, management and improved ways of working; in 2000-01, £8.5 million was allocated to projects within the Department. The Department welcomes the achievement of Charter Mark awards by 64 schools, 28 colleges, and two universities in 2000. This means that 245 bodies (166 schools, 70 colleges, eight universities and an education service) now hold the award. Section D of the Department's *Service Delivery Agreement* gives further information on service standards and monitoring.

For 2000-01, the Department carried out: 14 Better Quality Service reviews of a total running-cost value of £53.3 million (21 per cent of the Department's running costs, excluding agencies and non-departmental public bodies); Identifying Efficiency Action reviews of common functions in policy, team sizes and structures, the Department's relationship with non-departmental public bodies, the use of expert advisers and incentives for efficiency. The Department has also set up a central benchmarking and excellence unit to co-ordinate benchmarking activity and promote and facilitate the use of the European Foundation for Quality Model. It is working with HM Customs and Excise to develop the public service benchmarking unit.

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The Employment Service's *Jobseeker's Charter* sets out the standards of service customers can expect from the Employment Service, and these are measured regularly through an independent 'mystery shopping' programme. The Cabinet Office published

further information in *The Six Service Standards for Central Government – Performance of the main central government departments and agencies – 1 April 2000 to 31 March 2001*. The number of districts and regional disability service teams attaining the Charter Mark award for excellence in customer service has increased significantly in 2000-01 with 40 gaining awards, taking the total to 72 districts and five disability service teams.

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The Employment Service's Modernising ES programme will give employers, jobseekers and benefit claimants easier and more flexible access to labour market services and information, leading to an improvement in service quality and value for money. This is provided through call centres, interactive touch-screen Jobpoints and an Internet-based bank of job vacancies.

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### Information Age Government

The Department wants to use information and communications technology to modernise the way government works. It published its e-business strategy, which focuses on the electronic delivery of information and services, the modernisation of internal departmental processes, and effective ways of working with partners, in November. The Department has made good progress towards the government-wide target that all government information and services will be online by 2005: over 65 per cent is now available electronically. All staff have access to the Government Secure Intranet; the Department has published a website and a full staff directory on it, and promoted use of its facilities. During the year, the Department launched its first two Internet portals – for teachers and for jobseekers – bringing together its and others' services. Further portals, focusing on other key customer groups, will follow. It has also developed an internal Intranet portal for facilities, an information age government network for its non-departmental public bodies, OFSTED and other partners, and a Learning Gateway, which provides a portal to learning materials for staff.

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The Employment Service published its own e-business strategy in October, working with the Department, EDS (its information technology partner) and the Department of Social Security to align the strategy for the Working Age Agency. The Employment Service is progressing towards meeting the target, with 50 per cent of services available electronically, and has completed the first phase of connection to the Government Secure Intranet with the connection of three policy locations in January.

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[www.teachernet.gov.uk](http://www.teachernet.gov.uk) and [www.worktrain.gov.uk](http://www.worktrain.gov.uk)  
[www.dfee.gov.uk/e-business](http://www.dfee.gov.uk/e-business)

## Publicity and Advertising

The Department's publicity and advertising activities support its strategic objectives. Initiatives in 2000-01 focused on parents (getting them involved in their children's education), teachers (encouraging buy-in to the modernisation package and celebrating teachers as one of the *Learning Journey* partners), young people (encouraging them to access appropriate learning opportunities, stay on in learning, and involve them in Millennium Volunteers), employers (publicising the advantages of diverse employment practices and workforce, and the effect of the Disability Discrimination Act) and jobseekers (raising awareness of Welfare to Work and encouraging them to take up basic skills training). The Department also participated in projects involving both the BBC and commercial broadcasters, including Adult Learners' Week, Student Choice and ONE in Europe. The Employment Service produced campaigns on One in a Millennium, Employment Service Direct, Jobcentre services, summer jobs, and winter and Christmas jobs.

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## Public Service

The Department aims to value people, partnerships, standards and outcomes. During the year, it has developed and introduced a multi-media master's degree in leadership, published a leadership handbook, and senior staff have toured innovative companies, as well as partners and customers. The Department submitted its business planning processes to peer review in October; the review concluded that the planning process worked well. The review recommended an increased focus in certain areas, which have been incorporated into the business planning process for 2001-02. The Department has also consulted staff on improvements to its performance management, pay and rewards system.

The Department has acted to implement the commitments in the public service white paper and the civil service reform programme. The Department retained its Investors in People accreditation when re-assessed in February. Other initiatives for staff included: a programme addressing work – life balance, which looked at flexible working, stress and information overload, a handbook on leadership skills, and the strengthening and relaunch of the harassment adviser network.



**INVESTOR IN PEOPLE**

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The Employment Service aims to value people, service, partnership, quality and achievement. It was recognised, for the third time, as an Investor in People in October, and has begun to plan how to build on this in the new agency. Initiatives for staff included development programmes for Jobcentre staff, advisers and managers, and training for New Deal advisers to S/NVQ level 3 in guidance.

## Recruitment

The Department opened up a significant proportion of employment opportunities, at all levels, to external applicants. The Department posts all job adverts on its recruitment website, as well as in the press and in Jobcentres, and plans to introduce Internet applications. It made clear in all external advertisements that the Department is committed to equal opportunities; all applicants are treated equally regardless of their age, disability, ethnic origin, gender, marital status, religion or sexual orientation. Of the total number of staff recruited, 94.5 per cent identified their ethnic origin and, of these, 70 were from ethnic minority backgrounds. The Department used the disability symbol in all recruitment campaigns, and recruited 19 disabled staff in the calendar year. The Department recruited 41 new entrants under the New Deal programme and 25 to the Modern Apprenticeship programme. It also recruited three members of staff to meet operational needs under the permitted exceptions to fair and open competition. No temporary (formerly known as casual) appointments were extended beyond twelve months.



**Table 18.1** Recruitment up to and including Grade-6-Level, 2000 (calendar year)

Grade <sup>1</sup>	Number of Posts	Posts filled by Women
Administrative Assistant	108	76
Administrative Officer	305	169
Executive Officer	30	19
Higher Executive Officer	18	12
Senior Executive Officer	14	9
Grade 7	24	12
Grade 6	2	0
<b>Total</b>	<b>501</b>	<b>297</b>

1 Including grade equivalents.

**Table 18.2** Analysis of Departmental Headquarters' Staffing at 1 January 2001

Grade <sup>1</sup>	% Female Staff	% Male Staff	% Ethnic Minority Staff	% Staff with a Disability	% Staff Aged 24 and Under	% Staff Aged 50 and Over
AA	58.9	41.1	14.7	8.7	19.1	32.4
AO	67.5	32.6	19.3	6.1	10.9	18.2
EO	63.1	36.9	14.5	6.5	4.7	12.3
HEO	50.1	49.9	9.8	5.4	1.7	15.6
SEO	43.8	56.2	3.3	4.7	0	25.4
Grade 7	42.2	57.8	2.2	4.0	0	23.0
Grade 6	35.4	64.6	#	#	0	40.0
Senior Civil Service	30.8	69.2	#	#	0	40.0
<b>Total</b>	<b>55.8</b>	<b>44.2</b>	<b>11.8</b>	<b>5.7</b>	<b>5.6</b>	<b>19.4</b>

1 Including grade equivalents.

# percentages relating to less than five staff

Inward and outward secondments bring a greater diversity of staff background, outlook and experience to the Department's policy making and services. In the calendar year 2000 the number of inward and outward secondees increased by 31 per cent. The Department has also worked with consultants, A T Kearney, on an inward secondment programme to bring in senior managers particularly from ethnic minorities and other under-represented groups; 11 candidates have joined at grade-7 level, including six from ethnic minority groups.

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The Employment Service introduced a revised competence-based recruitment system, which allows it to recruit staff quickly (people can now be in post within four weeks of advertisement). It is also committed to being an exemplar in the field of equal opportunities, both as an employer and a provider of services to the public. To this end, it has contracted with the Equality Foundation to act as its partner to conduct an external assessment of progress on equal opportunities. In the calendar year 2000, the Employment Service recruited 172 New Deal employees using the permitted exception to fair and open competition.

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[www.dfee.gov.uk/recruitment](http://www.dfee.gov.uk/recruitment)

## Senior Civil Service

All recruitment to the senior civil service is by fair and open competition, and in line with the Civil Service Commissioners' recruitment code. During 2000, ten new appointments (three male and seven female) were made, following external recruitment exercises. Five of them were permanent and five were on fixed-term contracts. One appointee is from an ethnic minority background, but none is disabled. One other appointment (male) was made for a period of less than 12 months with the approval of the Civil Service Commissioners. Three people joined the Department at senior-civil-service-level on secondment: one (female) from the private sector, and two (male) from the public sector.

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**Table 18.3** Salaries of Senior Civil Servants by £5,000 Bands at 1 April 2000

Salary Range	Number in Range	Salary Range	Number in Range
40,000 – 44,999	1	85,000 – 89,999	5
45,000 – 49,999	29	90,000 – 94,999	2
50,000 – 54,999	21	95,000 – 99,999	0
55,000 – 59,999	33	100,000 – 104,999	1
60,000 – 64,999	28	105,000 – 109,999	0
65,000 – 69,999	16	110,000 – 114,999	2
70,000 – 74,999	11	115,000 – 119,999	0
75,000 – 79,999	6	120,000 – 124,999	1
80,000 – 84,999	4	Above this level	1

Reflects staff numbers at 1 April 2000, including those on temporary promotion into the senior civil service on that date and those on secondment to other organisations who are covered by the Department's pay arrangements. It includes staff on loan from other government departments, but not those on loan to other departments. It excludes the Chief Executive of the Employment Service, who is covered by separate pay arrangements, details of which are published in Employment Service's *Annual Report and Accounts*.

## Environment

The Department ensures that environmental costs and benefits are taken into account in policy decisions. Its green minister is Jacqui Smith, who is responsible for promoting sustainable development and the environment within the Department and its associate bodies. While the Department's policies do not have a significant direct impact on the environment, a number do promote its stewardship. During 2000-01, for example, the Department awarded contracts to develop software for schools to map safer, healthier and more sustainable routes to school, and to develop a car-sharing database for schools to arrange car-sharing among parents and escorts for pupils travelling on foot, by bicycle or on public transport.

The Department also seeks to ‘green’ its own operations: it has signed up to two new energy efficiency targets (from April, an ongoing 1 per cent annual reduction in greenhouse gas emissions against 1999-00 levels; and, from March 2001, benchmark all office buildings with more than 50 occupants); it again secured a 10 per cent supply of renewable electricity across its estate; it recycled around 39 per cent of its waste (in the first year of a new government-wide waste target to recover at least 40 per cent of office waste); it used, in 1999-00, 10.2 m<sup>3</sup> of water per person against a benchmark of 11 m<sup>3</sup> (with a further target to reduce this to 8 m<sup>3</sup> by 2003-04). The Department’s training centre, Ranmoor Hall, achieved the standard required in 20 of the 23 aspects required for ISO 14001 accreditation (the international standard for environmental management systems), with full accreditation expected in March. The ‘green ministers’ second annual report, published in November, contains further details.

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The Employment Service is also committed to energy and environmental conservation throughout its estate, and uses an energy management database system and consultancy service to monitor consumption and identify areas for improvement. It is currently developing an improvement programme for greening operations, and produced green transport plans for all head office buildings and sites with more than 50 staff.

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### Public Accounts Committee

The Public Accounts Committee, the parliamentary committee which examines how well the Government has used its resources, did not publish any reports concerning the Department or its associate bodies in 2000-01.

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### Sponsorship

The Government accepted in July the Committee on Standards in Public Life’s recommendations concerning sponsorship of government activities. The Department has accepted sponsorship of a number of its activities during 2000-01. It is currently producing guidance to staff, based on the Cabinet Office’s guidance, and aims to fulfil its new obligations from 2001-02. This will include acknowledging in future departmental reports its sponsors’ contributions over £5,000.

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020 7925 6121

# OFFICE FOR STANDARDS IN EDUCATION



The Office for Standards in Education (OFSTED) helps improve the quality and standards of education through independent inspection and advice (see page 6 for its aims and objectives). From April 2001, OFSTED will also take on the new responsibilities assigned to it by the Learning and Skills Act 2000 and, from September 2001, by the Care Standards Act 2000. This chapter is set out under the new objectives.

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020 7421 6744

[www.ofsted.gov.uk](http://www.ofsted.gov.uk)

## Objective 1

### School Inspections

The differentiated inspection system, introduced in January 2000 is working well. All inspectors leading or taking part in the short inspections of very effective schools were trained in the new approaches involved. Almost all of the short inspections monitored by HM inspectors have met HM Chief Inspector's quality standards.

**Table 19.1** Number of Inspections of Schools, 1999/00 to 2002/03

	1999/00 actual	2000/01 estimated	2001/02 planned	2002/03 planned
Secondary	698	649	560	600
Primary	3,767	3,551	3,428	3,300
Special	259	243	214	220
Pupil Referral Units	72	57	30	40
<b>Total</b>	<b>4,796</b>	<b>4,500</b>	<b>4,232</b>	<b>4,160</b>

Schools have welcomed the chance to provide inspection teams with a self-evaluation report, which has helped focus the inspection on particular issues. There has been keen interest in OFSTED's self-evaluation training materials, which have been franchised to training providers throughout the country.

OFSTED has supplemented the new *Handbooks for the Inspection of Primary and Nursery, Secondary and Special Schools* with guidance on inspecting the foundation stage and the subjects of the revised National Curriculum. It is also preparing guidance for inspecting subjects and courses in secondary schools and in the post-16 sector. Other developments include: guidance on *Evaluating*

*Educational Inclusion*, which strengthens the inspection of inclusion, especially race equality; training in inspecting inclusion, which all inspectors must complete by summer 2001; training for new inspectors and measures to monitor the quality of the work of team inspectors.

In 1999-00, HM inspectors visited over 30 per cent of inspections, exceeding the target, and reviewed the quality of over 20 per cent of reports. This intensive effort contributed to the further improvement of inspection and reporting. Ninety-two per cent of school inspection reports met HM Chief Inspector's standard. The quality of the process of inspection is higher than the quality of reports. Well over 90 per cent of schools are content with the way their inspections were conducted, and acknowledge that the findings are fair and accurate. The few who are not either have legitimate complaints or find it difficult to accept a judgement that they have serious weaknesses or require special measures. OFSTED has continued to take action to remove incompetent or ineffective inspectors from the system, especially registered inspectors. These include some who have caused schools undue stress.

In line with the white paper *Learning to Succeed*, from April 2001, Section 10 inspections of secondary schools with sixth forms will have a significantly increased focus on the sixth form and on its subjects and courses. This will bring the inspection of school sixth forms as much into line with colleges as possible.

OFSTED produced performance and assessment reports for all maintained primary and secondary schools in the autumn. The reports provide each school with the data held by OFSTED to support its inspections and is designed to help the school evaluate its performance and plan to raise standards.

[schoolinspection@ofsted.gov.uk](mailto:schoolinspection@ofsted.gov.uk)  
020 7421 6662

### Inspection of Local Education Authorities

OFSTED, with the assistance of the Audit Commission, has inspected 48 local education authorities during 2000/01, and conducted ten return inspections. Twenty-seven authorities remain to be inspected, and those inspections will take place in the summer and autumn terms of 2001. OFSTED, with the assistance of the Audit Commission, will continue to inspect authorities in a new cycle of inspections from spring 2002. Each authority will be inspected at least once between January 2002 and April 2007. That new inspection regime will incorporate a differentiated approach to individual inspections, whereby the nature, form and length of an inspection will be determined by data and other material on individual authorities. As part of the new inspection regime, OFSTED will also conduct thematic

inspections, in which a particular topic will be examined across a number of authorities. Finally, OFSTED will conduct discrete inspections of Best Value reviews of education services, in those circumstances when it has been unable to combine a Best Value review inspection with a conventional inspection of an authority.

OFSTED introduced a revised *Framework for the Inspection of Local Education Authorities* from September 2000. It takes account, principally, of the impact of Best Value on inspections of local education authorities, and HM Chief Inspector's decision to publish all reports. In addition, HM inspectors contributed to the Audit Commission's inspection of corporate governance in Hackney. OFSTED published *LEA Support for School Improvement*, an overview of the first 100 inspections, in early 2001.

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020 7421 6854

### Other Monitoring

Registered inspectors have continued to identify schools that need special measures or have serious weaknesses. HM inspectors monitor the subsequent progress of these schools, and have completed over 1,200 such inspections during the year. When a school in special measures is judged to be providing an acceptable standard of education, it is taken out of special measures. Since inspections began in 1993, over 1,100 schools have been found to require special measures. As at 31 December, of the schools that had gone into special measures 678 have been taken out, having improved.

OFSTED also focused on monitoring those schools with serious weaknesses about which it has particular concern. As at 31 December, 1,243 schools were identified as having serious weaknesses. It has also monitored a sample of the first schools to be designated as underachieving, schools that have had a fresh start, and some of those schools included in the 'schools in challenging circumstances' initiative.

schoolimprovement@ofsted.gov.uk  
020 7421 6667

### Advice and Evaluation

HM Chief Inspector has a general duty to advise the Secretary of State for Education and Employment about the quality and standards of education in schools and nursery settings; the social, moral, spiritual and cultural development of school and nursery pupils; and the efficient financial management of schools. He published his annual report, based on 1999/00 inspection findings, in February; it looks at quality and standards in education covering the range of aspects of education falling within his remit.

HM inspectors have continued to monitor and evaluate the impact of the national literacy and numeracy strategies on standards and the quality of teaching of literacy and numeracy. OFSTED published a separate annual report on each strategy in November and reported on their use in special schools in December. It will also publish on the Internet short reports on a number of aspects of the strategies, including the teaching of phonics, the impact of trained teaching assistants, and the use of calculators. HM Chief Inspector will also give advice to the Secretary of State on the key stage 1 intervention pilot, which began in September to target and support those pupils who need extra help to reach level 2, and the national literacy and numeracy strategies in the reception year.

During 2000/01, OFSTED advised on different aspects of social inclusion including: attendance, behaviour and exclusion; drug education; the achievement of ethnic minorities; the attainment of boys; alternative courses at key stage 4 and provision out of school; neighbourhood strategy; achievement of children in public care; and family learning. HM inspectors also began an exercise looking at how mainstream schools are interpreting and translating the policy of inclusion in relation to pupils with special educational needs. Reports on government initiatives included findings on the management of individual Education Action Zones. OFSTED will continue to report on the contribution of these initiatives to raising standards and promoting inclusion.

### Case Study

#### Schools in Disadvantaged Areas

*Improving City Schools* was published in May 2000. The report, one of a series on strategies to promote educational inclusion, studied the features of success in more effective primary and secondary schools. The report was based on evidence from data, school inspections and special visits by HM inspectors.

The report found that there is no single, or peculiar, recipe for improvement, but some common and common-sense ingredients are essential to the mix: strong management, a well-focused curriculum, good teaching, close monitoring and effective personal support, together with clear communication with parents. Essentially what seemed to make the difference were the clarity, intensity and persistence of the schools' work and the rigour with which it was scrutinised.

Among the features of the more effective schools is positive leadership by key staff throughout the school and not just from the headteacher. Management is kept simple. The schools know their pupils and they know their own strengths and weaknesses. They are safe places in which to learn. Good discipline is fostered through clear policies and routines and the reinforcement of responsible behaviour and the development of pupils' belief in themselves and respect for one another. The curriculum gives the highest priority to the basic skills, but with no compromise to the provision of the full National Curriculum. Finally, and critically, teaching is better in the more effective schools than in other schools serving disadvantaged areas.

The report makes recommendations about what more can be done to support schools, to disseminate good practice and to increase the number of schools in disadvantaged areas achieving success. A series of follow-up meetings and conferences for secondary head teachers were held in 2000/01.

## Teacher Education and Training

OFSTED's teacher training inspections are concerned with the inspection of initial teacher training in England. The inspections provide an independent assessment of strengths and weaknesses to inform training providers, central government and the wider public about the quality and standards of provision, and to identify what needs to be done to improve it further. OFSTED also provides advice to the Teacher Training Agency to inform funding decisions.

**Table 19.2** Number of Inspections of Teacher Training Courses Planned, 2000/01 to 2001/02

Course	2000/01	2001/02 (provisional)
Primary subjects	65	51
Secondary subjects	175	280

tetgen@ofsted.gov.uk  
020 7421 6634

During 2000/01, OFSTED completed 84 inspections of award-bearing in-service training courses for teachers funded by the Teacher Training Agency.

## Post-16 Education

In 2000-01, OFSTED completed a further 12 area-wide inspections in collaboration with the Further Education Funding Council and the Training Standards Council. The last four adult inspections have been completed by OFSTED, before responsibility for this transfers to the Adult Learning Inspectorate. OFSTED has inspected nine local authority youth services, produced a new framework and self-assessment schedule, which incorporates the inspection of Best Value, and published reports on national voluntary youth organisations' grant-funded provision. OFSTED joined the Prison Inspectorate to look at education in prisons and secure establishments for children on inspections sponsored by the Home Office, and has conducted a survey of the teaching of basic skills in prisons and secure establishments for children, to be published in 2001-02. Similarly, it has begun a programme of inspections of youth offending teams alongside the Social Services Inspectorate. OFSTED has also begun the inspection of the new post-16 qualifications which were introduced in September.

The Learning and Skills Act 2000 extends OFSTED's remit to cover inspection of educational provision for 16- to 19-year-olds in further education colleges. In collaboration with the new Adult Learning Inspectorate, OFSTED produced, after consultation, a new Common Inspection Framework for post-16 education. Alongside the Adult Learning Inspectorate, it has trained all full-

time inspectors in this field on the use of the framework, and has trained an initial batch of part-time inspectors. The programme of joint college inspections has been planned for summer term and beyond. It has begun planning the inspection of Connexions, and preliminary visits to pilot projects have taken place.

post16inspection@ofsted.gov.uk  
020 7421 6703

## Objective 2

### Inspection of Funded Nursery Education

During 2000-01, OFSTED inspected the quality of nursery education provision for three- and four-year-olds in 8,000 funded nursery settings. From September, these took place against a new framework for inspection, taking account of the introduction of the foundation stage and the early learning goals. In November, it reported on the quality and standards of funded nursery education, based on inspection findings in 1999-00. OFSTED also provided local education authorities with details of the performance of funded nursery settings within their areas. The inspection of nursery settings has continued to improve and attracts few complaints. All 1,100 registered nursery inspectors have been retrained twice during the year, covering the inspection of provision for three-year-olds in funded places, as well as four-year-olds, and the new foundation stage and associated curriculum requirements. The training also covered educational inclusion and race equality.

earlyyears@ofsted.gov.uk  
020 7421 6612

### Regulation of Childcare

The Care Standards Act 2000 transfers the responsibility for the regulation of childcare in England from local authorities to OFSTED. This responsibility includes the registration of providers, inspection, and, where necessary, investigation of complaints and enforcement action. OFSTED is establishing an Early Years Directorate to implement a national system of regulation of childcare in England to commence in September 2001, and eight regional centres to administer the regulatory system. Regulation will be based on the national standards for the regulation of day care. OFSTED will also establish a national register of childminders and day care providers and introduce integrated inspections of childcare and early years education by April 2002. OFSTED will set targets for the registration and inspection of childcare providers, and for handling complaints from providers, by December 2001. Staff will transfer from local authorities to the Early Years Directorate, and all inspectors of childcare will be trained to an appropriate standard to carry out regulatory duties. OFSTED plans to inspect all childcare providers at least once by March 2003, and will publish at least two major reports on relevant childcare topics every financial year.

## Modernising Government

### Responsive Public Services



OFSTED operates a network of helplines so that external enquirers can contact staff directly, and aims to respond to queries by the end of the next working day. Following a review, conducted by a market research company in July, OFSTED is further developing its helpline service. OFSTED has passed all of the milestones for the introduction of resource accounting and budgeting. Resource accounting was implemented from 1999-00 and resource budgeting from 2000-01.

### Quality Public Services

The measures that OFSTED is taking to raise the standards of inspections are outlined earlier in the chapter. OFSTED is also reviewing its functions to address the issues raised by Better Quality Services, and to ensure that its resources are targeted towards meeting its objectives in the most efficient, effective and economic way. OFSTED's Modernising Government action plan commits the organisation to looking at the applicability of the Excellence Model; during 2001-02, OFSTED intends to introduce the European Foundation for Quality Model.

### Information Age Government

OFSTED is working towards the target of 25 per cent of services to be available electronically. It now tenders electronically for all contracts for school inspections, and places all inspection reports from schools, nursery settings and teacher education on the Internet, along with published guidance, analysis, good practice guides and job adverts. In June, OFSTED relaunched its website with an expanded range of materials and services for the public and easier and more accessible navigation; the website is consistently one of the ten most-popular government websites. The website also links to an extranet site, which provides restricted-access services for specific groups of users over a secure connection. One such service, which has been successfully trialled and will go live in 2001, is a facility for schools to download individualised performance and assessment reports. OFSTED now uses the Bank Automated Clearance System to pay invoices, and will have fully automated its business expense procedures by September 2001.

compliance@ofsted.gov.uk  
020 7421 6567

[www.ofsted.gov.uk/](http://www.ofsted.gov.uk/)

## Valuing Public Services

OFSTED embraces the civil service's values of selecting on merit and valuing the diversity of staff. It has trained all line managers in managing diversity, and will provide further training over the next year to ensure OFSTED maintains its commitment. In September, OFSTED introduced an intranet as a direct electronic means of communicating plans, developments and opportunities to all staff. OFSTED is committed to reducing sickness absence, and has revised its procedures and trained all staff with line management responsibility to help them manage sickness absence.

OFSTED has consulted all staff on the key elements of the "Visions and Values" statements and the wider Modernising Government agenda. Its performance bonus system, a model that has been adopted across the civil service, has now operated for three years, and OFSTED intends to improve further its pay and grading structures in 2001.

OFSTED has built on its Investors in People status by introducing a development programme for HM inspectors that focuses on career review for senior staff. For its most junior staff, OFSTED has developed a programme of literacy and numeracy tutoring to ensure the basic standards that staff require in their current and future roles.

During 1999-00, OFSTED completed 23 recruitment exercises that resulted in the employment of 61 staff, ranging from payband C2 (formerly administrative assistant) to directorate posts. Seventeen internal promotions were also confirmed. OFSTED carried out all recruitment on the basis of fair and open competition, selection on merit and in accordance with the recruitment code laid down by the Civil Service Commissioners, with no permitted exceptions. OFSTED is now preparing for the transfer of over 1,500 local authority staff.

**Table 19.3** Salaries of OFSTED Senior Civil Servants by £5,000 bands at 1 November 2000

Salary range	SCS staff in Range	Salary range	SCS staff in Range
40,000 – 44,999	0	65,000 – 69,999	3
45,000 – 49,999	1	70,000 – 74,999	1
50,000 – 54,999	0	75,000 – 79,999	0
55,000 – 59,999	3	80,000 – 84,999	3
60,000 – 64,999	4		

Note: HM Chief Inspector is a statutory office holder and, as such, is not a civil servant.

# ASSOCIATE BODIES



enquiries@ali.gov.uk

The Department works with a wide range of partners to achieve its objectives. It has a particularly close relationship with, and responsibility for, its agency, the Employment Service, non-departmental public bodies and tribunals. This chapter gives brief details of their responsibilities and work undertaken during 2000-01.

## Adult Learning Inspectorate

The Learning and Skills Act sets up the Adult Learning Inspectorate to continue the inspections of the Further Education Funding Council's inspectorate and the Training Standards Council from 2001-02. It will be moving to Coventry.

[www.ali.gov.uk](http://www.ali.gov.uk)

## Advisory Committee for Disabled People in Employment and Training

The Advisory Committee for Disabled People in Employment and Training advises ministers and officials on how best to secure equality of participation in employment, self-employment and training opportunities for disabled people. During the year, the Committee published a report on *Access to Information and Communication Technology for Disabled People*, and set up five working groups looking at: the barriers faced by disabled people in joining and remaining in the workforce, career progression and personal development, and modernising the supported employment programme.

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0114 259 3997

[www.dfee.gov.uk/acdet/](http://www.dfee.gov.uk/acdet/)



team.work-lifebalance@dfee.gov.uk

## Advisory Committee on Work-life Balance

The Work-life Balance Advisory Committee advises ministers on how best to promote a better balance between employers work and other responsibilities and interests.

[www.dfee.gov.uk/work-lifebalance/mac.htm](http://www.dfee.gov.uk/work-lifebalance/mac.htm)

### British Educational Communications and Technology Agency

The British Educational Communications and Technology Agency offers professional and technical expertise for the Government on current and future information and communications technology developments in the education field. In 2000-01, the Agency has developed an up-to-date educational research database of findings on the impact of new technology on learning; its research, when taken with other already published research, argues compellingly that effective use of technology can raise standards. The Agency continues to quality assure and certify the equipment and services offered by suppliers.

[www.becta.org.uk](http://www.becta.org.uk)

Milburn Hill Road, Science Park,  
Coventry CV4 7JJ.  
0247 641 6994

### Construction Industry Training Board

The Construction Industry Training Board is an employer-led body that promotes construction training. Its annual business plan includes targets agreed with the industry, and, in 1999, eight out of ten targets were met or exceeded. In 1999, the Board supported: the recruitment of 70,000 people to the industry, 238 employers achieving Investors in People status, and the registration of 134,000 craftspeople on competence-based schemes.

[www.citb.org.uk](http://www.citb.org.uk)

Bircham Newton, Kings Lynn,  
Norfolk PE31 6RH.  
0148 557 7577

### Disability Rights Commission (see chapter 16)

### Disability Rights Task Force

The Disability Rights Task Force's 1999 report, *From Exclusion to Inclusion*, raised many issues, which cut across all spheres of government activity. The Department published the Government's response, *Towards Inclusion*, in March. This sets out proposals for legislation, seeks comments, and updates the action taken on the Task Force's non-legislative recommendations since the Government's interim response in March 2000. Its response also commits the Department to consult on issues arising from the European Union's Article 13 Employment Directive.

[www.disability.gov.uk/drtf/index2.html](http://www.disability.gov.uk/drtf/index2.html)

kevin.ruston@dfee.gov.uk  
020 7273 5096

### Education Transfer Council

The Education Transfer Council (formerly the Education Assets Board) was an executive non-departmental public body with responsibilities relating to the transfer of property, rights and liabilities from local authorities to further education corporations, higher education institutions, former grant-maintained schools, and schools changing category under the new framework for schools. Since establishment in 1988 the Council completed some 1,750 transfers, but, because of a diminishing workload, it was wound up and closed in December. Residual transfer work and any transfers required as a result of schools changing category under the new school framework are now being administered by the Department.

### Employment Service (see chapter 15)

### Engineering Construction Industry Training Board

The Engineering Construction Industry Training Board is an employer-led body that promotes engineering construction training. The Board carried out an in-depth analysis of its centrally funded modern apprenticeship programme in order to increase its value to the industry, and the new programme began in September for 130 trainees. The Board has refined its communications strategy to minimise information overload for customers, and it has also redesigned its publicity materials to reinforce its values and priorities to customers, including new materials on modern apprenticeships for women and members of ethnic minority groups.

Blue Court, Church Lane,  
Kings Langley,  
Hertfordshire WD4 8JP.  
0192 326 0000

[www.ecitb.org.uk](http://www.ecitb.org.uk)

### Equal Opportunities Commission

The Equal Opportunities Commission works towards the elimination of sexual discrimination, promotes equality between women and men generally, and reviews the sex discrimination/equal pay legislation. The Commission's Equal Pay Task Force, whose members included employer and employee representatives, published its recommendations for action to address the pay gap between men and women in February. The Commission has also worked with the Department of Trade and Industry and the Confederation of British Industry on the Government's review of maternity and parental leave provisions.

Overseas House,  
Quay Street,  
Manchester M3 3HN.  
0161 833 9244

[www.eoc.org.uk](http://www.eoc.org.uk)

### Further Education Funding Council

The Further Education Funding Council secures further education provision and facilities to meet the demands of individuals, employers and the Government. The Council also allocates funds put at its disposal by Parliament to some 420 further education sector colleges (including sixth form colleges) and to other institutions that have been franchised or sponsored by colleges. In April 2001, the Council will be replaced by the Learning and Skills Council, and its inspection responsibilities taken over jointly by OFSTED and the Adult Learning Inspectorate.

### General Teaching Council (see chapter 10)

### Higher Education Funding Council for England

The Higher Education Funding Council for England distributes public money to promote high-quality, cost-effective teaching and research within a financially healthy higher education sector, meeting the diverse needs of students, the economy and society. The Council advises Government and other stakeholders on higher education's needs, and works with institutions to increase access, secure equal opportunities, support lifelong learning and maximise achievement for all who can benefit from higher education. During 2000-01, it worked with regional development agencies to help institutions contribute more to regional economic development; it established an equality challenge unit in partnership with sector representatives to secure improvements in equal opportunities monitoring and performance; and began developing the flagship e-Universities project to establish a globally competitive provider of Internet-based education.

[www.hefce.ac.uk](http://www.hefce.ac.uk)

North Avon House,  
Cold Harbour Lane,  
Frenchay,  
Bristol BS16 1QD.  
0117 931 7317

### Investors in People UK

Investors in People UK, a company limited by guarantee, is responsible for developing and promoting the Investors in People standard across the United Kingdom, in consultation with strategic partners. Across the country there are some 42,000 organisations, covering 38 per cent of the workforce, working with the standard. In April, the company launched a revised standard (endorsed by the Plain English Campaign), which now requires organisations to demonstrate their achievements. For further details, see the company's report for 1999-00.

[www.iipuk.co.uk](http://www.iipuk.co.uk)

[www.dfec.gov.uk/nlt/index.htm](http://www.dfec.gov.uk/nlt/index.htm)

4th Floor,  
7 – 10 Chandos Street,  
London W1M 9DE.  
020 7467 1900

Learning and Skills Council (see chapter 13)

National College for School Leadership (see chapter 10)

National Disability Council

The National Disability Council was abolished on 24 April, when its functions were transferred to the Disability Rights Commission.

National Skills Task Force

The Department set up the National Skills Task Force to advise on the development of a national skills agenda. The Task Force, chaired by Chris Humphries, completed its work when it produced its final report (see chapter 12) and has been disbanded.

[www.dfes.gov.uk/skillsforce/index.htm](http://www.dfes.gov.uk/skillsforce/index.htm)

New Deal Task Force

The New Deal Task Force is an employer-led body that advises Government independently on the policy, programme design and performance of Welfare to Work programmes in the United Kingdom. The Task Force initiated a new project, *Business on Board*, to examine measures for increasing business involvement in the design and delivery of the New Deal. The Task Force also established a working group to advise on the New Deal for Lone Parents and this reported in the spring. It proposed ways of developing the programme to help meet the Government's target that 70 per cent of lone parents should be in employment by the end of the decade. It also hosted a symposium, *Welfare to Work: New Solutions for the New Economy*, to facilitate the exchange of best practice with the United States of America.

greg.chammings@dfes.gov.uk

020 7925 6798

Qualifications and Curriculum Authority

The Qualifications and Curriculum Authority's remit is to ensure that the curriculum and qualifications available to young people are of high quality, coherent and flexible, that they help improve national levels of attainment in education and training, and help build the economy. The Authority has continued to publish materials related to the revised curriculum, including national curriculum subject booklets, teacher handbooks and detailed schemes of work. It also administered the national curriculum tests in May, with evaluation reports showing high levels of

satisfaction with the tests. Other work during the year included the accreditation and audit of qualifications where the Authority is making good progress in rationalising the large number of vocational qualifications. Further information is given in the Authority's annual report.

[www.qca.org.uk](http://www.qca.org.uk)

83 Piccadilly,  
London W1J 8QA.  
020 7509 5555

### Race Education and Employment Forum

The Race Education and Employment Forum considers, and advises ministers on, the progress of people from ethnic minorities in education, training and employment. Ministers hear first-hand the views of its members on a wide range of issues and, where appropriate, these views are fed into the development of departmental policy. During the year, the Forum looked at the barriers to progression faced by ethnic minority pupils, departmental research reports on issues relating to ethnicity, the Connexions Service, the common inspection framework, and the new public sector duty to promote race equality.

[peter.baxter-ludlow@dfee.gov.uk](mailto:peter.baxter-ludlow@dfee.gov.uk)  
020 7273 6170

### Registered Inspectors of Schools Appeal Tribunal

The Registered Inspectors Appeals Tribunal hears appeals from individuals who have been removed from the Register of School Inspectors, or have had conditions placed on their registration, by HM Chief Inspector of Schools. The Tribunal has received one appeal which is scheduled to be heard in March.

[graham.kirkpatrick@dfee.gov.uk](mailto:graham.kirkpatrick@dfee.gov.uk)  
020 7925 5309

### Remploy

Remploy provides supported employment for people with disabilities. It receives £94.2 million grant-in-aid each year to support over 10,000 disabled people in work both in its own factories and, through its Interwork programme, with mainstream employers. In 1999-00 and 2000-01, Remploy received an additional £1.5 million to fund factory modernisations and extra help into mainstream employment. It will receive a further £5 million to implement Remploy21, its restructuring strategy. This money will be released in stages against the achievement of agreed commercial and personnel milestones. Further information is available in Remploy's Annual Report.

[www.remploy.co.uk](http://www.remploy.co.uk)

[www.disability.gov.uk/remploy/index.htm](http://www.disability.gov.uk/remploy/index.htm)

415 Edgware Road,  
Cricklewood,  
London NW2 6LR.  
020 8235 0500

### Special Educational Needs Tribunal

Windsor House,  
50 Victoria Street,  
London SW1H 0NW.  
020 7925 6925

The Special Educational Needs Tribunal is an independent body that considers appeals from parents against decisions about their children's special educational needs made by local education authorities. It covers England and Wales. In 1999/00, the Tribunal received 2,463 appeals, representing a two per cent increase on the previous year. The Department has been undertaking the first quinquennial review of the Tribunal. The report of the first stage of the review recognised that the Tribunal has met its objectives and delivered a good-quality service. The second stage of the review will follow up issues identified in the first, and look at the Tribunal's financial and management systems.

[www.dfes.gov.uk/sen/trib1](http://www.dfes.gov.uk/sen/trib1)

### Student Loans Company

100 Bothwell Street,  
Glasgow G2 7JD.  
0800 405 010

The Student Loans Company administers the student loans scheme and the new income-contingent loans scheme, thus helping the Department achieve its objectives in relation to student participation in higher education and overall lifelong learning. In 1999/00, the Company had targets to pay all loans within a set time of receiving full supporting material: 21 days for fixed-term loans and 17 days for income-contingent loans. It paid 96.5 per cent of fixed-term loans and 89 per cent of income-contingent loans within these targets (this was the first full year of the new scheme). The company responded to 97 per cent of complaints within 14 days, almost meeting its target of 100 per cent.

[www.slc.co.uk](http://www.slc.co.uk)

### Teacher Training Agency

Portland House, Stag Place,  
London SW1E 5TT.  
020 7925 3700

The Teacher Training Agency aims to raise standards in schools by attracting able and committed people to teaching and by improving the quality of teacher training. Its functions include responsibility for the expanded Graduate and Registered Teacher Programme, which provides on-the-job training for trainees, and the administration of the new teacher training salaries. During the year, it also ran numeracy tests for newly qualified teachers, introduced flexible postgraduate initial teacher training, and published a catalogue of pre- and in-course study materials.

[www.canteach.gov.uk](http://www.canteach.gov.uk)

### University for Industry (see chapter 12)

## SECTION G: MAIN ESTIMATES 2001-02



# DEPARTMENT FOR EDUCATION AND EMPLOYMENT

## Introduction

1. This Estimate provides for expenditure by the Department for Education and Employment, the Employment Service, the Sure Start Unit and the Children and Young People's Unit in pursuit of the objectives reflected in the section headings. It also provides for administrative expenditure by those bodies used in implementing and evaluating policy and on central services.
2. Note 9 to the Estimate breaks down the totals in each section by function. More details about the expenditure supporting the Department's objectives are set out in Sections C to E respectively. The Estimate includes working capital loans to training and enterprise councils which are interest free rather than charged at a commercial rate of interest.
3. Employment Opportunities Fund expenditure on this Estimate is part of a cross-cutting programme and further amounts under that heading are included within the Department of Social Security Estimate.
4. The symbols used in these estimates are set out below.

### Public Expenditure:

- ★ A section of an Estimate which contains discretionary expenditure.
- Φ Income which is classified as negative in Resource Budget: DEL or in Capital Budget: DEL in respect of income from capital receipts including assets sales and which are, exceptionally, surrendered direct to the Consolidated Fund as extra receipts rather than taken on to the Estimate as appropriations in aid.
- Δ Income which is classified as negative in Resource Budget: AME or Capital Budget: AME and which are, exceptionally, surrendered direct to the Consolidated Fund as extra receipts rather than taken on to the Estimate as appropriations in aid.
- Extra receipts which are classified as 'other spending outside Departmental Expenditure Limits' and are surrendered direct to the Consolidated Fund as extra receipts.

### Statutory authority for expenditure

- Items where provision is sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act.

### Accounting and audit arrangements for grants in aid and certain subscriptions, etc, to international organisations:

- ♥ The accounts of this body are audited by the Comptroller and Auditor General and presented to Parliament.
- ♦ The accounts of this body are audited by auditors appointed by the Secretary of State (or minister) and presented to Parliament. The books and accounts are also open to inspection by the Comptroller and Auditor General.
- ♠ The accounts of this body are audited by auditors appointed by the Secretary of State (or ministers) and presented to Parliament.

## Part I – Main Estimate, 2001-02

£

RfR 1: Giving everyone the chance, through education, training and work, to realise their full potential and thus build an inclusive and fair society	18,682,222,000
RfR 2: Helping people without a job into work through the Employment Service	2,272,154,000
RfR 3: Promoting the physical, intellectual and social development of babies and young children through Sure Start	183,375,000
RfR 4: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund	100,000,000
<b>Total net resource requirement</b>	<b>21,237,751,000</b>
Net cash requirement	22,662,334,000

Amounts required in the year ending 31 March 2002 for expenditure by the Department for Education and Employment on:

### RfR1: Giving everyone the chance, through education, training and work, to realise their full potential and thus build an inclusive and fair society

loans to voluntary-aided schools; provision relating to former grant-maintained schools; the Assisted Places Scheme; music and ballet schools; City Technology Colleges; the provision of education for under-fives; the school curriculum and its assessment; childcare initiatives; education action zones; modernising the teaching profession and other educational services and initiatives; class size reductions; initiatives for three year olds; school and local education authority intervention; specialist schools; excellence in cities and other specific grants to local authorities including those through the Standards Fund;

grants-in-aid to the National College for School Leadership, the Teacher Training Agency, the British Educational Communications and Technology Agency, the Qualifications and Curriculum Authority, the Centre for Information Learning Technology and the Education Transfer Council; capital grants to schools including those through the Standards Fund and the New Deal for Schools; the youth service; careers guidance and services including through the Connexions Service; higher, further and other education provision and initiatives; payments for education in prisons and other custodial institutions; student grants; the payment of access funds; the provision of training and assessment programmes for young people and adults; initiatives to improve education, training and qualifications arrangements and access to these; the promotion of enterprise and the encouragement of self employment; teacher training initiatives; the UK subscription to the International Labour Organisation; Millennium Volunteers; the payment of certain fees to the Home Office; loans and grants to the University for Industry; payments to the Department of the Environment, Transport and the Regions in connection with the Regional Development Agencies and the London Development Agency; loans and residual costs of the winding up of the Training and Enterprise Councils; the resource consequences of loans to students, reimbursement of fees for qualifying European Community students and post graduate awards; payments for education, training and employment projects assisted by the European Union and refunds to the European Union; mandatory student awards and their administration; adult education funded from the Windfall Tax; student loans and the cost of sales of the student loans debt; grants-in-aid to the Higher Education Funding Council for England, the Learning and Skills Council, the Adult Learning Inspectorate, Investors in People UK, and the Student Loans Company; grant in aid and working capital loans to the General Teaching Council; capital grants in connection with the Connexions Service; help for unemployed people; the promotion of equal opportunities, disability rights, age diversity in employment, co-ordination of certain issues of particular importance to women and work-life balance; help for unemployed people through the New Deals; grants-in-aid to the Equal Opportunities and Disability Rights Commissions; the Department's own administration and research and payments for the administration of teachers' pensions; information and publicity services; initiatives supported by the Capital Modernisation Fund and with other Government Department's under the Invest to Save Budget; compensation payments to teachers and staff of certain institutions and teachers' medical fees; and associated cash and non-cash items.

### **RfR 2: Helping people without a job into work through the Employment Service**

measures to help people, particularly those on welfare and at a disadvantage in the labour market, into work; the elements of the delivery of the Jobseeker's Allowance undertaken by the Employment Service; the administration of, and where appropriate the payment of allowances to people participating in, the Welfare to Work programme, the Job Transition Service and other employment programmes, pilot programmes and new measures to help people into work; temporary subsidies to employers; grants to voluntary bodies and local authorities towards the provision of supported employment; a grant-in-aid and the provision of a temporary loan facility to Remploy Ltd; assistance and advice on employment service and labour market issues to international organisations; research; publicity; development work for the new working age agency; administration; and associated non-cash items.

### **RfR 3: Promoting the physical, intellectual and social development of babies and young children through Sure Start**

promoting the physical, intellectual and social development of young children; supporting families and communities; evaluating the programme; the administration of the Sure Start Unit; and associated non-cash items.

### **RfR 4: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund.**

funding preventative services, primarily for 5- to 13-year-olds, through local partnerships in line with the objectives of the Children's Fund; supporting community and voluntary groups in providing local solutions to the problem of poverty amongst children and young people; administering the Children and Young People's Unit; monitoring and evaluating the Children's Fund; and associated non-cash items.

The **Department for Education and Employment** will account for this Estimate.

	Net Total £	Allocated in Vote on Account £	Balance to Complete £
RfR 1	18,682,222,000	8,278,232,000	10,403,990,000
RfR 2	2,272,154,000	1,071,619,000	1,200,535,000
RfR 3	183,375,000	82,519,000	100,856,000
RfR 4	100,000,000	45,000,000	55,000,000
Total net resource requirement	21,237,751,000	9,477,370,000	11,760,381,000
Net cash requirement	22,662,334,000	10,118,837,000	12,543,497,000

## Part II – Main Estimate, 2001-02

## Department for Education &amp; Employment

Resources.....						Capital.....		2000-2001 provision		1999-2000 outturn
1	2	3	4	5	6	7	8	9	10	
Admin	Other current	Grants	Gross total	AinA	Net total	Capital	Non-operating AinA	Net total resources	Net total resources	
<b>RfR1: Giving everyone the chance, through education, training and work, to realise their full potential and thus build an inclusive and fair society</b>										
<b>277,086</b>	<b>783,836</b>	<b>17,732,205</b>	<b>18,793,127</b>	<b>110,905</b>	<b>18,682,222</b>	<b>2,066,284</b>	<b>227,931</b>	<b>17,227,017</b>	<b>13,417,958</b>	
SPENDING IN DEPARTMENTAL EXPENDITURE LIMITS (DEL):										
<i>Central government spending</i>										
* A: Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.										
-	172,201	986,580	1,158,781	865	<b>1,157,916</b>	610	1,106	1,067,503	501,938	
* B: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need										
-	488,894	435,574	924,468	1,165	<b>923,303</b>	-	-	1,972,227	1,547,423	
C: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need										
-	-	1,379,027	1,379,027	-	<b>1,379,027</b>	-	-	1,376,234	881,188	
* D: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need (net)										
-	-	1	1	-	<b>1</b>	-	-	1	1	
* E: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need - ESF payments made in advance of EC receipts										
-	-	80,000	80,000	-	<b>80,000</b>	-	-	120,000	312,967	
* F: Helping people without a job into work										
-	83,702	-	83,702	50	<b>83,652</b>	-	-	383,712	285,806	
* G: Activities to support all objectives										
270,458	32,906	1,056	304,420	8,323	<b>296,097</b>	10,074	575	314,120	287,853	
H: Activities to support all objectives										
-	-	11,161	11,161	-	<b>11,161</b>	-	-	5,480	5,489	
<i>Support for local authorities</i>										
* I: Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.										
-	-	2,267,104	2,267,104	-	<b>2,267,104</b>	-	250	1,756,041	664,094	
J: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need										
-	-	121,800	121,800	-	<b>121,800</b>	-	-	291,800	796,368	

(continued)

	Resources.....						Capital.....		2000-2001	1999-2000
	1	2	3	4	5	6	7	8	provision	outturn
	Admin	Other current	Grants	Gross total	AinA	Net total	Capital	Non-operating AinA	Net total resources	Net total resources
* K: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need (net)	-	-	1	1	-	<b>1</b>	-	-	1	1
* L: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need - ESF payments made in advance of EC receipts	-	-	20,000	20,000	-	<b>20,000</b>	-	-	30,000	58,021
* M: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need	-	-	162,925	162,925	-	<b>162,925</b>	-	-	4,500	2,089
SPENDING IN EMPLOYMENT OPPORTUNITIES FUND IN DEPARTMENTAL EXPENDITURE LIMITS:										
<i>Central government spending</i>										
Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need	-	-	-	-	-	-	-	-	5,588	3,149
* N: Helping people without a job into work	107	6,133	-	6,240	-	<b>6,240</b>	-	-	21,879	12,269
Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.	-	-	-	-	-	-	-	-	2,456	3,630
<i>Support for local authorities</i>										
Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.	-	-	-	-	-	-	-	-	738,722	234,153
SPENDING IN ANNUALLY MANAGED EXPENDITURE										
<i>Non-Cash items</i>										
O: Activities to support all objectives	6,521	-	-	6,521	-	<b>6,521</b>	-	-	6,521	-18,167
P: Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.	-	-	-	-	294	<b>-294</b>	-	-	-294	-
OTHER SPENDING OUTSIDE DEPARTMENTAL EXPENDITURE LIMITS										
Q: Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.	-	-	1,866,567	1,866,567	210	<b>1,866,357</b>	-	-	1,157,736	701,224
R: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need	-	-	10,227,804	10,227,804	-	<b>10,227,804</b>	2,055,600	226,000	8,002,284	7,499,346
S: Helping people without a job into work	-	-	19,605	19,605	-	<b>19,605</b>	-	-	7,488	7,634
T: Activities to support all objectives	-	-	153,000	153,000	-	<b>153,000</b>	-	-	113,016	2,469
U: Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need - ESF receipts	-	-	-	-	99,998	<b>-99,998</b>	-	-	-149,998	-370,987



(continued)

Resources.....							Capital.....	2000-2001		1999-2000
	1	2	3	4	5	6	7	8	9	10
	Admin	Other current	Grants	Gross total	AinA	Net total	Capital	Non-operating AinA	Net total resources	Net total resources
<b>RfR 4: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund</b>										
	1,575	-	98,425	100,000	-	100,000	-	-	-	-
SPENDING IN DEPARTMENTAL EXPENDITURE LIMITS (DEL)										
<i>Central government spending</i>										
* A: Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world.										
	1,575	-	98,425	100,000	-	100,000	-	-	-	-
<b>TOTAL</b>	<b>1,528,282</b>	<b>1,279,054</b>	<b>18,565,776</b>	<b>21,373,112</b>	<b>135,361</b>	<b>21,237,751</b>	<b>2,082,069</b>	<b>233,862</b>	<b>19,352,467</b>	<b>14,934,354</b>

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	£000	£000	£000	£000	£000	£000
<b>Resource to Cash reconciliation</b>						
<b>Net Total Resources</b>		<b>21,237,751</b>		<b>19,352,467</b>		<b>14,934,354</b>
<b>Voted Capital Items</b>						
Capital		2,082,069		1,984,914		1,326,139
Less Non-operating A-in-A		233,862		133,979		97,750
		1,848,207		1,850,935		1,228,389
<b>Accruals to cash adjustment</b>						
Cost of Capital charges		-13,280		-14,193		14,915
Depreciation		-15,482		-17,615		-21,351
Other non-cash items		-591,162		-710,962		-514,856
Increase (+) / Decrease (-) in stock						
Increase (+) / Decrease (-) in		14,000		55,960		46,512
Increase (+) / Decrease (-) in creditors		182,300				-162,006
Increase (-) / Decrease (+) in provision						
Excess cash to be CFERd						
		-423,624		-686,810		-636,786
<b>Net cash required</b>		<b>22,662,334</b>		<b>20,516,592</b>		<b>15,525,957</b>

### Part III – Extra Receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	Income £000	<i>Receipts</i> £000	Income £000	<i>Receipts</i> £000	Income £000	<i>Receipts</i> £000
Operating income not classified as AinA	4,697	4,697	122,818	122,818	214,167	213,652
Non-classified income not classified as AinA	-	-	-	-	-	-
Other income not classified as AinA	-	-	-	-	-	-
	<b>4,697</b>	<b>4,697</b>	<b>122,818</b>	<b>122,818</b>	<b>214,167</b>	<b>213,652</b>

## FORECAST OPERATING COST STATEMENT – MAIN ESTIMATE

### Department for Education & Employment

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	£000	£000	£000	£000	£000	£000
<b>Administration Costs</b>						
<b>Request for Resources 1</b>						
Staff Costs	157,416		160,563		155,801	
Other Administration costs	119,670		116,894		119,873	
		277,086		277,457		275,674
<b>Request for Resources 2</b>						
Staff Costs	915,961		727,919		594,030	
Other Administration costs	330,211		368,599		330,081	
		1,246,172		1,096,518		924,111
<b>Request for Resources 3</b>						
Staff Costs	3,047		1,725		608	
Other Administration costs	402		335		479	
		3,449		2,060		1,087
<b>Request for Resources 4</b>						
Staff Costs	1,432					
Other Administration costs	143					
		1,575				
Gross Administration costs		1,528,282		1,376,035		1,200,872
Operating income		-32,025		-42,236		-35,136
<b>Total Net Administration Costs</b>		<u>1,496,257</u>		<u>1,333,799</u>		<u>1,165,736</u>
<b>Programme Costs</b>						
<b>Request for Resources 1</b>						
Expenditure	18,831,074		17,565,422		13,709,430	
Income	-418,035		-723,580		-768,397	
		18,413,039		16,841,842		12,941,033
<b>Request for Resources 2</b>						
Expenditure	1,050,438		879,046		616,048	
Income	-5,031		-6,353		-8,569	
		1,045,047		872,693		607,479
<b>Request for Resources 3</b>						
Expenditure	179,926		181,315		5,939	
Income						
		179,926		181,315		5,939
<b>Request for Resources 4</b>						
Expenditure	98,425					
Income						
		98,425				
<b>Total Net Programme costs</b>		<u>19,736,797</u>		<u>17,895,850</u>		<u>13,554,451</u>
<b>NET OPERATING COST</b>		<b>21,233,054</b>		<b>19,229,649</b>		<b>14,720,187</b>
<b>NET RESOURCE OUTTURN</b>		<b>21,237,751</b>		<b>19,352,467</b>		<b>14,934,354</b>
<b>RESOURCE BUDGET OUTTURN</b>		<b>19,761,329</b>		<b>18,041,473</b>		<b>14,660,177</b>

## FORECAST CASH FLOW STATEMENT – MAIN ESTIMATE

### Department for Education & Employment

	2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
Net Cash outflow from operating activities (Note i)	-20,809,430	-18,542,839	-14,134,247
Capital expenditure and financial investment (Note ii)	-1,848,207	-1,850,935	-1,178,058
Payments of amounts due to the Consolidated Fund	-4,697	-122,818	-213,652
Financing (Note iii)	22,662,334	20,516,592	15,525,957
Increase (+) /decrease (-) in cash in the period	0	0	0
[Inflows = + / Outflows = -]			
<b>Notes to the cash flow statement</b>			
<b>Note i: Reconciliation of operating cost to operating cash flows</b>			
Net Operating Cost	21,233,054	19,229,649	14,720,187
Remove non-cash transactions	-619,924	-742,770	-519,849
Adjust for movements in working capital other than cash	196,300	55,960	-66,091
Use of in provision	-	-	-
Accruals to cash adjustment for CFERs that pass through the OCS	-	-	-
<b>Net cash outflow from operating activities</b>	<b>20,809,430</b>	<b>18,542,839</b>	<b>14,134,247</b>
[Net outflow = +]			
<b>Note ii: Analysis of capital expenditure and financial investment</b>			
Tangible fixed asset additions	20,859	28,704	15,152
Proceeds from disposal of fixed assets <sup>1</sup>	-1,505	-3,164	-2,459
Loans to other bodies	1,828,853	1,825,395	1,214,253
Adjust for movements in working capital on capital expenditure and financial investment	-	-	-48,888
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>1,848,207</b>	<b>1,850,935</b>	<b>1,178,058</b>
[Net outflow = +]			

1 Includes profit/loss and bad debts on disposal of fixed assets

## FORECAST CASH FLOW STATEMENT – MAIN ESTIMATE

### Department for Education & Employment (continued)

	2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
<b>Note iii: Analysis of financing and reconciliation to the net cash requirement</b>			
From Consolidated Fund (Supply): current year expenditure	22,662,334	20,516,592	15,525,957
From Consolidated Fund (Supply): prior year expenditure	-	-	-
Capital elements of payments in respect of finance leases and "On-balance sheet" PFI contracts	-	-	-
<b>Net Financing</b>	<u>22,662,334</u>	<u>20,516,592</u>	<u>15,525,957</u>
Increase (-)/decrease (+) in cash	<u>0</u>	<u>0</u>	<u>0</u>
<b>= Net cash flows other than financing (net outflow = +)</b>	<u>22,662,334</u>	<u>20,516,592</u>	<u>15,525,597</u>
<b>Net cash requirement for the year</b>	<u>22,662,334</u>	<u>20,516,592</u>	<u>15,525,597</u>
[Net outflow = +]			

## FORECAST RECONCILIATION OF NET OPERATING COST TO NET RESOURCE OUTTURN AND RESOURCE BUDGET OUTTURN – MAIN ESTIMATE

### Department for Education and Employment

	2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
<b>Net resource outturn</b>	<b>21,237,751</b>	<b>19,352,467</b>	<b>14,934,354</b>
Add non-voted expenditure in the OCS	-	-	-
Add Consolidated Fund Extra Receipts in the OCS	-4,697	-122,818	-214,167
Remove provision voted for earlier years	-	-	-
Remove other adjustments	-	-	-
<b>Net Operating Costs</b>	<b>21,233,054</b>	<b>19,229,649</b>	<b>14,720,187</b>
Add other Consolidated Fund Extra Receipts	4,697	116,018	202,508
Less grants in aid payable to NDPBs	-10,689,811	-8,400,172	-7,812,067
Add cost of capital in respect of assets held by NDPBs	6,275	6,414	8,471
Add net resource consumption of NDPBs including depreciation	10,394,073	8,251,432	7,638,093
Add cost of capital charge in respect of net assets of Public Corporations and Trading Funds (if not already included in Public Expenditure)	4,370	4,070	2,564
Deduct profit/add loss incurred by Public Corporation and Trading Funds	8,600	11,300	
Deduct grants to Public Corporations and Trading Funds to finance capital expenditure	-5,102	-5,102	-5,000

**FORECAST RECONCILIATION OF NET OPERATING COST  
TO NET RESOURCE OUTTURN AND RESOURCE BUDGET  
OUTTURN – MAIN ESTIMATE (continued)**

**Department for Education and Employment**

	2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
Less grants to Local Authorities to finance capital expenditure	-1,410,385	-1,502,755	-631,356
Less grants paid to private sector by departments to finance capital expenditure	-229,473	-195,818	-19,217
Reverse the deduction of gains and deduct the losses incurred on disposal of assets	–	–	1,443
Reverse the deduction of EU income	415,031	526,437	554,551
Unallocated resource provision	30,000	–	–
<b>Resource Budget Outturn</b>	<b>19,761,329</b>	<b>18,041,473</b>	<b>14,660,177</b>
Of which:			
Departmental Expenditure Limit (DEL)	18,792,256	17,132,176	14,126,014
Spending in Employment Opportunities Fund (EOF) DEL	787,324	690,585	444,718
Annually Managed Expenditure (AME)	181,749	218,712	89,445

**Statement of Accounting Officer Responsibilities for the Estimate**

The Treasury has appointed the Permanent Head of the Department for Education and Employment as Principal Accounting Officer for the Department with overall responsibility for preparing the Department's Estimate.

In addition, the Treasury has appointed additional accounting officers to be accountable for part of the Department's accounts relating to specified requests for resources and the associated assets, liabilities and cash flows. These appointments do not detract from the Head of Department's overall responsibility as Accounting Officer for the Department's Estimate and overall net cash requirement.

The allocation of accounting officer responsibilities in the Department for Education and Employment is as follows:

Request for Resources 1: Sir Michael Bichard, Principal Accounting Officer and Permanent Head of the Department

Request for Resources 2: Mr Leigh Lewis, Additional Accounting Officer: Chief Executive of the Employment Service

Request for Resources 3: Ms Naomi Eisenstadt, Additional Accounting Officer: Director of the Sure Start Unit

Request for Resources 4: Ms Althea Efunshile, Additional Accounting Officer: Director of the Children and Young People's Unit

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*. Under the terms of the Accounting Officers' Memorandum, the relationship between the Department for Education and Employment's Principal and Additional Accounting Officers, together with their respective responsibilities, is set out in *Government Accounting*.

## Appropriations-in-Aid

	Provision 2001-02		Estimated outturn 2000-01		Outturn 1999-00	
	AinA £000	Non- operating AinA £000	AinA £000	Non- operating AinA £000	AinA £000	Non- operating AinA £000
<b>RfR 1: DfEE programmes and central services</b>						
Educational qualifications	150		395		153	
ERASMUS	64		61		55	
Promoting UK Education and support overseas	689		458		425	
Other International Receipts	24		240		20	
SENT receipts from Other Gov Departments			67		86	
Education Transfer Council	1		1			
FAS residual property receipts					99	
Childcare Strategy	1		9,100		10	
Further Education Funding Council			12,165			
Grant-maintained schools loan receipts		250		1,153		834
Vol aided school capital	210		210		409	
Vol aided school loan repayments		1,106		1,106		276
Vol aided school interest receipts	294		294			
Sector Challenge			603		1,035	
Career Development Loans	1,100		1,870		1,768	
National Training Awards					10	
Individual Learning Accounts	1		46,000			
Local Competitiveness Budget			60		10	
HEROBIC			1,500		500	
European Social Fund	99,998		149,998		370,989	
Disability Rights Commission			354			
DDA helpline					95	
Family Friendly	50		1,072			
Employment Zones			1,594			
Publicity and evaluation	420		650		516	
European Fast stream	91		91		91	
General Admin receipts	5,902		7,286		4,215	
Rent from minor occupiers	1,910		955		2,100	
Admin receipts – land		319		319		117
Admin receipts – other		256		256		550
Repayment of principal on student loans		226,000		140,000		95,624
TEC rent and property receipts					968	
Receipt from National Assembly for Wales for Dance and Drama students			20		28	

## Appropriations-in-Aid (continued)

	Provision		Estimated outturn		Outturn	
	2001-02		2000-01		1999-00	
	AinA	non-operating AinA	AinA	non-operating AinA	AinA	non-operating AinA
	£000	£000	£000	£000	£000	£000
Receipt from Department for Further and Higher Education, Training and Employment for the National Professional Qualification for Headship			3,500			
Receipts to support New Deal Task Force expenditure			750			
Profit on disposal of assets					2	
<b>TOTAL RfR 1</b>	<b>*110,905</b>	<b>**227,931</b>	<b>239,294</b>	<b>142,834</b>	<b>383,584</b>	<b>97,401</b>

\* Amount that may be applied as appropriations in aid in addition to the net total, arising from European Fast Stream receipts; repayment of career development loans; repayments of working capital loans, refunds by training and enterprise councils (TECs) in respect of premises costs; receipts in respect of Career Development Loans default recoveries by banks; sale of National Record of Achievement products; receipts in connection with Childcare Link; TECs contributions towards the cost of Individual Learning Accounts; recovery of salaries, etc. for seconded staff; receipts from careers service conferences; receipts relating to Skills Training Agency, Qualifications and Curriculum authority properties and surplus Funding Agency for Schools and TEC properties; receipts from outside organisations (including the EC) in respect of advertising and publicity activities and materials; sale of research publications; repayments of grants overpaid to voluntary aided and special schools in previous years, including repayment of proceeds of sale; receipt from the EC to meet payments to local authorities and non-exchequer bodies for education, training and employment projects assisted by the European Social Fund; general administration receipts, including those in connection with services provided to Sure Start; profits on the sale of surplus equipment and other assets; repayment of fees and awards overpaid to Higher Education students; receipts from the Department of Trade and Industry in connection with the Higher Education Reach Out to Business and the Community Fund, towards the costs of funding the Council for Excellence in Management and Leadership and Sector Challenge; rent income from three domestic properties on the estate of the European School at Culham, Oxfordshire; contributions from the National Assembly for Wales towards Key Skills and dance and drama students; contribution from Scotland, Wales and Northern Ireland towards Millennium Volunteers and miscellaneous European Education programmes; annual maintenance fee from the Department for Further and Higher Education, Training and Employment for the National Professional Qualification for Headship; contributions from other government departments and other sources towards the costs of promoting UK education and training overseas; National Training Awards; the promotion of work/life balance and of research and miscellaneous services and projects; and contributions from other sources towards the cost of welfare to work activities.

\*\* Amount that may be applied as non-operating appropriations-in-aid, arising from the repayment of principal on student loans; repayment of loans to former grant-maintained schools and discretionary loans paid under Schedule 3 of the School Standards and Framework Act 1998 and from the sale of surplus land, buildings and equipment.

### RfR 2: Employment Service

Recovery of excess programmes	10		10		114	
General admin receipts	3,562	930	10,924	2,589	6,271	349
DSS receipts and rent from minor occupiers	20,560		20,560		20,354	
New Deal for Young People	324		324		500	
Recovery of excess New Deal programmes					4	
Repayment of temporary loans to Remploy		5,001		5,001		
Recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales			1,670		1,788	
Recovery from the European Social Fund for employment projects			1		1,443	
Profit on disposal of assets						
<b>TOTAL RfR 2</b>	<b>*24,456</b>	<b>**5,931</b>	<b>35,159</b>	<b>7,590</b>	<b>30,474</b>	<b>349</b>

\* Amount that may be applied as appropriations-in-aid to the net total, arising from the recovery from the DSS of the cost of work done on behalf of the Benefits Agency; the recovery of the costs of administering allowance payments for work based learning for adults in Scotland and Wales; rent and similar receipts; the Employment Service (ES) private mileage scheme; recovery from the EC of the costs of work on European Employment Services (EURES); the ES Revenue Generation Scheme; work undertaken on labour market issues in eastern Europe; receipts from sponsors of supported placements in the ES, receipts in respect of vending machines; receipts from Working Links; receipts from selling services under the Wider Markets Initiative; recovery of salary costs of ES staff seconded to other organisations; recoveries from the European Social Fund for employment programmes; and the recovery of excess payments made on ES employment measures.

\*\* Amount that may be applied as non-operating appropriations-in-aid, arising from the repayment of loans by Remploy Limited; and from the sale of surplus land, buildings and equipment.

### Consolidated Fund Extra Receipts

In addition to appropriations in aid, the following income and receipts relate to the Department and are payable to the Consolidated Fund:

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	Income £000	Receipts £000	Income £000	Receipts £000	Income £000	Receipts £000
Employment Service Barter Deals ●	4,697	4,697	6,018	6,018	5,993	5,993
Employment Service recovery of costs on goods and services ●					515	
DfEE recovery of costs on goods and services			6,800	6,800	11,659	11,659
European Social Fund ●			110,000	110,000	196,000	196,000
Repayment of interest on student loans						
<b>Total</b>	<b>4,697</b>	<b>4,697</b>	<b>112,818</b>	<b>112,818</b>	<b>214,167</b>	<b>213,652</b>

### Other Notes to the Main Estimates

#### 1. DEL and Administrative Costs Limits

##### DEL

The overall Departmental Expenditure Limits for the Department for Education and Employment (including expenditure by the Office of Her Majesty's Chief Inspector of Schools (OFSTED), which has a separate Estimate) are as follows:

	£000
DEL, of which	21,582,664
OFSTED	163,200
EOF within DEL	787,324

See in particular Annex E on pages 186 and 187 for a breakdown and more information about these amounts.

### Administration Costs

There are separate gross administration costs limits for the DfEE Headquarters and the Employment Service (RfRs 1 and 2); Sure Start (RfR 3); and the Children and Young People's Unit (RfR 4). The limits are as follows:

	DEL £000	EOF £000
DfEE and ES	1,074,874	412,859
Sure Start	3,449	
Children and Young People's Unit	1,575	

More information about administration costs is given in Annex I on pages 193 and 194.

### 2. Comparisons with Last Year

The provision sought for 2001-02 is 9.7 per cent higher than the final net provision for 2000-01 of £19,352 million and 13.2 per cent higher than the forecast outturn of that year of £18,756 million.

### 3. Expenditure Resting on the Sole Authority of the Appropriation Act

Section A of RfR1 contains provision of £435,000 for the Joint United States/United Kingdom education commission (Fulbright Commission) which is sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act.

### 4. Adjustable Advances

Payments on account on the basis of uncertified claims will be made periodically as required to organisations covered by this Estimate and charged at the time of issue. Any necessary adjustments will be made in subsequent net payments of grant.

### 5. Cash Retained

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income which has been or will be appropriated in aid for:

2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
1,141,443	1,071,245	1,173,837

## 6. Contingent Liabilities

As at 31 March 2000, the following liabilities fell to be met from the Department's estimate:

Amount £000

<b>Statutory</b>	
<b>Non – Statutory</b>	
The Department will meet the accrued Civil Service entitlement to date of resignation of secondees who resigned from the Department to take up Training and Enterprise (TEC) employment on or after 1 January 1993 in TECs in England and Wales if:	24,000
a their TEC makes them redundant due to direct government action during their first five years of employment	
b a court or tribunal ever ruled that TEC and civil service employment were continuous for redundancy calculation purposes.	
European Social Fund. A possible liability for any net exchange losses resulting from ESF transactions. The exchange position for programmes currently running will not crystallise until late in 2001. Equally there could be currency gains.	Unquantifiable
Also a future liability on ESF where, although the Department has agreed to make payments in respect of projects up to a fixed amount of money, the European Commission will reimburse us by paying a proportion of the total expenditure. These differences in method of calculation will result in a shortfall relating to EU funding which will, depending upon size of final claims made by projects, be known around mid 2001.	Unquantifiable
Departmental Leases. The Department has assigned leases on 9 properties during the period October 1993 to March 1999. These expire during the period 23 June 2000 to 23 July 2012. There is a risk that, where assignees default, the Department may be held liable for ongoing rent.	1,700
Higher Education, Further Education and Independent establishments. A possible liability where the Secretary of State is responsible for paying Premature Retirement Compensation on the closure of these bodies, provided there is no successor authority.	Unquantifiable
The Employment Service has underwritten a bank overdraft guarantee of £1m for Working Links Limited. This represents the Employment Service's one-third share of the company's overdraft facility, which is expected to continue up to 30 September 2001.	1,000
There is an unquantifiable liability in respect of the legal responsibility that the Secretary of State has as sole guarantor of Remploy Limited. The liability is secured by an all monies debenture.	Unquantifiable
During the course of its normal business, the Employment Service frequently enters into large, sometimes long term, contracts with a wide range of private sector suppliers. The changing nature of Employment Service business, and its obligation to respond to prevailing government priorities, can mean that it is occasionally in the Agency's interest to try to vary, re-negotiate or, in exceptional circumstances, cancel certain contracts. Where the Employment Service takes such action, it always does so on legal advice and so as to avoid a breach of contract. However, disputes occasionally arise which could result in the Employment Service making compensatory payments in response to legal proceedings, or as part of an out of court settlement. The Employment Service considers that disclosure of such cases in detail, particularly whilst negotiations are still in progress, could seriously prejudice the Agency's position if legal proceedings subsequently develop. There were no such contractual disputes outstanding at 31 March 2000 where a settlement had been reached and the value of a compensatory payment had been agreed. For cases still under negotiation, the total value of outstanding claims made against the Employment Service by suppliers at the balance sheet date was less than £10m, but it is not yet known whether the Employment Service will need to make any compensatory payments.	10,000

## 7. Grants-in-Aid

Grants in aid to the Department's NDPBs are paid from Estimate Sections R, S and T of RfR1 and are identified separately in Note 9 below. The symbols next to the grant-in-aid lines indicate the accounting and auditing arrangements for the NDPBs as described in the Introduction to the Estimate. Details of the administration costs of NDBPs are in Annex N.

## 8. International Subscriptions

The estimate provides for a subscription of £7 million to be paid to the International Labour Organisation.

## 9. RfR1 Sections by function

Estimate Section	£million	
	Resource	Capital
<b>A</b> Voluntary aided school loans		#
Assisted Places Scheme	70	
Music and Ballet Scheme	12	
City Technology Colleges	67	
IT in schools, National Grid for Learning, etc	26	
Qualifications (other than through the QCA)	35	
Under Fives	31	
Modernising the Teaching Provision (other than through the TTA)	583	
International Services	20	
Childcare Initiatives	162	
Education Action Zones	60	
Fresh start	20	
Key Stage 1 and 2 central costs	13	
Other miscellaneous programmes	59	
<b>subtotal</b>	<b>1,158</b>	<b>#</b>
<b>B</b> Higher education initiatives (other than through HEFCE)	12	
Adult Education	121	
Access Funds	96	
Further Education initiatives (including payments to the Home Office for prison education)	76	
British Academy	36	
Careers advice (other than through Connexions)	11	
Connexions (current expenditure)	321	
ILO subscription	7	
Learning Partnership Fund	10	
Career Development Initiatives (including ILAs)	79	
Neighbourhood Support	20	
University for Industry	63	
Millennium Volunteers	15	
Other miscellaneous programmes	56	
<b>subtotal</b>	<b>923</b>	<b>0</b>
<b>C</b> Student Loans	818	
Post graduate awards	560	
Other miscellaneous programmes	1	
<b>subtotal</b>	<b>1,379</b>	<b>0</b>
<b>D</b> ESF payments	258	
ESF receipts	-258	

Estimate Section	£million	
	Resource	Capital
<b>E</b> ESF payments	80	
<b>F</b> Work-based Learning for Adults	19	
Employment Zones	54	
Other miscellaneous programmes	11	
<b>subtotal</b>	<b>84</b>	<b>0</b>
<b>G</b> Departmental administration	269	9
Publicity and research	26	
Other miscellaneous programmes	1	
<b>subtotal</b>	<b>296</b>	<b>9</b>
<b>H</b> Compensation to former college of education staff	11	
<b>I</b> Payments to local authorities for schools programmes	2,267	
<b>J</b> Mandatory Awards (through LAs)	122	
<b>K</b> ESF payments to local authorities	30	
ESF receipts	-30	
<b>L</b> ESF payments to local authorities	20	
<b>M</b> EMAs and student support (through LAs)	163	
<b>N</b> Administration of New Deal Programmes	5	
<b>O</b> Capital charges and depreciation on non-civil estate assets	7	
<b>P</b> Interest repayments on loans to VA schools	#	
<b>Q</b> Capital grants:		
VA and former GM schools	212	
class size reductions	70	
specialist schools	13	
New Deal for Schools	293	
Other schools capital (including that paid through the Standards Fund)	820	
Grants-in-aid:		
Education Transfer Council ♥	7	
BECTA ♦	5	
QCA ♥	54	
Teacher Training Agency ♥	392	
<b>subtotal</b>	<b>1,866</b>	<b>0</b>
<b>R</b> Student loans payments		1,830
Capital grants:		
Connexions	15	
Grants-in-aid:		
HEFCE ♥	4,677	
Student Loans Company ♦	31	
iP UK Ltd ♦	2	
Learning and Skills Council ♥	5,476	
General Teaching Council ♥	7	
Adult Learning Inspectorate ♥	20	
<b>subtotal</b>	<b>10,228</b>	<b>1,830</b>
<b>S</b> Grants-in-aid:		
Equal Opportunities Commission ♥	9	
Disability Rights Commission ♥	11	
<b>subtotal</b>	<b>20</b>	<b>0</b>
<b>T</b> Capital Modernisation Fund grants (not paid through the Standards Fund)	153	
<b>U</b> ESF appropriations-in-aid	-100	
<b>Request for Resources Total</b>	<b>18,682</b>	<b>1,838</b>

# TEACHERS' PENSION SCHEME

## Introduction

1. This Estimate provides for the payments of pensions and lump sum benefits to persons covered by the Teachers' Pension Scheme. The rules of the scheme are contained in the Teachers' Pensions Regulations 1997. The scheme applies mainly to teachers employed in schools in England and Wales and their dependants. Provision is made for the refund of contributions to early leavers, and for the payment of and receipt of transfer payments in respect of teachers moving out of and into employment covered by the scheme. The Estimate also includes the increases payable in accordance with the Annual Review Orders made under section 59 of the Social Security Pensions Act 1975 and section 109 of the Pensions Schemes Act 1993. Further details of the expenditure on this Estimate can be found in Chapter 10 in section C.
2. The Teachers' Pension Scheme is notionally funded. Part of its income consists of actual receipts, e.g. contributions from employers and employees, transfer payments from other superannuation schemes, etc. These are appropriated in aid of this Estimate to meet expenditure on benefits, although in practice there need be no correlation between receipts and expenditure.
3. Benefits and contributions are carried to a statutory account and valued quinquennially by the Government Actuary. The deficiency revealed as at 31 March 1996 was £3,960 million and this falls to be met by the employers over a period of 40 years.
4. The Estimate also contains provisions for premature retirement compensation payments made on behalf of employers (where the Department for Education and Employment is not the compensating authority) and for the recovery of the costs of these payments from employers.
5. The symbols used in these estimates are set out in the introduction to the estimate for the Department for Education and Employment on page 142.

## Part I – Main Estimate, 2001–02

£

RfR1: Teachers' Pensions	
<b>Total net resource requirement</b>	<b>1,700,000,000</b>
Net cash requirement	1,700,000,000

Amount required in the year ending 31 March 2002 for expenditure by the Department for Education and Employment on:

**RfR1: Teachers' Pensions**

superannuation allowances and gratuities, and other related expenditure, in respect of teachers, and the widows, widowers, children and dependants of deceased teachers, and for premature retirement compensation payments made to members of the Teachers' Pensions Scheme and on behalf of their employers.

The **Department for Education and Employment** will account for this Estimate.

	Net Total £	Allocated in Vote on Account £	Balance to Complete £
RfR 1			
Total net resource requirement	1,700,000,000	765,000,000	935,000,000
Net cash requirement	1,700,000,000	765,000,000	935,000,000

## Part II – Main Estimate, 2001–02

## Teachers' Pension Scheme

Resources.....						Capital.....		2000-2001 provision		1999-2000 outturn	
1	2	3	4	5	6	7	8	9	10		
Admin	Other current	Grants	Gross total	AinA	Net total	Capital	Non-operating AinA	Net total resources	Net total resources		
<b>RfR 01: Payment of pensions and lump sum benefits to persons covered by the scheme</b>											
-	-	3,870,022	3,870,022	2,170,022	1,700,000	-	-	1,650,001	1,680,969		
SPENDING IN ANNUALLY MANAGED EXPENDITURE											
<i>Central government spending</i>											
* A: Pensions and associated payments											
-	-	3,870,022	3,870,022	2,170,022	1,700,000	-	-	1,650,001	1,680,969		
<b>Total</b>	-	-	3,870,022	3,870,022	2,170,022	1,700,000	-	-	1,650,001	1,680,969	

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	£000	£000	£000	£000	£000	£000
<b>Resource to Cash reconciliation</b>						
<b>Net Total Resources</b>		1,700,000		1,650,001		1,680,969
<b>Accruals to cash adjustment</b>						
Increase (+) / Decrease (-) in debtors					-8,066	
Increase (-) / Decrease (+) in creditors					-	
Increase (-) / Decrease (+) in provision						
<b>Net Cash Required</b>		1,700,000		1,650,001		1,672,903

## Part III – Extra Receipts payable to the Consolidated Fund

In addition to appropriations in aid the following incomes relate to teacher's pensions and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	Income £000	<i>Receipts</i> £000	Income £000	<i>Receipts</i> £000	Income £000	<i>Receipts</i> £000
Operating income not classified as AinA					101,245	
Non-classified income not classified as AinA	-	-	-	-	-	-
Other income not classified as AinA	-	-	-	-	-	-
					<b>101,245</b>	

## FORECAST COMBINED REVENUE ACCOUNT – MAIN ESTIMATE

### Teachers' Pension Scheme

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	£000	£000	£000	£000	£000	£000
<b>Programme Costs, Request for Resources 1</b>						
<b>Income</b>						
Contributions receivable	2,018,121		1,929,750		1,900,870	
Transfers in	130,201		124,500		93,314	
Other income	<u>21,700</u>		<u>20,750</u>		<u>11,426</u>	
		2,170,022		2,075,000		2,005,610
<b>Expenditure</b>						
Benefits payable	3,715,221		3,576,001		3,512,002	
Leavers	116,101		111,750		62,332	
Other Expenditure	<u>38,700</u>		<u>37,250</u>		<u>11,000</u>	
		<u>3,870,022</u>		<u>3,725,001</u>		<u>3,585,334</u>
<b>Net Programme Cost</b>		1,700,000		1,650,000		1,579,724
<b>NET OPERATING COST</b>		<b>1,700,000</b>		<b>1,650,001</b>		<b>1,579,724</b>
<b>NET RESOURCE OUTTURN</b>		<b>1,700,000</b>		<b>1,650,001</b>		<b>1,680,969</b>
<b>RESOURCE BUDGET OUTTURN</b>		<b>1,700,000</b>		<b>1,650,001</b>		<b>1,579,724</b>

### Statement of Accounting Officer Responsibilities for the Estimate

The Treasury has appointed the Permanent Head of the Department for Education and Employment, Sir Michael Bichard, as Accounting Officer for the Teachers' Pension Scheme (England and Wales), with responsibility for preparing the Estimate in respect of the Scheme.

The responsibilities of an accounting officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Scheme's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

### Appropriations-in-Aid

	Provision 2001-02		Estimated Outturn 2000-01		Outturn 1999-00	
	AinA £000	Non- operating AinA £000	AinA £000	Non- operating AinA £000	AinA £000	Non- operating AinA £000
Payment of pensions and lump sum benefits to persons covered by the scheme	*2,170,022		2,075,000		1,904,365	

\* Amount that may be applied as appropriations-in-aid in addition to the net total, arising from receipts from employees and employers superannuation contributions; transfer values received; deductions from returns of superannuation contributions towards payment in lieu of graduated national insurance contributions equivalent premiums; recovery of contributions equivalent premiums from the state pension scheme; amounts received from employers of teachers' scheme members in reimbursement of the costs of premature retirement compensation payments on their behalf by Capita

### Consolidated Fund Extra Receipts

In addition to appropriations-in-aid, the following income and receipts relate to teachers' pensions and are payable to the Consolidated Fund.

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	Income £000	Receipts £000	Income £000	Receipts £000	Income £000	Receipts £000
Over-recovery of appropriations-in-aid					101,275	
Total	0	0	0	0	101,275	0

## Other Notes to the Main Estimate

### 1. Comparisons with Last Year

The provision sought for 2001-02 is 3.3 per cent higher than the final net provision and estimated outturn for 2000-01 of £1,650 million.

### 2. Cash Retained

Cash which may be retained by the Department to offset expenditure in the year due to its relationship with income which has been or will be appropriated in aid for:

2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
2,170,022	2,075,000	1,904,365

### 3. Contingent Liabilities

As at 31 March 2000, the following liabilities fell to be from the Estimate:

Amount £000

Teachers' Pension Scheme. A very remote contingent liability to make payments to pensions relating to Additional Voluntary Contributions. This would be in the unlikely event of default of the private insurance company.	Unquantifiable
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# OFFICE OF HER MAJESTY'S CHIEF INSPECTOR OF SCHOOLS IN ENGLAND

## Introduction

1. The **Office of Her Majesty's Chief Inspector** (OHMCI) was established on 1 September 1992 under the Education (Schools) Act 1992 (now the School Inspections Act 1996) and conducts business under the name of **OFSTED** (Office for Standards in Education). Her Majesty's Chief Inspector (HMCI) has a general responsibility to keep the Secretary of State for Education and Employment informed about the quality, standards and financial efficiency of schools and nursery providers in England and the development of pupils within those schools. HMCI is also responsible for the inspection of Local Education Authorities (LEAs), further education for students up to age 19 and from September 2001 the regulation of childcare and early education. HMCI, specifically, gives advice based on inspection, of teacher training and education (initial and in-service) to the Secretary of State and the Teacher Training Agency. In addition, HMCI's remit also includes giving advice, inspecting and reporting on matters relating to education in general and on issues or institutions as requested by the Secretary of State; running the system of inspection of schools and of other education institutions, funded nursery providers and LEAs in England; and other functions required by the Secretary of State. Other responsibilities are specified in the School Inspections Act 1996, the Further and Higher Education Act 1992, the Education Acts 1994 and 1997, the School Standards and Framework Act 1998, the Teaching and Higher Education Act 1998, the Care Standards Act 2000 and the Learning and Skills Act 2000.
2. The Estimate covers one Request for Resource (RfR1): To help improve the quality and standards of education and childcare through independent inspection, regulation and advice. The RfR1 is split into two areas: Departmental Expenditure limits (DEL) and Annually Managed Expenditure (AME). The **DEL expenditure** includes the costs of inspections carried out by Her Majesty's Inspectors (HMI), Childcare Inspectors (CCI) and by contractors, the regulation of childcare, the provision of advice to the Department for Education and Employment and other departments, the publication of reports and advice on best practice, provision of publicity materials, commissioned research relevant to OHMCI's responsibilities and running invitation conferences.

The **AME expenditure** includes the depreciation and cost of capital charges incurred by the department. The RfR also contains other associated non-cash items.

3. Expenditure contained in the Estimate is explained in chapters 3 and 19.
4. Symbols are explained in the Introduction to the DfEE Main Estimate, see page 142.

## Part I – Main Estimate 2001–02

£

RfR1: Improving the quality and standards of education and childcare through independent inspection, regulation and advice	154,334,000
<b>Total Net Resource requirement</b>	<b>154,334,000</b>
Net Cash requirement	166,070,000

Amount required in the year ending 31 March 2002, for expenditure by the Office of Her Majesty's Chief Inspector of Schools in England on:

### **RfR1 Improving the quality and standards of education and childcare through independent inspection, regulation and advice**

the inspection of schools, other educational institutions, early education providers, local education authorities, teacher training (institutions and in-service training) and regulation of childcare for young children as well as the inspection of education for 16- to 19-year-olds and associated non-cash items.

**The Office of Her Majesty's Chief Inspector of Schools in England** will account for this Estimate.

	Net Total £	Allocated in Vote on Account £	Balance to Complete £
RfR 1	154,334,000	74,311,000	80,889,000
Total Net Resource requirement	154,334,000	74,311,000	80,889,000
Net cash requirement	166,070,000	77,072,000	88,998,000

## Part II – Main Estimate 2001-02

Resources.....							Capital.....	2000-2001		£000
	1	2	3	4	5	6	7	8	9	10
Admin	Other current	Grants	Gross total	AinA	Net total	Capital	Non-operating AinA	Net total resources	provision	outturn
RfR 01: Improving the quality and standards of education and childcare through independent inspection, regulation and advice										
27,095	127,402	-	154,497	163	154,334	11,875	-	103,612		86,528
SPENDING IN DEPARTMENTAL EXPENDITURE LIMITS (DEL)										
<i>Central Government spending</i>										
A Administration & Inspection										
27,095	124,393	-	151,488	163	151,325	11,875	-	101,780		85,134
SPENDING IN ANNUALLY MANAGED EXPENDITURE										
Non-Cash Items										
B Administration & Inspection										
-	3,009	-	3,009	-	3,009	-	-	1,832		1,394
<b>TOTAL</b>	27,095	127,402	-	154,497	163	154,334	11,875	-	103,612	86,528

Resource to Cash reconciliation	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	£000	£000	£000	£000	£000	£000
Resources to Cash reconciliation						
<b>Net Total Resources</b>		<b>154,334</b>		<b>103,612</b>		<b>86,528</b>
<b>Voted Capital Items</b>						
Capital	11,875		3,250		1,288	
Less Non-operating A-in-A	-		-		-26	
		11,875		3,250		1,262
<b>Accruals to cash adjustment</b>						
Cost of Capital charges	-812		-335		-329	
Depreciation	-2,197		-1,497		-1,058	
Other non-cash items	-25		-25		-32	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	3,535		118		789	
Increase (+) / Decrease (-) in creditors	-640		-623		887	
Increase (+) / Decrease (-) in provisions	-		-		-	
Excess cash to be CFERd	-		-		-	
		-139		-2,362		257
<b>Net Cash Required</b>		<b>166,070</b>		<b>104,500</b>		<b>88,047</b>

### Part III: Extra Receipts Payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	2001-02		2000-01		1999-00	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	1	<i>1</i>	1	<i>1</i>	1,466	<i>1,295</i>
Non-operating income not classified as AinA	–	–	–	–	–	–
Other income not classified as AinA	–	–	–	–	–	–
	<b>1</b>	<b><i>1</i></b>	<b>1</b>	<b><i>1</i></b>	<b>1,466</b>	<b><i>1,295</i></b>

### FORECAST OPERATING COST STATEMENT – MAIN ESTIMATE OFSTED

	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	£000	£000	£000	£000	£000	£000
<b>Administration Costs</b>						
Voted Expenditure						
Staff Costs	7,500		4,000		19,871	
Other Administration costs	19,595		8,776		13,680	
Gross Administration costs		27,095		12,776		33,551
Operating income		-95		-50		-963
Net Administration costs		<u>27,000</u>		<u>12,726</u>		<u>32,588</u>
<b>Non-Voted Expenditure</b>						
Staff Costs	–		–		–	
Other Administration costs	–		–		–	
Gross Administration costs		–		–		–
Operating income		–		–		–
Net Administration costs		–		–		–
Total Net Administration costs		<u>27,000</u>		<u>12,726</u>		<u>32,588</u>
<b>Programme Costs</b>						
Voted Expenditure						
Expenditure		127,402		90,976		53,617
Income		-68		-90		-1,143
Net Programme costs		<u>127,334</u>		<u>90,886</u>		<u>52,474</u>
Non-Voted Expenditure						
Expenditure		–		–		–
Income		-1		-1		-1,466
Net Programme costs		–1		–1		-1,466
Total Net Programme costs		<u>127,333</u>		<u>90,885</u>		<u>51,008</u>
<b>NET OPERATING COST</b>		<b>154,333</b>		<b>103,611</b>		<b>85,062</b>
<b>NET RESOURCE OUTTURN</b>		<b>154,334</b>		<b>103,612</b>		<b>86,528</b>
<b>RESOURCE BUDGET OUTTURN</b>		<b>154,334</b>		<b>103,612</b>		<b>86,528</b>

## FORECAST CASH FLOW STATEMENT – MAIN ESTIMATE OFSTED

	2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
Net Cash outflow from operating activities (Note i)	-154,194	-101,249	-85,319
Capital expenditure and financial investment (Note ii)	-11,875	-3,250	-1,262
Receipts due to the Consolidated Fund which are outside the scope of the department's operations	-	-	-
Payments of amounts due to the Consolidated Fund	-1	-1	-104
Financing (Note iii)	166,070	104,500	97,880
Increase (+) /decrease (-) in cash in the period	0	0	11,195
[Inflows = + / Outflows = -]			
<b>Notes to the cash flow statement</b>			
<b>Note i: Reconciliation of operating cost to operating cash flows</b>			
Net Operating Cost	154,333	103,611	85,062
Remove non-cash transactions	-3,034	-1,857	-1,470
Adjust for movements in working capital other than cash	2,895	-505	1,676
Use of in provision	-	-	-
<b>Net cash outflow from operating activities</b>	<b>154,194</b>	<b>101,249</b>	<b>85,319</b>
[Net outflow = +]			
<b>Note ii: Analysis of capital expenditure and financial investment</b>			
Tangible fixed asset additions	11,875	3,250	1,288
Proceeds from disposal of fixed assets <sup>(1)</sup>	-	-	-26
Loans to other bodies	-	-	-
Adjust for movements in working capital on capital expenditure and financial investment	-	-	-
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>11,875</b>	<b>3,250</b>	<b>1,262</b>
[Net outflow = +]			

(1) Includes profit/loss on disposal of fixed assets

**FORECAST CASH FLOW STATEMENT – MAIN ESTIMATE****(continued)****OFSTED**

	2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
<b>Note iii: Analysis of financing and reconciliation to the net cash requirement</b>			
From Consolidated Fund (Supply): current year expenditure	166,070	104,500	97,880
From Consolidated Fund (Supply): prior year expenditure	0	0	
From Consolidated Fund (Non-Supply):	–	–	
Net payments from the National Insurance Fund	–	–	
<b>Net Financing</b>	<u>166,070</u>	<u>104,500</u>	<u>97,880</u>
Increase (-)/decrease (+) in cash	<u>0</u>	<u>0</u>	<u>-11,195</u>
<b>= Net cash flows other than financing (net outflow = +)</b>	<u>166,070</u>	<u>104,500</u>	<u>86,685</u>
Adjust for payments and receipts not related to Supply:			
Amounts due to the consolidated fund – received in a prior year and paid over	0	0	-104
Amounts due to the Consolidated Fund – received and not paid over	0	0	1,466
Net cash requirement for the year	<u>166,070</u>	<u>104,500</u>	<u>88,047</u>
[Net outflow = +]			

**FORECAST RECONCILIATION OF NET OPERATING  
COST TO NET RESOURCE OUTTURN AND RESOURCE  
BUDGET OUTTURN – MAIN ESTIMATE  
OFSTED**

	2001-02 Provision £000	2000-01 Provision £000	1999-00 Outturn £000
<b>Net Resource Outturn</b>	<b>154,334</b>	<b>103,612</b>	<b>86,528</b>
Add non-voted expenditure in the CCS	–	–	–
Add Consolidated Fund Extra Receipts in the OCS	–1	–1	–1,466
Remove provision voted for earlier years	–	–	–
Remove other adjustments	–	–	–
Cross-check total of above	154,333	103,611	85,062
<b>Net Operating Costs</b>	<b>154,333</b>	<b>103,612</b>	<b>85,062</b>
Add other Consolidated Fund Extra Receipts	1	1	1,466
Reverse the deduction of gains and deduct the losses incurred on disposal of assets	–	–	–
Reverse the write-off of bad debts in respect of income from sale of capital assets	–	–	–
Add unallocated resource provision	–	–	–
Other Adjustments	–	–	–
<b>Resource Budget Outturn</b>	<b>154,334</b>	<b>103,612</b>	<b>86,528</b>
Cross-check total of above	154,334	103,612	86,528
<i>Of which:</i>			
Departmental Expenditure Limit (DEL) Spending in Employment Opportunities Fund (EOF) DEL	151,325	101,780	85,134
Annually Managed Expenditure (AME)	3,009	1,832	1,394

## Statement of Accounting Officer Responsibilities for the Estimate

1. The Treasury has appointed the Permanent Head of OFSTED (Mr Mike Tomlinson, HMCI) as the Accounting Officer of the Department with responsibility for preparing the Department's estimate and for transmitting them to the Comptroller and Auditor General.
2. The responsibilities of the 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 Department's assets, are set out in the accounting officers Memorandum, issued by HM Treasury and published in Government Accounting.

## Appropriations-in-aid

Detail	Provision 2001-02		Estimated Outturn 2000-01		Outturn 1999-00	
	A in A £000	Non-operating A in A £000	A in A £000	Non-operating A in A £000	A in A £000	Non-operating A in A £000
<b>RfR1: Improving the quality and standards of education and childcare through independent inspection, regulation and advice</b>						
Training Income	0	0		0		0
Income from Sales/Services	8	0		0		0
Registration Fees	60	0		0		0
REC - Seconded's salary Costs	0	0		0		0
Official Cars - Private Use	60	0		0		0
Property Charges - Minor Occupier	0	0		0		0
REC - Personal Telephone Costs	5	0		0		0
Income from Sale of Assets	30	0		0		0
<b>Sub-total</b>	<b>163</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Amount that may be applied as appropriations in aid in addition to the net total, arising from recoveries of the cost of staff seconded out to other bodies; costs of services provided to departmental, non-departmental, public and other bodies; sale and use of official cars and assets, property charges made to minor occupiers, registration fees; and charges for training of inspectors other than OHMCI staff; and recovery of personal telephone costs; and the sale of training materials.

### Consolidated Fund Extra Receipts

Detail	Provision 2001-02		Provision 2000-01		Outturn 1999-00	
	Income £000	Receipts £000	Income £000	Receipts £000	Income £000	Receipts £000
Operating income not classified as AinA	1	1	1	1	1,466	1,295
Non-operating income not classified as AinA	0	0	0	0	0	0
Other income not classified as AinA	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1,466</b>	<b>1,295</b>

### Other Notes to the Main Estimates

#### DEL and Administrative Cost Limits

- The overall Departmental Expenditure Limits for OFSTED are as follows:

	£000
DEL	163,200
Administration Costs	27,095

#### Comparisons with last year

- The provision sought for 2001-02 is 56 per cent higher than the final net provision and the forecast outturn for 2000-01 of £104.5 million on a cash basis. The provision sought for 2001-02 is 58 per cent higher than the final net provision and the forecast outturn for 2000-01 of £103.612 million on a resource basis. This increase is due to the transfer of responsibilities for the regulation of childcare and the inspection of the education of 16-19 year olds in Further Education Colleges.

# ANNEXES

## Annex A Resource Accounting and Budgeting – Explanatory Notes by HM Treasury

Following the introduction of resource accounting and budgeting, there have been a number of changes to the core tables in this year's departmental report. Resource accounting and budgeting provides a more accurate measure of departmental expenditure by matching costs to time, taking account of the full consumption and investment of arms-length bodies such as non-departmental public bodies and public corporations, and measuring the full cost of government activity, including non-cash expenditure such as depreciation, cost of capital charges, and provisions.

The aim of the tables is to provide a detailed analysis of departmental expenditure plans in resource terms, showing: resource consumption and capital investment; voted and non-voted expenditure; and expenditure in three year departmental expenditure limits and annually managed expenditure.

Following the decision to introduce resource budgeting in two stages, the major non-cash items – depreciation, cost of capital charges, and provisions – score in annually managed expenditure for the 2000 Spending Review years (2000-01 to 2003-04). Throughout the tables, non-cash expenditure in annually managed expenditure is distinguished from annually managed programme expenditure for the department. In stage two, resource budgeting, which is scheduled for the 2002 Spending Review, these items will score in departmental expenditure limits.

Because resource accounting and budgeting data is at present available only from 1998-99, the scope of the resource table is restricted to 1998-99 to 2003-04, the last year covered by the 2000 Spending Review. However, Annex L sets out departmental expenditure limits in cash terms from 1995-96 to 2000-01, whilst Annex M shows the cash to resource accounting and budgeting reconciliation for departmental expenditure limits data for 1998-99 to 2000-01.

As before, the tables show Employment Opportunities Fund (formerly Welfare to Work) expenditure separately. As in previous years, tables are included showing key information on local authority expenditure, administration costs and staff numbers.

## Annex B – Resource Plans Summary

This table sets out, in resource terms, a summary of expenditure from 1998-99 to 2003-04. The first part shows total expenditure in departmental expenditure limits and annually managed expenditure, including the new non-cash annually managed expenditure items introduced by resource accounting and budgeting. This is then split into resource and capital expenditure, the former showing what the department consumes in current spending and the latter showing planned investment expenditure.

The 'Total Resource Budget' and 'Total Capital Budget' figures illustrate, in resource terms, total departmental expenditure limits and annually managed expenditure in the department's budget. This includes expenditure such as the consumption and investment of public corporations, which is outside the departmental accounting boundary and some of which is not voted by Parliament. 'Programme spending in resource annually managed expenditure' is used to distinguish annually managed programme expenditure from the non-cash items which score in annually managed expenditure under stage one resource budgeting.

'Net Operating Costs' and 'Capital Expenditure in Accounts' show the expenditure covered in the departmental resource accounts, while 'Net Total Resources (Voted)' show the resources and capital expenditure voted by Parliament in estimates. Reconciliation between the budgeting accounting and parliamentary estimates aggregates are shown in annexes G and H for resources and capital expenditure.

## Annex C – Departmental Voted Cash Requirement

Under resource accounting and budgeting, Parliament votes both a net resource requirement, reflecting the total voted provision sought in resource terms and the cash requirement needed to fund this commitment. The voted net cash requirement represents the parliamentary limit in cash terms and the limit for the amount of cash which can be drawn down for use in the year.

The voted net cash requirement is calculated by removing non-cash costs from net operating costs, adjusting for accruals/cash differences such as timing, and then stripping out the part of the departmental cash requirement that is not voted. The voted net cash requirement is shown from 1998-99 to 2003-04.

### Annex D – Total Capital Employed by Department

Resource accounting and budgeting gives a much clearer picture of the capital assets used by a department. This is used as the basis for calculating the cost of capital charges paid by departments to reflect the economic costs of holding the assets. This table sets out the total capital employed within the accounting boundary and by its sponsored bodies outside the boundary.

### Annex E – Consumption: Analysis of Resource Budget Spending Plans

This table gives a detailed breakdown of the resource or current spending plans from 1998-99 to 2003-04. The functional splits by which resources are allocated match those in the main resource estimates, split into departmental expenditure limits and annually managed expenditure. Non-voted expenditure is shown with a brief description as to its functions. Non-cash expenditure in annually managed expenditure' is shown by category – depreciation, cost of capital charge, and changes in provisions and other charges. As in previous years, this table gives a breakdown of departmental expenditure into spending by the central government sector, public corporations, and support to local authorities.

### Annex F – Investment: Analysis of Capital Budget Spending Plans

This table gives a detailed breakdown of the investment of capital spending plans from 1998-99 to 2003-04. The functional splits by which resources are allocated match those in the main resource estimates, split into departmental expenditure limits and annually managed expenditure. Non-voted expenditure is shown with a brief description as to its functions. As in previous years, this table gives a breakdown of departmental expenditure into spending by the central government sector, public corporations, and support to local authorities.

## Annex G – Reconciliation of Resource Expenditure between Accounts, Estimates and Budgets

This is a technical table showing the inter-relationship between the three totals for accounts, estimates and budgets. The outturn against the total voted by Parliament in the estimates is shown first. The net operating cost figure in the accounts include items which are not part of the resource total voted by Parliament, such as non-voted expenditure within the departmental accounting boundary and receipts surrendered to the Consolidated Fund.

The budgeting total reflects the spending authority within the Government's framework for expenditure control. This is an administrative limit imposed by the Government on the department and its sponsored bodies. Therefore, the resource budget outturn total includes a number of categories of expenditure which are not included in, or scored differently from, the totals recorded for voted estimates and departments' accounts. The main adjustments from the net operating cost in the accounts to the outturn against resource budget total are:

- further adjustments for receipts surrendered to the Consolidated Fund, where these score differently in accounts and in budgets;
- the budget scores the full resource consumption of sponsored bodies (non-departmental public bodies and public corporations), whilst the estimate scores only voted grants to those bodies;
- capital grants to local authorities and the private sector are voted as current grants in estimates. However, for administrative control purposes these score as capital in budgets. Similarly, gains and losses on asset disposals pass through the accounts and estimates on the resource side, but are recycled through the capital budget under the transitional resource budgeting regime;
- Employment Opportunities Fund expenditure (formerly Welfare to Work) is voted to departments in estimates, but in administrative control terms, it is segregated from the rest of departmental expenditure limits and annually managed expenditure;
- European Union income is voted but is not included within departmental budgets; and
- departmental unallocated provisions are not voted but appear in budgets, as the expenditure has not yet been assigned to a particular function.

## Annex H – Reconciliation of Capital Expenditure between Accounts, Estimates and Budgets

This table shows the inter-relationship between the three totals for capital expenditure. The adjustments from the voted estimates totals to the capital expenditure in the accounts are broadly the same as they are on the resource side. The main adjustments from the capital expenditure in the accounts to the outturn against the capital budget are as follows:

- the capital budget scores the full capital expenditure of public corporations, including expenditure not funded by vote;
- capital grants to local authorities and the private sector, which are voted as resource expenditure in estimates, are included in the capital budget;
- gains and losses on asset disposals pass through the accounts and estimates on the resource side, but are recycled through the capital budget under the transitional resource budgeting regime;
- local authority credit approvals are not included in the estimate but are included in the budget;
- European Union income is not included in the budget, but is in the estimate; and
- unallocated capital provision in the departmental unallocated provision is not voted in estimates but is included within the budgeting total.

## Chapter 4 Table 4.4 – Local Authority Expenditure on Education and Employment

## Annex I – Administration Costs within Departmental Expenditure Limits

## Annex J – Staff Numbers

These tables show analyses of local authority expenditure, and departmental administration costs (formerly known as running costs) and staff numbers. These tables are largely unchanged from previous years.

### Annex L – Departmental Expenditure Limits and Annually Managed Expenditure Cash Plans

This table allows comparisons to be made with previous expenditure over a longer period, a table showing outturn in cash terms is included from 1995-96 to 2000-01. 2000-01 is the last year where outturn will be expressed in cash terms.

### Annex M – Departmental Expenditure Limits and Annually Managed Expenditure Cash to Resource Reconciliation

This table illustrates how the new resource-based outturn figures have been derived from the previous cash figures for both the resource and capital budgets, in both departmental expenditure limits and annually managed expenditure. The main types of adjustment from the cash- to resource-based system are:

- timing adjustments, reflecting that under resource accounting and budgeting costs are scored when the economic activity takes place, not when it is paid for;
- classification switches from resource to capital and vice-versa as a result of the new accounting and budgeting rules; and
- the inclusion of capital charges on the department's civil estate in the resource departmental expenditure limits;
- scoring adjustments to reflect the full resource consumption and capital investment of non-departmental public bodies and public corporations, including switching capital spending by financed public corporations generated by the corporations themselves from annually managed expenditure into departmental expenditure limits; and
- the inclusion of non-cash costs in annually managed expenditure.

## Annex B Resource Plans Summary 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Total Spending in Departmental Expenditure Limits (DEL)</b>	14,378	15,335	18,549	21,583	23,804	26,009
<b>Spending in Employment Opportunities Fund (EOF) DEL</b>	487	679	1,357	787	796	774
<b>Total Spending in Annually Managed Expenditure (AME)</b>	1,631	1,674	1,809	1,886	2,005	2,205
<i>Of which, non cash AME</i>	57	13	31	29	31	31
<b>Consumption – The Resource Budget</b>						
<b>Resource DEL</b>	13,469	14,213	17,033	18,944	20,773	22,131
<b>EOF DEL</b>	256	445	632	787	796	774
<b>Resource AME</b>	1,629	1,671	1,808	1,885	2,004	2,203
<i>Of which</i>						
programme spending	1,572	1,657	1,777	1,855	1,972	2,173
non-cash items in Resource AME	57	13	31	29	31	31
<b>Total Resource Budget</b>	15,354	16,328	19,473	21,616	23,573	25,109
adjustment to reach operating costs <sup>1</sup>	69	59	915	1,472	1,551	2,167
<b>Net Operating Costs</b>	15,423	16,388	20,386	23,087	25,125	27,275
adjustment to reach voted total <sup>2</sup>	228	315	124	5	0	0
<b>Net Total Resources (Voted)</b>	15,651	16,703	20,511	23,092	25,125	27,275
<b>Investment – the Capital Budget</b>						
<b>Capital DEL</b>	909	1,123	1,516	2,639	3,030	3,878
<b>EOF DEL<sup>3</sup></b>	231	234	725			
<b>Capital AME</b>	1	3	1	1	1	1
<b>Total Capital Budget</b>	1,142	1,360	2,242	2,640	3,031	3,879
adjustment to reach voted capital <sup>4</sup>	-1,196	-131	-460	-780	-1,131	-2,049
<b>Net Capital Expenditure (Voted)</b>	-54	1,230	1,782	1,860	1,901	1,830

1 Includes adjustments for consolidated fund extra receipts, capital grants, non-departmental public bodies and expenditure supported by European Union receipts – see Annex G for details.

2 Includes adjustment for consolidated fund extra receipts.

3 Includes New Deal for Schools capital expenditure. From 2001-02 onwards, that is included within capital DEL.

4 Includes adjustments for non-departmental public bodies, capital grants and credit approvals – see Annex H for details.

## Annex C Departmental Voted Cash Requirement 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Department for Education and Employment</b>						
Net total resources (Voted)	13,942	14,934	18,756	21,238	23,146	25,102
Net capital expenditure (Voted)	-55	1,228	1,779	1,848	1,900	1,829
Adjust for non-cash transactions <sup>1</sup>	-466	-521	-835	-620	-665	-698
Adjust for movements in working capital <sup>2</sup>	34	-115	-58	196	6	6
<b>Net Cash Required</b>	<b>13,455</b>	<b>15,526</b>	<b>19,758</b>	<b>22,662</b>	<b>24,386</b>	<b>26,238</b>
<b>Teachers' Pensions</b>						
Net total resources (Voted)	1,598	1,681	1,650	1,700	1,780	1,980
Adjust for movements in working capital <sup>2</sup>	0	-8	0	0	0	0
<b>Net Cash Required</b>	<b>1,598</b>	<b>1,673</b>	<b>1,650</b>	<b>1,700</b>	<b>1,780</b>	<b>1,980</b>
<b>OFSTED</b>						
Net total resources (Voted)	111	88	105	154	199	194
Net capital expenditure (Voted)	1	1	3	12	1	1
Adjust for non-cash transactions <sup>1</sup>	-1	-1	-2	-3	-4	-4
Adjust for movements in working capital <sup>2</sup>	1	2	-1	3	0	0
<b>Net Cash Required</b>	<b>111</b>	<b>89</b>	<b>106</b>	<b>166</b>	<b>196</b>	<b>191</b>

1 Includes capital charges and depreciation on capital assets and provisions e.g. for student loans on the DfEE estimate.

2 Includes changes to debtors and creditors.

## Annex D Total Capital<sup>1</sup> Employed by DfEE 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Net Assets/Liabilities</b> within the departmental account <sup>2</sup> Investment outside accounting boundary	2,381	3,577	5,554	4,843	5,111	5,307
<b>Total Capital Employed</b>	<b>2,381</b>	<b>3,577</b>	<b>5,554</b>	<b>4,843</b>	<b>5,111</b>	<b>5,307</b>

1 This table only includes assets owned by the Department and the Employment Service i.e. it does not include, for example, those owned by schools, local authorities or higher and further education institutions. Nor does it include assets which are leased or purchased through the private finance initiative.

2 This includes the student loans debt.

## Annex E Consumption – Analysis of Resource Budget Spending Plans 1998-99 to 2003-04 (£ million)

### Departmental Expenditure Limits (DEL)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Department for Education and Employment</b>						
<b>Request for Resources 1: Giving everyone the chance through education, training and work to realise their full potential and thus build an inclusive and fair society</b>						
Early years and schools	825	1,166	2,743	3,425	4,038	4,039
Lifelong learning	4,058	3,767	4,112	2,975	3,356	3,584
Helping people into work	267	286	371	84	84	84
Activities to support all objectives	291	293	296	307	302	800
<b>Total Request for Resources 1</b>	<b>5,441</b>	<b>5,512</b>	<b>7,522</b>	<b>6,791</b>	<b>7,780</b>	<b>8,507</b>
<b>Request for Resources 2: Helping people without a job into work through the Employment Service</b>						
Helping people into work	1,053	1,061	1,157	1,410	1,373	1,376
<b>Total Request for Resources 2</b>	<b>1,053</b>	<b>1,061</b>	<b>1,157</b>	<b>1,410</b>	<b>1,373</b>	<b>1,376</b>
<b>Request for Resources 3: Promoting the physical, intellectual and social development of babies and children through Sure Start</b>						
Early years and schools	#	5	34	125	285	325
<b>Total Request for Resources 3</b>	<b>#</b>	<b>5</b>	<b>34</b>	<b>125</b>	<b>285</b>	<b>325</b>
<b>Request for Resources 4: Children's Fund</b>						
Early years and schools				100	150	200
<b>Total Request for Resources 4</b>				<b>100</b>	<b>150</b>	<b>200</b>
<b>European Regional Development Fund expenditure included within the Department for the Environment, Transport and the Regions' estimate</b>	18	3	26	26	26	26
<b>Office of Her Majesty's Chief Inspector of Schools in England</b>						
<b>Request for Resources 1: Improving the quality and Standards of education and childcare through independent inspection, regulation and advice</b>						
Administration and inspection	110	87	103	151	195	190
<b>Total Request for Resources 1</b>	<b>110</b>	<b>87</b>	<b>103</b>	<b>151</b>	<b>195</b>	<b>190</b>
<b>Non-Voted Expenditure<sup>1</sup></b>						
Early years and schools	283	301	381	455	492	501
Lifelong learning	6,557	7,238	7,792	9,826	10,417	10,949
Helping people into work	6	7	18	28	27	27
Activities to support all objectives				30	30	30
<b>Total DEL</b>	<b>13,469</b>	<b>14,213</b>	<b>17,033</b>	<b>18,944</b>	<b>20,773</b>	<b>22,131</b>
<i>Of which</i>						
Central government spending <sup>2</sup>	11,005	12,526	14,764	16,199	17,763	19,112
Support for local authorities	2,376	1,596	2,162	2,647	2,913	2,922
Public corporations	88	91	107	98	98	98
<i>Of which</i>						
Voted	6,622	6,667	8,842	8,604	9,808	10,623
Non-voted	6,847	7,546	8,191	10,340	10,966	11,508

1 Includes expenditure by non-departmental public bodies, which is financed by voted grants.

2 Central government spending does not include spending on public corporations.

## Annex E Consumption – Analysis of Resource Budget Spending Plans 1998-99 to 2003-04 (£ million) *continued*

### Employment Opportunities Fund (EOF)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Department for Education and Employment</b>						
<b>Request for Resources 1: Giving everyone the chance through education, training and work to realise their full potential and thus build an inclusive and fair society</b>						
Early years and schools	19	4	2			
Lifelong learning	5	3	6			
Helping people into work	4	12	22	6	3	3
<b>Total Request for Resources 1</b>	<b>28</b>	<b>19</b>	<b>30</b>	<b>6</b>	<b>3</b>	<b>3</b>
<b>Request for Resources 2: Helping people without a job into work through the Employment Service</b>						
Helping people into work	228	426	602	781	794	772
<b>Total Request for Resources 2</b>	<b>228</b>	<b>426</b>	<b>602</b>	<b>781</b>	<b>794</b>	<b>772</b>
<b>Total EOF</b>	<b>256</b>	<b>445</b>	<b>632</b>	<b>787</b>	<b>796</b>	<b>774</b>
<i>Of which</i>						
Central government spending	256	445	632	784	792	770
Support for local authorities				3	5	5

## Annex E Consumption – Analysis of Resource Budget Spending Plans 1998-99 to 2003-04 (£ million) *continued*

Annually Managed Expenditure	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Department for Education and Employment</b>						
<b>Request for Resources 1: Giving everyone the chance through education, training and work to realise their full potential and thus build an inclusive and fair society</b>						
Early years and schools			#	#		
Activities to support all objectives	7	-18	7	7	7	7
<b>Total Request for Resources 1</b>	<b>7</b>	<b>-18</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>
<b>Request for Resources 2: Helping people without a job into work through the Employment Service</b>						
Helping people into work	34	16	49	72	109	109
<b>Total Request for Resources 2</b>	<b>34</b>	<b>16</b>	<b>49</b>	<b>72</b>	<b>109</b>	<b>109</b>
<b>Office of Her Majesty's Chief Inspector of Schools in England</b>						
<b>Request for Resources 1: Improving the quality and standards of education and childcare through independent inspection, regulation and advice</b>						
Administration and inspection	1	1	2	3	4	4
<b>Total Request for Resources 1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>
<b>Teachers' Pensions Scheme</b>						
<b>Request for Resources 1: Payment of pensions and lump sum benefits to persons covered by the scheme</b>						
Pensions and associated payments	1,598	1,681	1,650	1,700	1,780	1,980
<b>Total Request for Resources 1</b>	<b>1,598</b>	<b>1,681</b>	<b>1,650</b>	<b>1,700</b>	<b>1,780</b>	<b>1,980</b>
<b>Non-Voted Expenditure<sup>1</sup></b>						
Early years and schools	4	3	3	3	3	3
Lifelong learning	8	9	7	6	6	6
Helping people into work	4	3	4	4	4	4
Levy funded bodies	78	77	87	90	90	90
Teachers' pensions	-105	-101				
<b>Total AME</b>	<b>1,629</b>	<b>1,671</b>	<b>1,808</b>	<b>1,885</b>	<b>2,004</b>	<b>2,203</b>
<i>Of which</i>						
Central government spending	1,629	1,671	1,808	1,885	2,004	2,203
Support for local authorities						
Public corporations						
<i>Of which</i>						
Voted	1,640	1,680	1,707	1,781	1,900	2,100
Non-voted	-11	-10	101	104	104	104
<i>Of which non-cash items in AME</i>						
Depreciation	36	21	18	16	17	17
Cost of capital charges	22	-8	13	13	14	14
Changes in provision and other changes			#	#		

<sup>1</sup> Includes non-cash items (such as capital charges and depreciation) on assets owned by non-departmental public bodies and expenditure by the Construction Industry Training Boards, which is funded from levies.

## Annex F Investment – Analysis of Capital Budget Spending Plans 1998-99 to 2003-04 (£ million)

### Departmental Expenditure Limits (DEL)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Department for Education and Employment</b>						
<b>Request for Resources 1: Giving everyone the chance through education, training and work to realise their full potential and thus build an inclusive and fair society</b>						
Early years and schools	-1	#	-2	-1	-1	-1
Lifelong learning					20	20
Activities to support all objectives	10	10	10	9	9	9
<i>Shown in Estimates as Resource Expenditure outside Departmental Expenditure Limits (DEL)<sup>1</sup></i>						
Early years and schools <sup>2</sup>	320	396	666	1,409	1,512	1,968
Lifelong learning				15	22	22
Activities to support all objectives		2	26	153		
<b>Total Request for Resources 1</b>	<b>330</b>	<b>409</b>	<b>700</b>	<b>1,586</b>	<b>1,563</b>	<b>2,019</b>
<b>Request for Resources 2: Helping people without a job into work through the Employment Service</b>						
Helping people into work	1	4	15	9	9	9
<i>Shown in Estimates as Resource Expenditure outside Departmental Expenditure Limits (DEL)<sup>1</sup></i>						
Helping people into work	2	2	4	4	4	4
<b>Total Request for Resources 2</b>	<b>3</b>	<b>6</b>	<b>19</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>Request for Resources 3: Promoting the physical, intellectual and social development of babies and children through Sure Start</b>						
Early years and schools		#	#	1	1	1
<i>Shown in Estimates as Resource Expenditure outside Departmental Expenditure Limits (DEL)<sup>1</sup></i>						
Early years and schools		2	24	58	163	173
<b>Total Request for Resources 3</b>		<b>2</b>	<b>24</b>	<b>59</b>	<b>164</b>	<b>174</b>
<b>European Regional Development Fund expenditure included within the Department for the Environment, Transport and the Regions' estimate</b>	<b>6</b>	<b>12</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Office of Her Majesty's Chief Inspector of Schools in England</b>						
<b>Request for Resources 1: Improving the quality and standards of education and childcare through independent inspection, regulation and advice</b>						
Administration and inspection	1	1	3	12	1	1
<b>Total Request for Resources 1</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>12</b>	<b>1</b>	<b>1</b>
<b>Non-Voted Expenditure<sup>3</sup></b>						
Early years and schools	391	457	557	576	807	1,042
Lifelong learning	171	228	207	387	475	623
Helping people into work	7	7	7	6	6	6
<b>Total DEL</b>	<b>909</b>	<b>1,123</b>	<b>1,516</b>	<b>2,639</b>	<b>3,030</b>	<b>3,878</b>
<i>Of which</i>						
Central government spending	197	263	297	657	728	884
Support for local authorities	707	855	1,214	1,977	2,297	2,988
Public corporations	6	5	5	5	5	5
<i>Of which</i>						
Voted	340	430	747	1,670	1,742	2,207
Non-voted	570	692	770	969	1,288	1,671

1 Capital grants to the private sector and to local authorities are classified as capital DEL in budgets but are treated as resource expenditure outside of DEL in accounts and estimates.

2 Includes from 2001-02 onwards expenditure on the New Deal for Schools. Expenditure for previous years is shown in the Employment Opportunities Fund section of this Annex.

3 Includes capital expenditure by non-departmental public bodies, which is financed through grants voted as resources outside DEL.

## Annex F Investment – Analysis of Capital Budget Spending Plans 1998-99 to 2003-04 (£ million) *continued*

### Employment Opportunities Fund (EOF)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
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#### Department for Education and Employment

##### Request for Resources 1: Giving everyone the chance through education, training and work to realise their full potential and thus build an inclusive and fair society

Early years and schools<sup>1</sup> 231 234 719

**Total Request for Resources 1 231 234 719**

##### Request for Resources 2: Helping people without a job into work through the Employment Service

Helping people into work # # 6

**Total Request for Resources 2 # # 6**

**Total EOF 231 234 725**

##### *Of which*

Central government spending 231 234 725

Support for local authorities

Public corporations

1 This is New Deal for Schools expenditure that was previously scored in the Welfare to Work aggregate. From 2001-02, expenditure on the New Deal for Schools is in DEL

### Annually Managed Expenditure (AME)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
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#### Non-Voted Expenditure

Levy funded bodies 1 3 1 1 1 1

**Total AME 1 3 1 1 1 1**

##### *Of which*

Central government spending 1 3 1 1 1 1

Support for local authorities

Public corporations

## Annex G Reconciliation of Resource Expenditure between Accounts, Estimates and Budgets 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Department for Education and Employment</b>						
Net Resource Outturn (Estimates)	13,942	14,934	18,756	21,238	23,146	25,102
<i>Adjustments for</i>						
Consolidated Fund Extra Receipts in the operating cost statement	-123	-214	-123	-5		
Net Operating Cost (Accounts)	13,819	14,720	18,633	21,233	23,146	25,102
<i>Adjustments for</i>						
Other Consolidated Fund Extra Receipts <sup>1</sup>	110	203	116	5		
Full resource consumption of non-departmental public bodies <sup>2</sup>	-30	-166	-128	-289	-377	-524
Full resource consumption of public corporations <sup>3</sup>	-2	-2	10	8	8	8
Capital grants to the private sector and local authorities <sup>4</sup>	-561	-651	-1,440	-1,640	-1,703	-2,168
Gains/losses from sale of capital assets	1	1				
European Union income and related adjustments <sup>5</sup>	411	555	526	415	490	487
Unallocated resource provision				30	30	30
Resource Budget Outturn (Budget)	13,750	14,660	17,718	19,761	21,594	22,935
<i>Of which</i>						
Departmental Expenditure Limits (DEL)	13,359	14,126	16,930	18,792	20,579	21,941
Spending in Employment Opportunities Fund (EOF) DEL	256	445	632	787	796	774
Annually Managed Expenditure (AME)	135	89	156	182	219	219
<b>Teachers' Pensions</b>						
Net Resource Outturn (Estimates)	1,598	1,681	1,650	1,700	1,780	1,980
<i>Adjustments for</i>						
Consolidated Fund Extra Receipts in the operating cost statement	-105	-101				
Net Operating Cost (Accounts)	1,494	1,580	1,650	1,700	1,780	1,980
Resource Budget Outturn (Budget)	1,494	1,580	1,650	1,700	1,780	1,980
<i>Of which</i>						
Annually Managed Expenditure (AME)	1,494	1,580	1,650	1,700	1,780	1,980
<b>OFSTED</b>						
Net Resource Outturn (Estimates)	111	88	105	154	199	194
<i>Adjustments for</i>						
Consolidated Fund Extra Receipts in the Operating Costs Statement			-1			
Net Operating Cost (Accounts)	111	88	104	154	199	194
<i>Adjustments for</i>						
Other Consolidated Fund Extra Receipts			1			
Resource Budget Outturn (Budget)	111	88	105	154	199	194
<i>Of which</i>						
Departmental Expenditure Limits (DEL)	110	87	103	151	195	190
Spending in Employment Opportunities Fund (EOF) DEL	0	0	0	0		
Annually Managed Expenditure (AME)	1	1	2	3	4	4
<b>TOTAL RESOURCE BUDGET OUTTURN (BUDGET)</b>						
<i>Of which</i>						
<b>Departmental Expenditure Limits (DEL)</b>	<b>13,469</b>	<b>14,213</b>	<b>17,033</b>	<b>18,944</b>	<b>20,773</b>	<b>22,131</b>
<b>Spending in Employment Opportunities Fund (EOF) DEL</b>	<b>256</b>	<b>445</b>	<b>632</b>	<b>787</b>	<b>796</b>	<b>774</b>
<b>Annually Managed Expenditure (AME)</b>	<b>1,629</b>	<b>1,671</b>	<b>1,808</b>	<b>1,885</b>	<b>2,004</b>	<b>2,203</b>

- 1 This line adds back those consolidated fund extra receipts shown in the Operating Costs Statement which do not form part of the Resource Budget.
- 2 Total grants-in-aid to non-departmental public bodies (including amounts for capital spend) are voted as resources in Estimates and are included in the Operating Costs Statement, but only resource consumption by those bodies scores within the Resource Budget.
- 3 This line reflects the difference between the grant-in-aid to Remploy and its resource consumption.
- 4 Capital grants to the private sector and local authorities are voted as resources in Estimates but score within the Capital Budget.
- 5 Receipts from the European Union to support European Social Fund and European Regional Development Fund initiatives are voted in Estimates but do not score within the Resource Budget.

## Annex H Reconciliation of Capital Expenditure between Accounts, Estimates and Budgets 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Department for Education and Employment</b>						
Net Voted Capital Outturn	-55	1,228	1,779	1,848	1,900	1,829
<i>Adjustments for</i>						
Full capital expenditure by non-departmental public bodies <sup>1</sup>	179	229	217	397	476	623
Full capital expenditure by public corporations <sup>2</sup>	6	5	5	5	5	5
Capital grants to the private sector and local authorities <sup>3</sup>	560	650	1,439	1,640	1,702	2,167
Gains/losses from sale of capital assets	-1	-1				
Local authority credit approvals	385	459	548	567	807	1,042
Levy-funded bodies	1	3	1	1	1	1
Other adjustments <sup>4</sup>	65	-1,214	-1,750	-1,830	-1,861	-1,790
Capital Budget Outturn (Budget)	1,141	1,359	2,239	2,628	3,030	3,878
<i>Of which</i>						
Departmental Expenditure Limits (DEL)	909	1,121	1,513	2,627	3,029	3,877
Spending in Employment Opportunities Fund (EOF) DEL	231	234	725			
Annually Managed Expenditure (AME)	1	3	1	1	1	1
<b>OFSTED</b>						
Net Voted Capital Outturn	1	1	3	12	1	1
Capital Budget Outturn (Budget)	1	1	3	12	1	1
<i>Of which</i>						
Departmental Expenditure Limits (DEL)	1	1	3	12	1	1
Spending in Employment Opportunities Fund (EOF) DEL	0	0	0	0	0	0
Annually Managed Expenditure (AME)	0	0	0	0	0	0
<b>TOTAL CAPITAL BUDGET OUTTURN (BUDGET)</b>						
<i>Of which</i>						
<b>Departmental Expenditure Limits (DEL)</b>	<b>909</b>	<b>1,123</b>	<b>1,516</b>	<b>2,639</b>	<b>3,030</b>	<b>3,878</b>
<b>Spending in Employment Opportunities Fund (EOF) DEL</b>	<b>231</b>	<b>234</b>	<b>725</b>			
<b>Annually Managed Expenditure (AME)</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

1 This is capital invested by non-departmental public bodies, which is financed through grants-in-aid voted as resources in Estimates.

2 This is the capital investment of Remploy.

3 Capital grants to the private sector and local authorities are voted as resources outside of DEL in Estimates. This line picks up those capital grants which form part of the capital budget.

4 Student loans are voted as capital in the Estimates but are not included in the capital budget (the resource implications of issuing the loans are included in the resource budget).

## Annex I (i) Administration Costs within Departmental Expenditure Limits 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Departmental HQ and the Employment Service totals</b>						
Gross administration costs	1,039	1,060	1,139	1,097	1,047	1,044
Related receipts	-19	-35	-41	-32	-32	-32
<b>Net expenditure</b>	<b>1,020</b>	<b>1,025</b>	<b>1,097</b>	<b>1,065</b>	<b>1,015</b>	<b>1,012</b>
<b>Gross controlled administration costs limit<sup>1</sup></b>				<b>1,075</b>		
<i>Of which</i>						
<b>Departmental HQ</b>						
Gross administration costs						
Paybill	154	153	156			
Other	101	115	110			
Total administration costs	255	268	266	270	263	260
Related receipts	8	-6	-8	-8	-8	-8
<b>Net expenditure</b>	<b>263</b>	<b>262</b>	<b>258</b>	<b>263</b>	<b>255</b>	<b>252</b>
<b>Employment Service</b>						
Gross administration costs						
Paybill	485	478	499			
Other	299	314	373			
Total administration costs	784	792	873	827	784	784
Related receipts	-27	-28	-33	-24	-24	-24
<b>Net expenditure</b>	<b>757</b>	<b>763</b>	<b>840</b>	<b>803</b>	<b>760</b>	<b>760</b>
<b>Children's Fund</b>						
Gross administration costs						
Paybill						
Other						
Total administration costs				2	2	2
Related receipts						
<b>Net expenditure</b>				<b>2</b>	<b>2</b>	<b>2</b>
<b>Gross controlled administration costs limit<sup>1</sup></b>				<b>2</b>		
<b>Sure Start</b>						
Gross administration costs						
Paybill	#	1	2			
Other	#	#	#			
Total administration costs	#	1	2	3	4	4
Related receipts						
<b>Net expenditure</b>	<b>#</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>4</b>
<b>Gross controlled administration costs limit<sup>1</sup></b>				<b>3</b>		
<b>OFSTED<sup>2</sup></b>						
Gross administration costs						
Paybill	19	20	4			
Other	12	13	10			
Total administration costs	31	33	14	27	30	30
Related receipts	-1	0	0	0	0	0
<b>Net expenditure</b>	<b>30</b>	<b>33</b>	<b>14</b>	<b>27</b>	<b>30</b>	<b>30</b>
<b>Gross controlled administration costs limit<sup>1</sup></b>				<b>27</b>		

1 The gross controlled administration costs limit is set annually and relates only to the following year.

2 From 2000-01 onwards OFSTED's classification of expenditure was changed and administration costs decreased to reflect this.

## Annex I (ii) Administration Costs within Employment Opportunities Fund 1998-99 to 2003-04 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn	2001-02 plans	2002-03 plans	2003-04 plans
<b>Departmental HQ and the Employment Service</b>						
Gross administration costs	119	125	198	413	508	483
Related receipts	0	0	-1	0	0	0
<b>Net expenditure</b>	<b>119</b>	<b>125</b>	<b>197</b>	<b>413</b>	<b>508</b>	<b>483</b>
<b>Gross controlled administration costs limits<sup>1</sup></b>				<b>413</b>		
<i>Of which</i>						
<b>Departmental HQ</b>						
Gross administration costs						
Paybill	2	3	5			
Other	0	0	0			
Total administration costs	3	3	5	#		
Related receipts			-1			
<b>Net expenditure</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>#</b>		
<b>Employment Service</b>						
Gross administration costs						
Paybill	94	116	139			
Other	22	6	54			
Total administration costs	116	122	193	413	508	483
Related receipts						
<b>Net expenditure</b>	<b>116</b>	<b>122</b>	<b>193</b>	<b>413</b>	<b>508</b>	<b>483</b>

1 The gross controlled administration costs limit is set annually and relates only to the following year.

## Annex J Staff Numbers<sup>1</sup>, 1995-96 to 2003-04

	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 estimated	2001-02 plans	2002-03 plans	2003-04 plans
<b>DfEE</b>									
Permanent staff	6,122	4,977	4,537	4,563	4,751	5,092	5,194	5,090	5,039
Casual staff	406	221	194	312	263	226	231	226	224
<b>Employment Service</b>									
Permanent staff	37,656	31,979	28,707	29,037	29,787	30,731	28,788	25,344	25,344
Casual staff	2,408	4,473	2,224	2,131	2,528	2,558	1,500	750	750
<b>OFSTED</b>									
Permanent staff	479	481	467	460	512	527	1,484	2,109	2,109
Casual staff	32	77	26	25	15	14	10	10	10
<b>Total</b>									
Permanent staff	44,257	37,437	33,711	34,060	35,050	36,350	35,466	32,543	32,492
Casual staff	2,846	4,771	2,444	2,468	2,806	2,798	1,741	986	984
<b>DfEE</b>									
Overtime	50	80	71	74	77	79	80	79	78
<b>Employment Service</b>									
Overtime	150	180	180	210	117	96	95	95	95
<b>OFSTED</b>									
Overtime	3	3	3	3	1	1	2	4	4
<b>Total</b>									
Overtime	203	263	254	287	195	176	177	178	177

1 Civil Service full-time equivalent.

## Annex K DfEE Fixed Assets (£ thousands)<sup>1,2</sup>

	Cost or Valuation Total	Property	Office Capital	Computer Capital	Telecomms	Vehicles	Fixtures/ Fittings
<b>At 1 April 1999</b>	<b>46,283</b>	<b>1,242</b>	<b>21,342</b>	<b>1,848</b>	<b>1,421</b>	<b>5,151</b>	<b>77,287</b>
Additions	190	18	8,668	223	59	1,243	10,401
Disposals	–	–709	–1,755	–247	–286	–	–2,997
Revaluations	–2,327	5	–985	10	–24	24	–3,297
<b>At 31 March 2000</b>	<b>44,146</b>	<b>556</b>	<b>27,270</b>	<b>1,834</b>	<b>1,170</b>	<b>6,418</b>	<b>81,394</b>
<b>Depreciation</b>							
At 1 April 1999	1,128	1,131	10,372	1,414	706	1,580	16,331
Provided in year	1,029	44	5,922	73	99	927	8,094
Disposals	–	–708	–1,755	–227	–176	–	–2,866
Revaluations	–1,047	2	–375	4	–9	11	–1,414
<b>At 31 March 2000</b>	<b>1,110</b>	<b>469</b>	<b>14,164</b>	<b>1,264</b>	<b>620</b>	<b>2,518</b>	<b>20,145</b>
<b>Net book value</b>							
At 1 April 1999	45,155	111	10,970	434	715	3,571	60,956
<b>At 31 March 2000</b>	<b>43,036</b>	<b>87</b>	<b>13,106</b>	<b>570</b>	<b>550</b>	<b>3,900</b>	<b>61,249</b>

1 In previous Departmental reports the fixed assets have been reported on the basis of transactions within the cash financial year. The opening balances have been restated because the 1999-00 schedule has been prepared on an accrual basis.

2 Does not include OFSTED or Employment Service.

## Annex L Departmental Expenditure Limits and Annually Managed Expenditure Cash Plans 1995-96 to 2000-01 (£ million)

### Departmental Expenditure Limits (DEL)

	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn
<b>Current Budget</b>						
<b>Voted expenditure</b>						
<b>Ensuring that all young people reach that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world</b>						
The Department's Headquarters	666	812	1,585	1,096	1,400	3,138
Sure Start				#	4	29
<b>Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need</b>	9,757	10,253	10,226	10,322	10,495	11,003
<b>Helping people without a job into work</b>						
The Department's Headquarters	511	467	391	281	288	380
The Employment Service	1,311	1,167	1,060	1,043	1,052	1,146
<b>Activities to support all objectives</b>	313	299	263	281	282	293
<b>OFSTED</b>	81	121	150	109	87	101
<b>Non-voted expenditure</b>						
Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need	260	330	369	447	593	932
<b>Activities to support all objectives</b>						
<b>Total Current Budget</b>	<b>12,899</b>	<b>13,448</b>	<b>14,043</b>	<b>13,580</b>	<b>14,201</b>	<b>17,022</b>
<b>Capital Budget</b>						
<b>Voted expenditure</b>						
<b>Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world</b>						
The Department's Headquarters	248	263	270	330	393	666
Sure Start					1	21
<b>Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need<sup>1</sup></b>	516	0	1	6	137	207
<b>Helping people without a job into work</b>						
The Department's Headquarters					2	#
The Employment Service	100	90	49	11	29	24
<b>Activities to support all objectives</b>	19	14	13	10	13	35
<b>OFSTED</b>	1	1	1	1	1	3
<b>Non-voted expenditure</b>						
Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need	397	420	400	385	459	548
<b>Total Capital Budget</b>	<b>1,282</b>	<b>787</b>	<b>734</b>	<b>744</b>	<b>1,035</b>	<b>1,504</b>
<b>Total Spending in DEL</b>	<b>14,181</b>	<b>14,235</b>	<b>14,777</b>	<b>14,324</b>	<b>15,236</b>	<b>18,525</b>

1 Includes spending on further and higher education institutions and the European Regional Development Fund. HEFCE and FEFC had the flexibility to augment their capital programmes from recurrent grant-in-aid. From 1996-97 onwards, capital expenditure made available in that way was not recorded separately.

## Annex L Departmental Expenditure Limits and Annually Managed Expenditure Cash Plans 1995-96 to 2000-01 (£ million) *continued*

### Employment Opportunities Fund (EOF)

	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn
<b>Current Budget</b>						
<b>Voted expenditure</b>						
Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world				18	5	2
Developing in everyone a commitment to lifelong learning, so as to enhance their lives, improve their employability in a changing labour market and create the skills that our economy and employers need				5	3	6
Helping people without a job into work						
The Department's Headquarters			7	4	12	22
The Employment Service			30	204	415	600
<b>Total Current Budget</b>			<b>37</b>	<b>230</b>	<b>435</b>	<b>630</b>
<b>Capital Budget</b>						
<b>Voted expenditure</b>						
Ensuring that all young people reach 16 with the skills, attitudes and personal qualities that will give them a secure foundation for lifelong learning, work and citizenship in a rapidly changing world			78	224	211	719
Helping people without a job into work						
The Employment Service			6	12	4	6
<b>Total Capital Budget</b>			<b>84</b>	<b>236</b>	<b>215</b>	<b>725</b>
<b>Total Spending in Employment Opportunities Fund (EOF)</b>			<b>121</b>	<b>466</b>	<b>650</b>	<b>1,355</b>

### Departmental Annually Managed Expenditure (AME)

	1995-96 outturn	1996-97 outturn	1997-98 outturn	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn
<b>Current Budget</b>						
<b>Voted expenditure</b>						
Teachers' superannuation	1,186	1,444	1,844	1,598	1,673	1,650
Helping people without a job into work						
The Employment Service					1	40
<b>Non-voted expenditure</b>						
Levy funded bodies	62	68	71	78	77	87
Teachers' superannuation	#	0	-33	-105	-101	0
<b>Total Current Budget</b>	<b>1,248</b>	<b>1,513</b>	<b>1,882</b>	<b>1,572</b>	<b>1,649</b>	<b>1,777</b>
<b>Capital Budget</b>						
<b>Non-voted expenditure</b>						
Levy funded bodies	2	2	1	1	3	1
<b>Total Capital Budget</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Total Spending in Departmental Annually Managed Expenditure (AME)</b>	<b>1,250</b>	<b>1,514</b>	<b>1,883</b>	<b>1,573</b>	<b>1,653</b>	<b>1,778</b>

## Annex M Departmental Expenditure Limits and Annually Managed Expenditure Cash to Resource Reconciliations 1998-99 to 2000-01 (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn
<b>DEL Current Budget – cash</b>	<b>13,580</b>	<b>14,201</b>	<b>17,022</b>
Timing adjustments	-4	147	6
capital charges on the civil estate	7	9	14
Non-Departmental Public Bodies – scoring adjustments <sup>1</sup>	-122	-140	-20
Public corporations – scoring adjustments			11
Other adjustments	8	-4	
<b>Resource Budget DEL</b>	<b>13,469</b>	<b>14,213</b>	<b>17,033</b>
<b>DEL Capital Budget – cash</b>	<b>744</b>	<b>1,035</b>	<b>1,504</b>
Timing adjustments	-13	-16	1
Non-Departmental Public Bodies – scoring adjustments	178	104	11
<b>Capital Budget DEL</b>	<b>909</b>	<b>1,123</b>	<b>1,516</b>
<b>Total DEL under cash</b>	<b>14,324</b>	<b>15,236</b>	<b>18,525</b>
<b>Total DEL under resource accounting and budgeting (RAB)</b>	<b>14,378</b>	<b>15,335</b>	<b>18,549</b>
<b>AME Current Budget – cash</b>	<b>1,572</b>	<b>1,649</b>	<b>1,777</b>
Timing adjustments	-	8	
<b>Resource Budget Departmental AME</b>	<b>1,572</b>	<b>1,657</b>	<b>1,777</b>
<b>Non-cash items in resource AME</b>	<b>57</b>	<b>13</b>	<b>31</b>
<b>AME Capital Budget – cash</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Capital Budget Departmental AME</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Total AME under cash</b>	<b>1,573</b>	<b>1,653</b>	<b>1,778</b>
<b>Total AME under resource accounting and budgeting (RAB)</b>	<b>1,631</b>	<b>1,674</b>	<b>1,809</b>

1 Under Resource Accounting and Budgeting, expenditure by NDBPs scores within DEL rather than the grants-in-aid paid by the Department. In addition, NDPBs have flexibility to use current grants for capital purposes. The capital spend in resource DEL is therefore higher than that under cash.

## Annex N Administration Costs of Non-Departmental Public Bodies (£ million)

	1998-99 outturn	1999-00 outturn	2000-01 estimated outturn
British Educational Communications and Technology Agency	1.5	1.5	1.5
Disability Rights Commission <sup>1</sup>			12
Equal Opportunities Commission	6.0	7.1	8.6
Funding Agency for Schools <sup>1</sup>	12.5	2.3	
Further Education Funding Council	22.6	25.5	23.5
Higher Education Funding Council for England	9.4	12.4	12.4
Investors in People	6.1	7.2	7.2
Qualifications and Curriculum Authority	25.7	23.7	25.9
Student Loans Company	18.2	31.9	23.1
Teacher Training Agency	4.9	5.9	6.0

1 The Disability Rights Commission started in 2000-01. The Funding Agency for Schools was wound up in 1999-00.

## Annex O Public Appointments to Non-Departmental Public Bodies, 2000

Name	Post	Remuneration	Term	Male or Female
<b>Adult Learning Inspectorate</b>				
Nick Reilly	Chair	To be agreed	4 years	Male
David Sherlock	Chief Inspector	To be agreed	To be agreed	Male
Paulene Collins	Board member	Nil	4 years	Female
David Croll	Board member	Nil	4 years	Male
Anne Limb	Board member	Nil	4 years	Female
Margaret Luck	Board member	Nil	4 years	Female
David Makin	Board member	Nil	4 years	Male
Chris Trinick	Board member	Nil	4 years	Male
Clyde Williams	Board member	Nil	4 years	Male
<b>Construction Industry Training Board</b>				
Roderick Tait	Board member	Nil	5 years	Male
Dermot Gleeson *	Board member	Nil	5 years	Male
Peter Rogerson	Board member	Nil	5 years	Male
<b>Engineering Construction Industry Training Board</b>				
Louise Ferguson	Board member	Nil	5 years	Female
Donald Macgregor	Board member	Nil	5 years	Male
Chris Lloyd-Jones	Board member	Nil	5 years	Male
<b>Equal Opportunities Commission</b>				
Teresa Rees *	Commissioner	£134 per meeting	2 years	Female
Fiona Cannon	Commissioner	£134 per meeting	3 years	Female
Jeannie Drake	Commissioner	£134 per meeting	3 years	Female
Surinder Sharma	Commissioner	£134 per meeting	3 years	Female
Richard Penn *	Commissioner	£134 per meeting	2 years	Male
Teresa Akpeki	Commissioner	£134 per meeting	3 years	Female
Sue Ashtiany	Commissioner	£134 per meeting	3 years	Female
Sylvie Pierce	Commissioner	£134 per meeting	3 years	Female
<b>Further Education Funding Council</b>				
Alexandra Burslem	Council member	£4,000 per year	15 months	Female
Michael Frye	Council member	£4,000 per year	15 months	Male
David Gilchrist	Council member	£4,000 per year	15 months	Male
Sir Nicholas Goodison	Council member	£4,000 per year	1 year	Male
Sian Macdonald	Council member	£4,000 per year	15 months	Female
Leisha Fullick	Council member	£4,000 per year	15 months	Female
Mary Curnock *	Council member	£4,000 per year	15 months	Female
<b>Further Education Funding Council – Regional Committees</b>				
David Dry	Committee member	Nil	1 year	Male
Roger Murray	Committee member	Nil	1 year	Male
George Wiskin	Committee member	Nil	1 year	Male
John Korzeniewski	Committee member	Nil	1 year	Male
Joan Short	Committee member	Nil	1 year	Female
Graham Madeley	Committee member	Nil	1 year	Male
Thomas Clark	Committee member	Nil	1 year	Male
Jean Hardy	Committee member	Nil	1 year	Female
Allan Crease *	Committee member	Nil	13 months	Male
Stuart Almond *	Committee member	Nil	13 months	Male
Christine Peters	Committee member	Nil	1 year	Female
Hazel Harding	Committee member	Nil	1 year	Female
John Moverley	Committee member	Nil	1 year	Male
<b>Higher Education Funding Council for England</b>				
Richard Coldwell	Council member	£4,000	3 years	Male
Peter Scott	Council member	£4,000	3 years	Male
Ron Cooke *	Council member	£4,000	3 years	Male
Caroline Neville *	Council member	£4,000	3 years	Female
Gareth Roberts *	Council member	£4,000	2 years	Male
Dorma Urwin *	Council member	£4,000	2 years	Female
David Potter *	Council member	£4,000	3 years	Male
Barbara Stephens *	Council member	£4,000	1 year	Female

\* Reappointment

## Annex O Public Appointments to Non-Departmental Public Bodies, 2000 *continued*

Name	Post	Remuneration	Term	Male or Female
<b>Investors in People UK</b>				
Garry Hawkes	Board member	Nil	3 years	Male
Amin Rajan	Board member	Nil	3 years	Male
<b>Learning and Skills Council</b>				
Bryan Sanderson	Chair	£40,000 per year	4 years	Male
John Harwood	Chief Executive	£120,000 per year	4 years	Male
Chris Banks	Council member	£8,000 per year	4 years	Male
Chris Humphries	Council member	£4,000 per year	4 years	Male
Imtiaz Farookhi	Council member	£4,000 per year	4 years	Male
Deanne Julius	Council member	£4,000 per year	4 years	Female
Michael Lickiss	Council member	£4,000 per year	4 years	Male
Jane Drabble	Council member	£4,000 per year	4 years	Female
John Monks	Council member	£8,000 per year	4 years	Male
Robert Fryer	Council member	£4,000 per year	4 years	Male
Leisha Fullick	Council member	£4,000 per year	4 years	Female
John Merry	Council member	£4,000 per year	4 years	Male
George Sweeney	Council member	£4,000 per year	4 years	Male
Helen Edwards	Council member	£4,000 per year	4 years	Female
Alexandra Burslem	Council member	£4,000 per year	4 years	Female
Lynne Morris	Council member	£4,000 per year	4 years	Female
<b>Learning and Skills Council – Local Council Chairs</b>				
Norman Boyland	Local Chair	Nil	4 years	Male
Allan Chisholm	Local Chair	Nil	4 years	Male
Robert Douglas	Local Chair	Nil	4 years	Male
Penelope Melville-Brown	Local Chair	Nil	4 years	Female
Thomas Melvin	Local Chair	Nil	4 years	Male
Patrick Upson	Local Chair	Nil	4 years	Male
Marjorie Grant	Local Chair	Nil	4 years	Female
David Middleton	Local Chair	Nil	4 years	Male
Edwin Morgan	Local Chair	Nil	4 years	Male
Ashley Winter	Local Chair	Nil	4 years	Male
Roger Begy	Local Chair	Nil	4 years	Male
John Kirkland	Local Chair	Nil	4 years	Male
Ashwin Mistry	Local Chair	Nil	4 years	Male
Christopher Ripper	Local Chair	Nil	4 years	Male
Duncan Sedgwick	Local Chair	Nil	4 years	Male
James McGivern	Local Chair	Nil	4 years	Male
Geoffrey Loades	Local Chair	Nil	4 years	Male
Michael Malone-Lee	Local Chair	Nil	4 years	Male
Thomas Preston	Local Chair	Nil	4 years	Male
Sarah Brinton	Local Chair	Nil	4 years	Female
Stelio Stefanou	Local Chair	Nil	4 years	Male
Michael Fry	Local Chair	Nil	4 years	Male
Peter Lyne	Local Chair	Nil	4 years	Male
Ken Coello	Local Chair	Nil	4 years	Male
Yvonne Thompson	Local Chair	Nil	4 years	Female
Roy Charles	Local Chair	Nil	4 years	Male
Brian Kemp	Local Chair	Nil	4 years	Male
Bryan McGinty	Local Chair	Nil	4 years	Male
John Simpson	Local Chair	Nil	4 years	Male
Jane Barrie	Local Chair	Nil	4 years	Female
Graham Yates	Local Chair	Nil	4 years	Male
Graham Brown	Local Chair	Nil	4 years	Male
Clive Leach	Local Chair	Nil	4 years	Male
Douglas Liversidge	Local Chair	Nil	4 years	Male
Linda Pollard	Local Chair	Nil	4 years	Female
Robert Smith	Local Chair	Nil	4 years	Male
Luke Borwick	Local Chair	Nil	4 years	Male
John Pinder	Local Chair	Nil	4 years	Male
Ursula Russell	Local Chair	Nil	4 years	Female
Christopher Swan	Local Chair	Nil	4 years	Male
John Towers	Local Chair	Nil	4 years	Male
Anne Williams	Local Chair	Nil	4 years	Female
Robert Cairns	Local Chair	Nil	4 years	Male
Alan Dick	Local Chair	Nil	4 years	Male
Brian Fleet	Local Chair	Nil	4 years	Male
Anthony Goldstone	Local Chair	Nil	4 years	Male
James Michie	Local Chair	Nil	4 years	Male

\* Reappointment

## Annex O Public Appointments to Non-Departmental Public Bodies, 2000 *continued*

Name	Post	Remuneration	Term	Male or Female
<b>National College for School Leadership</b>				
Richard Greenhalgh	Chair	Nil	3 years	Male
Heather Du Quesnay	Director	To be agreed		Female
John Botham	Board member	Nil	2 years	Male
David Hopkins	Board member	Nil	3 years	Male
Yasmin Bevan	Board member	Nil	2 years	Female
Vicki Phillips	Board member	Nil	2 years	Female
Tony Mackay	Board member	Nil	2 years	Male
Michael Stevenson	Board member	Nil	3 years	Male
Keith Ajegbo	Board member	Nil	2 years	Male
Michael Gibbons	Board member	Nil	3 years	Male
Tim Brighouse	Board member	Nil	3 years	Male
Usha Sahni	Board member	Nil	3 years	Female
Tessa Brooks	Board member	Nil	2 years	Female
Richard Thornhill	Board member	Nil	2 years	Male
Toby Salt	Board member	Nil	2 years	Male
<b>National Disability Council</b>				
David Grayson *	Chair	£125 per day	3 months	Male
Bert Massie *	Council member	£125 per day	3 months	Male
Alan Dickson *	Council member	£125 per day	3 months	Male
Philippa Russell *	Council member	£125 per day	3 months	Female
Jenny White *	Council member	£125 per day	3 months	Female
David Jenkins *	Council member	£125 per day	3 months	Male
<b>New Deal Task Force</b>				
Sandy Leitch	Chair	Nil	2 years	Male
Hilary Cropper	Member	Nil	2 years	Female
<b>Qualification and Curriculum Authority</b>				
Ted Wragg *	Board member	Nil	3 years	Male
Anne Duke *	Board member	Nil	3 years	Female
<b>Teacher Training Agency</b>				
Annabelle Guyver	Board member	Nil	3 years	Female
Christopher King	Board member	Nil	3 years	Male
Maggie Semple	Board member	Nil	3 years	Female
Victoria Nye	Board member	Nil	3 years	Female
Barbara MacGilchrist	Board member	Nil	3 years	Female
David Kershaw	Board member	Nil	3 years	Male
Eileen Baker	Board member	Nil		Female
John Cater	Board member	Nil	3 years	Male
Carole Evans	Board member	Nil	3 years	Female
David Reynolds	Board member	Nil	3 years	Male
<b>Work-Life Balance Advisory Committee</b>				
Stephen Alambritis	Committee member	Nil	2 years	Male
Fiona Cannon	Committee member	Nil	2 years	Female
Kay Carberry	Committee member	Nil	2 years	Female
Shirley Conran	Committee member	Nil	1 year	Female
Patricia Corcoran	Committee member	Nil	1 year	Female
Joanna Foster	Committee member	Nil	2 years	Female
William Hutton	Committee member	Nil	1 year	Male
Susan Levett	Committee member	Nil	1 year	Female
Mary Macleod	Committee member	Nil	1 year	Female
Jeremy Miller	Committee member	Nil	1 year	Male
Henry Mills	Committee member	Nil	1 year	Male
Jill Mortimer	Committee member	Nil	2 years	Female
Surinder Sharma	Committee member	Nil	2 years	Male
Pam Walton	Committee member	Nil	2 years	Female
Diana Whitworth	Committee member	Nil	1 year	Female
Sheila Wild	Committee member	Nil	2 years	Female
Enid Rowlands	Committee member	Nil	15 months	Female
Gerda Siann	Committee member	Nil	15 months	Female

\* Reappointment

## Annex P Local Education Authorities' Standard Spending Assessments, Budgeted Expenditure<sup>1</sup> and Outturn<sup>2</sup> (£ million)<sup>3</sup>

LEA Name	1998-99 SSA	1998-99 Budget	1998-99 Outturn	1999-00 SSA	1999-00 Budget	1999-00 Outturn (provisional)	2000-01 SSA	2000-01 Budget	2001-02 SSA (final)
<b>Inner London</b>									
City of London	0.8	2.6	1.8	0.8	1.9	1.8	0.9	1.9	0.9
Camden	83.8	87.3	85.5	87.4	89.7	89.8	92.1	94.5	95.6
Greenwich	120.6	119.8	119.7	126.2	126.8	127.0	132.2	128.2	136.4
Hackney	99.1	101.6	98.9	103.6	102.5	99.4	108.7	95.4	113.4
Hammersmith & Fulham	60.1	66.4	65.0	63.2	68.2	66.0	67.6	67.8	72.2
Islington	88.0	90.0	87.5	91.7	92.0	90.2	97.1	95.6	99.8
Kensington & Chelsea	37.8	50.1	52.3	40.2	52.6	52.8	43.4	51.1	46.0
Lambeth	105.1	107.7	108.4	111.4	115.0	113.1	117.0	117.1	123.6
Lewisham	121.1	120.8	118.7	127.5	127.5	124.3	134.9	134.9	140.1
Southwark	116.9	117.3	120.2	124.2	128.1	127.3	130.4	132.6	138.8
Tower Hamlets	138.1	139.6	135.1	145.6	145.2	140.6	150.5	150.7	157.5
Wandsworth	93.7	95.0	96.5	98.2	97.2	97.4	101.9	95.7	106.2
Westminster	62.9	73.5	74.9	66.8	75.5	74.8	70.8	77.9	74.1
<b>Outer London</b>									
Barking & Dagenham	79.4	81.7	82.2	84.3	86.0	86.1	89.5	89.5	95.5
Barnet	129.0	136.6	134.2	135.9	142.4	140.5	143.0	144.9	151.2
Bexley	100.2	96.9	95.4	105.9	102.2	101.1	112.4	107.4	120.0
Brent	117.8	113.9	115.7	123.1	118.7	118.8	129.5	122.6	135.2
Bromley	118.7	116.6	117.3	125.8	121.8	122.4	133.6	129.1	144.0
Croydon	132.9	135.8	140.1	140.4	141.0	139.1	149.9	149.9	158.7
Ealing	123.0	125.1	119.5	129.4	129.7	127.7	136.7	134.8	144.0
Enfield	131.8	130.8	128.7	139.3	139.1	137.6	147.0	146.7	157.9
Haringey	103.7	104.0	106.6	110.6	110.6	112.6	118.0	118.0	124.8
Harrow	78.0	80.8	80.3	81.1	83.8	83.7	86.2	88.0	90.8
Havering	94.8	97.4	93.3	99.0	98.5	97.0	104.3	102.8	111.3
Hillingdon	102.6	100.5	101.7	107.9	107.0	107.9	115.6	113.4	124.4
Hounslow	102.1	99.4	99.3	107.1	105.1	104.6	112.9	111.6	119.5
Kingston upon Thames	50.9	51.3	51.6	53.4	54.3	54.4	56.0	56.8	59.7
Merton	63.3	63.4	64.5	66.3	63.9	67.1	68.6	68.6	71.1
Newham	146.9	147.2	139.4	156.6	152.1	151.0	167.4	156.4	177.6
Redbridge	110.1	108.9	108.5	118.4	115.1	114.0	125.9	123.5	134.2
Richmond upon Thames	49.9	52.7	53.1	52.5	53.3	54.4	54.5	57.4	57.9
Sutton	74.5	76.1	73.9	78.8	78.6	79.2	83.9	84.3	89.8
Waltham Forest	104.4	106.3	104.7	111.1	110.4	106.6	116.4	117.8	123.3
<b>South East</b>									
Bracknell Forest	39.7	39.5	38.4	41.6	41.6	41.0	43.1	42.5	45.0
Brighton and Hove	78.2	82.7	79.2	82.8	84.1	83.3	88.2	87.9	93.6
Buckinghamshire	183.8	182.8	179.8	193.6	192.2	193.4	204.1	201.6	217.8
East Sussex	164.7	165.8	162.4	174.3	175.9	175.0	185.3	186.8	197.7
Hampshire	423.3	432.7	436.0	446.8	453.0	452.8	470.8	475.7	501.3
Isle of Wight	50.8	51.3	50.5	53.2	53.6	52.8	57.2	57.3	60.9
Kent	525.6	522.1	522.7	553.5	548.5	537.9	588.3	584.8	630.0
Medway	112.4	107.2	107.2	118.0	116.9	117.0	125.8	125.6	133.4
Milton Keynes	88.7	85.0	84.8	92.7	87.3	87.9	97.0	93.4	103.0
Oxfordshire	207.9	201.6	201.0	217.4	214.0	209.8	229.5	228.8	245.9
Portsmouth	69.0	71.2	67.3	72.8	73.9	73.9	77.5	77.8	80.4
Reading	45.6	49.6	48.6	48.0	48.6	53.0	50.4	51.5	52.3
Slough	56.0	51.0	52.0	59.0	57.3	55.7	62.4	60.9	66.2
Southampton	82.7	89.3	83.2	87.4	90.4	89.7	91.4	92.2	95.6
Surrey	338.4	335.7	335.9	358.3	355.5	357.0	379.3	378.3	404.2
West Berkshire (Newbury)	57.6	59.2	56.5	60.9	60.9	61.2	64.8	64.8	68.9
West Sussex	254.6	266.1	262.2	269.2	275.7	276.5	285.1	289.5	305.6
Windsor and Maidenhead	49.0	49.8	48.4	51.1	65.9	51.2	53.9	54.0	57.7
Wokingham	55.7	55.0	53.4	58.5	59.7	60.7	61.4	62.4	65.5

## Annex P Local Education Authorities' Standard Spending Assessments, Budgeted Expenditure<sup>1</sup> and Outturn<sup>2</sup> (£ million)<sup>3</sup> *continued*

LEA Name	1998-99 SSA	1998-99 Budget	1998-99 Outturn	1999-00 SSA	1999-00 Budget	1999-00 Outturn (provisional)	2000-01 SSA	2000-01 Budget	2001-02 SSA (final)
<b>South West</b>									
Bath and NE Somerset	59.2	65.7	63.6	62.3	68.3	68.1	65.5	71.6	68.6
Bournemouth	52.7	54.8	55.5	55.8	57.4	55.9	58.5	60.1	61.3
Bristol	127.8	144.0	141.9	134.2	150.6	146.3	140.7	157.7	145.6
Cornwall	179.4	178.9	180.0	189.8	191.6	189.4	199.6	193.8	207.4
Devon	228.7	229.4	226.2	243.8	242.9	241.9	257.1	257.1	270.3
Dorset	126.5	139.1	140.5	135.3	146.3	148.3	144.0	146.9	151.5
Gloucestershire	202.7	199.1	202.6	214.8	211.4	209.5	226.0	226.0	238.2
Isles of Scilly	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.4
North Somerset	64.6	71.3	69.0	68.0	71.0	72.7	70.9	72.2	74.5
Plymouth City	102.2	102.2	98.6	107.7	107.1	105.7	113.6	113.6	117.2
Poole	46.9	48.6	46.7	50.0	53.5	52.1	51.7	52.3	54.1
Somerset	165.3	175.2	172.1	175.6	185.9	183.0	186.2	191.5	196.9
South Gloucestershire	87.8	95.5	92.6	93.8	99.4	98.5	98.7	103.4	104.3
Swindon (Thamesdown)	67.8	64.8	65.6	73.3	71.2	71.7	77.3	78.5	80.0
Torbay	46.7	45.2	45.8	49.9	49.4	49.0	52.4	52.3	54.7
Wiltshire	149.4	151.9	148.5	159.1	160.7	162.7	168.1	167.6	178.2
<b>East of England</b>									
Bedfordshire	154.0	154.1	153.3	161.0	160.7	159.7	169.8	170.2	180.8
Cambridgeshire	180.2	191.0	186.6	190.9	194.8	192.4	201.2	205.3	211.2
Essex	496.6	501.8	500.3	524.1	523.1	518.2	555.1	554.0	593.3
Hertfordshire	424.2	427.6	420.4	446.5	445.1	441.0	471.4	471.8	501.7
Luton	83.6	86.6	84.0	87.6	91.0	88.5	92.0	92.3	96.5
Norfolk	270.1	281.0	278.4	286.5	291.9	291.8	303.7	307.7	319.8
Peterborough	76.7	75.9	75.4	78.9	80.4	79.6	83.1	81.9	87.4
Southend on Sea	65.2	65.1	63.3	68.9	69.7	67.8	73.4	73.4	78.4
Suffolk	237.0	244.4	245.1	250.3	257.2	252.7	264.8	267.5	277.3
Thurrock	56.8	55.4	54.7	60.5	60.1	58.9	64.0	64.1	67.7
<b>West Midlands</b>									
Birmingham	484.5	520.8	516.2	506.0	546.2	540.2	528.2	554.8	545.1
Coventry	130.5	140.3	138.1	136.1	151.7	148.7	142.0	148.2	146.7
Dudley	114.3	122.7	121.9	120.4	131.4	128.0	125.6	131.0	131.8
Herefordshire	57.2	57.5	57.8	61.1	60.5	60.3	64.6	64.6	68.2
Sandwell	130.0	136.1	136.3	136.0	140.8	139.3	140.7	140.8	145.8
Shropshire	95.4	100.2	99.9	100.8	104.4	105.8	105.4	106.0	111.7
Solihull	82.7	85.3	87.9	88.0	87.0	89.6	92.4	92.8	95.9
Staffordshire	305.8	309.9	307.3	323.1	326.6	314.7	336.8	338.4	349.4
Stoke on Trent	95.9	95.7	95.6	99.5	99.6	99.1	104.2	103.8	107.6
Telford and Wrekin	62.6	58.9	62.4	66.2	65.1	66.0	69.8	69.8	73.5
Walsall	118.2	120.5	122.7	124.6	123.9	127.1	130.3	131.3	134.7
Warwickshire	178.0	189.0	185.9	187.6	193.4	196.4	196.7	203.4	206.6
Wolverhampton	106.5	112.3	111.8	111.9	121.1	120.7	116.8	122.3	120.7
Worcestershire	187.8	187.8	186.1	198.2	196.1	195.2	208.7	209.2	217.5
<b>East Midlands</b>									
Derby City	91.9	90.6	91.1	96.8	95.6	95.3	102.1	101.1	107.4
Derbyshire	257.6	266.2	260.0	272.4	277.8	276.2	288.1	297.7	304.3
Leicester City	129.8	127.3	128.0	134.9	132.0	132.9	139.3	137.5	143.2
Leicestershire	215.3	225.5	225.5	228.2	236.4	237.6	241.0	249.0	255.8
Lincolnshire	236.2	241.9	240.4	250.7	255.7	253.0	265.5	263.9	281.5
North East Lincolnshire	70.1	70.9	69.1	73.0	74.9	72.9	77.3	77.4	80.0
North Lincolnshire	61.9	64.2	64.8	65.0	68.8	66.6	67.8	69.6	70.1
Northamptonshire	243.7	240.6	240.4	257.8	259.6	254.4	271.0	272.9	284.3
Nottingham City	111.1	105.2	114.1	116.7	112.8	114.3	120.8	122.3	123.6
Nottinghamshire	280.5	298.9	297.7	296.0	320.1	292.9	311.5	313.2	325.7
Rutland	11.2	11.4	12.2	11.6	13.0	13.3	12.2	13.6	13.0

## Annex P Local Education Authorities' Standard Spending Assessments, Budgeted Expenditure<sup>1</sup> and Outturn<sup>2</sup> (£ million)<sup>3</sup> *continued*

LEA Name	1998-99 SSA	1998-99 Budget	1998-99 Outturn	1999-00 SSA	1999-00 Budget	1999-00 Outturn (provisional)	2000-01 SSA	2000-01 Budget	2001-02 SSA (final)
<b>Yorkshire &amp; The Humber</b>									
Barnsley	83.3	80.4	80.5	87.4	84.7	83.2	91.4	89.1	94.1
Bradford	225.1	218.7	212.1	233.8	228.9	222.8	244.2	234.1	251.7
Calderdale	83.5	84.5	83.6	88.2	88.9	88.5	93.0	92.8	96.8
Doncaster	130.4	129.8	126.4	136.1	134.7	132.0	141.7	141.0	145.7
East Riding of Yorkshire	114.2	122.1	118.6	121.3	129.1	128.1	128.8	130.6	134.9
Kingston upon Hull	110.0	111.1	107.8	114.8	116.0	112.9	120.8	121.0	123.9
Kirklees	156.6	158.3	159.5	164.3	166.6	164.5	172.6	170.2	178.3
Leeds	278.7	297.0	293.0	292.4	306.6	299.1	306.6	317.5	317.0
North Yorkshire	206.7	219.6	209.9	219.7	232.5	230.5	232.1	241.9	245.0
Rotherham	109.9	105.4	108.0	116.1	113.9	113.2	121.1	121.1	125.2
Sheffield	184.6	184.7	180.2	195.0	195.0	195.8	204.9	205.6	213.9
Wakefield	122.9	123.6	123.0	129.0	129.5	127.9	135.5	135.5	141.0
York	57.1	60.2	62.2	60.3	64.9	64.8	63.4	65.8	66.3
<b>North East</b>									
Darlington	37.6	37.2	37.3	39.7	39.1	39.0	42.1	41.7	43.5
Durham	194.5	205.3	203.9	203.4	214.4	212.6	212.3	218.3	217.9
Gateshead	75.1	80.7	80.8	78.3	81.6	81.3	82.4	85.1	84.6
Hartlepool	40.5	39.7	39.7	42.6	43.0	40.8	45.0	44.9	46.5
Middlesbrough	65.6	61.3	58.8	68.5	65.3	62.2	70.8	67.0	72.1
Newcastle upon Tyne	106.5	123.6	116.0	111.0	121.4	111.3	114.6	111.5	118.0
North Tyneside	74.5	78.2	76.0	77.6	80.4	81.9	81.4	84.2	84.3
Northumberland	123.3	122.7	122.5	129.3	130.2	129.6	134.9	136.8	139.7
Redcar and Cleveland	63.5	63.3	62.9	66.2	66.1	64.8	68.4	68.4	70.0
South Tyneside	65.7	63.9	62.1	68.8	69.3	66.9	71.8	70.6	73.6
Stockton on Tees	77.9	78.7	76.7	82.1	83.6	80.2	85.9	86.9	87.9
Sunderland	123.9	120.9	123.7	129.1	128.6	126.1	133.3	130.4	137.0
<b>North West</b>									
Blackburn with Darwen	68.2	68.5	66.8	70.7	71.2	72.1	73.6	75.4	75.7
Blackpool	49.6	46.1	48.4	52.8	50.7	51.6	57.0	55.0	60.0
Bolton	111.9	113.7	115.9	117.5	119.1	120.1	123.2	123.7	127.4
Bury	67.8	68.8	68.3	71.5	73.0	72.6	75.4	76.0	78.3
Cheshire	250.9	274.6	271.9	263.8	284.9	280.4	276.0	290.2	288.6
Cumbria	186.1	196.3	196.4	195.5	203.6	201.9	205.8	212.4	214.1
Halton	57.0	57.4	55.8	59.4	59.8	58.4	61.6	59.7	63.1
Knowsley	81.5	81.7	77.7	85.2	85.3	80.6	89.0	81.9	90.7
Lancashire	444.8	464.4	464.9	468.5	484.9	485.2	492.6	509.8	510.1
Liverpool	229.9	226.2	218.1	238.3	234.8	229.2	248.4	248.5	252.8
Manchester	198.9	195.6	194.2	207.7	208.3	203.1	216.2	216.5	220.5
Oldham	103.7	105.4	106.6	108.6	112.0	112.4	112.8	113.9	117.0
Rochdale	92.1	91.0	91.9	96.9	98.8	97.0	102.3	102.4	105.5
Salford	91.0	97.0	97.8	95.2	100.0	99.9	98.8	100.5	101.0
Sefton	116.5	120.4	119.4	122.2	126.2	124.7	128.2	131.7	132.0
St Helens	73.7	78.0	75.7	76.5	80.7	79.7	80.4	83.2	83.1
Stockport	99.3	104.2	103.7	104.4	107.0	106.7	110.0	112.3	113.2
Tameside	90.5	91.2	88.0	95.6	94.3	93.6	100.4	100.3	103.8
Trafford	84.9	93.5	93.1	91.1	105.1	104.3	95.8	97.9	98.8
Warrington	74.2	74.8	74.6	78.5	80.5	80.4	82.4	84.2	85.9
Wigan	119.5	126.2	125.6	125.3	131.7	131.4	130.5	135.2	135.0
Wirral	142.4	139.4	138.4	148.7	148.4	146.0	155.5	153.2	160.7
<b>TOTAL</b>	<b>19,383.7</b>	<b>19,809.5</b>	<b>19,647.2</b>	<b>20,414.1</b>	<b>20,802.0</b>	<b>20,578.4</b>	<b>21,478.6</b>	<b>21,627.1</b>	<b>22,508.9</b>

- Budget figures up to 1999-00 are taken from local authorities' latest Revenue Account returns submitted to the Department of the Environment, Transport and the Regions, and for 2000-01, from LEAs s52 Budget statements. They are not comparable with SSAs. The Standard Spending Assessment is a mechanism for distributing resources between local education authorities: SSA figures represent the level of spending which the Government considers appropriate for authorities to spend on education in order to provide a standard level of service, and are not cash amounts. Authorities are free to budget and spend at, above, or below this level.
- Outturn figures for 1998-99 are based on net recurrent expenditure taken from DETR's RO1 forms, and for 1999-00 from LEAs s52 Outturn statements. 1998-99 figures include Annual Maintenance Grant for GM schools.
- Figures differ from those in Table 4.4 in that they exclude expenditure arising from government grants. Estimates of capital expenditure from the revenue account (CERA) have been included in budget and outturn figures.

## Annex Q Maintained Schools: Pupil Numbers, 1995/96 to 2002/03 (thousands)

At January each academic year	1995/96 actual	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 actual	2000/01 projected	2001/02 projected	2002/03 projected
<b>Nursery and primary schools</b>								
Aged under-five <sup>1</sup>								
Total full-time and part-time	917	917	917	919	906	913	931	923
Full-time equivalent <sup>2</sup>	738	738	737	740	730	731	745	736
Aged 5 and over	3,525	3,563	3,592	3,589	3,575	3,545	3,496	3,449
<b>Total nursery and primary (full-time equivalent)</b>	<b>4,263</b>	<b>4,301</b>	<b>4,329</b>	<b>4,329</b>	<b>4,305</b>	<b>4,277</b>	<b>4,241</b>	<b>4,185</b>
<b>Secondary schools</b>								
Under school leaving age	2,730	2,743	2,765	2,814	2,868	2,913	2,949	2,987
Over school leaving age	280	298	307	308	314	320	329	339
<b>Total secondary</b>	<b>3,010</b>	<b>3,042</b>	<b>3,073</b>	<b>3,122</b>	<b>3,182</b>	<b>3,233</b>	<b>3,277</b>	<b>3,325</b>
<b>Special schools</b>								
Total full-time and part-time	93	93	93	93	92	91	90	89
Full-time equivalent <sup>2</sup>	91	92	92	92	91	90	89	88
Pupil referral units	6.9	7.5	7.7	8.3	8.5	9	10	10
<b>Total special schools and pupil referral units</b>	<b>98</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>98</b>
<b>Total pupil numbers (full-time equivalent)</b>	<b>7,372</b>	<b>7,441</b>	<b>7,502</b>	<b>7,550</b>	<b>7,586</b>	<b>7,609</b>	<b>7,617</b>	<b>7,608</b>

1 Age at the beginning of the academic year.

2 For statistical purposes only, pupils who do not attend school both morning and afternoon at least five days a week are regarded as part-time. Each part-time pupil is treated as 0.5 full-time equivalents.

Sources: Annual schools census and DfEE projections.

## Annex R Maintained Schools: Teacher Numbers and Pupil: Teacher Ratios, 1995/96 to 1999/00

As at January	1995/96	1996/97	1997/98	1998/99	1999/00
<b>Teacher Numbers<sup>1</sup> (thousand FTEs)</b>					
Nursery	2	2	2	2	2
Primary <sup>2</sup>	183	182	181	183	184
Secondary <sup>2</sup>	181	182	182	184	185
Special <sup>3</sup>	14	14	14	14	15
<b>Pupil : teacher ratios<sup>4</sup></b>					
Nursery	19.2	18.9	18.6	18.4	18.1
Primary <sup>2</sup>	23.2	23.4	23.7	23.5	23.3
Secondary <sup>2</sup>	16.6	16.7	16.9	17.0	17.2
<b>Overall<sup>2,5</sup></b>	<b>18.5</b>	<b>18.6</b>	<b>18.9</b>	<b>18.8</b>	<b>18.6</b>

1 Includes full-time teachers and the full-time equivalent (FTE) of part-time teachers within schools. Teacher numbers relate to qualified teachers only.

2 Includes grant-maintained schools.

3 Excludes non-maintained special schools.

4 Maintained nursery, primary and secondary schools only. Excludes special schools.

5 Includes all qualified teachers and teachers providing short-term cover, student teachers, instructors and licensed teachers employed by the local education authority and grant-maintained schools.

## Annex S Participation in Education and Training by 16-, 17- and 18-Year-Olds<sup>1</sup>, 1995/96 to 2002/03 (percentage of age group)

	1995/96 actual	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 provisional	2000/01 projected	2001/02 projected	2002/03 projected
<b>Participation in schools and further education only:</b>								
Age 16: Full-time								
Schools	33.8	34.0	34.4	34.5	34.7	34.9	34.8	35.3
Further education	36.5	35.8	35.0	35.3	36.1	37.4	38.8	39.7
Total full-time	70.4	69.7	69.4	69.8	70.9	72.4	73.7	75.0
Part-time: Further education <sup>2</sup>	7.3	7.8	6.7	6.6	6.8	7.0	6.6	6.1
<b>Total age 16</b>	<b>77.7</b>	<b>77.5</b>	<b>76.1</b>	<b>76.3</b>	<b>77.6</b>	<b>79.4</b>	<b>80.2</b>	<b>81.1</b>
Age 17: Full-time								
Schools	26.4	26.4	26.8	27.4	27.7	28.1	28.4	28.6
Further education	31.4	31.0	30.0	30.0	30.1	32.3	34.3	35.7
Total full-time	57.9	57.4	56.9	57.4	57.8	60.3	62.7	64.3
Part-time: Further education <sup>2</sup>	8.9	9.1	8.4	8.4	8.9	8.6	8.0	7.5
<b>Total age 17</b>	<b>66.7</b>	<b>66.5</b>	<b>65.2</b>	<b>65.8</b>	<b>66.7</b>	<b>69.0</b>	<b>70.6</b>	<b>71.8</b>
Age 18: Full-time								
Schools	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2
Further education	16.5	15.4	14.4	14.3	13.9	14.3	15.8	16.9
Total full-time	19.6	18.6	17.5	17.5	17.1	17.5	18.9	20.1
Part-time: Further education <sup>2</sup>	8.9	9.5	8.7	8.9	9.2	9.9	9.2	8.6
<b>Total age 18</b>	<b>28.5</b>	<b>28.1</b>	<b>26.2</b>	<b>26.4</b>	<b>26.3</b>	<b>27.4</b>	<b>28.1</b>	<b>28.7</b>
<b>Participation including students in training and higher education:</b>								
Age 16: Full-time education <sup>3</sup>								
Government-supported training	10.8	9.8	9.5	9.0	8.2	10.4	10.2	
Employer-funded training <sup>4</sup>	3.1	3.6	3.2	3.5	3.2			
Other education and training <sup>4</sup>	4.7	4.8	4.5	4.3	4.8			
<b>Total education and training<sup>5</sup></b>	<b>87.8</b>	<b>86.9</b>	<b>85.8</b>	<b>85.9</b>	<b>86.6</b>			
<b>Government-supported education and training<sup>6</sup></b>	<b>79.2</b>	<b>78.1</b>	<b>76.7</b>	<b>76.7</b>	<b>77.6</b>	<b>83.0</b>	<b>83.5</b>	
<b>Population (thousands)</b>	<b>599.5</b>	<b>618.0</b>	<b>610.0</b>	<b>600.4</b>	<b>609.1</b>	<b>610.0</b>	<b>634.7</b>	<b>633.6</b>
Age 17: Full-time education <sup>3</sup>								
Government-supported training	12.2	11.8	11.1	11.1	11.1	12.2	12.6	
Employer-funded training <sup>4</sup>	4.8	5.8	5.4	5.9	5.6			
Other education and training <sup>4</sup>	5.1	5.1	5.3	5.1	5.6			
<b>Total education and training<sup>5</sup></b>	<b>79.4</b>	<b>79.6</b>	<b>78.5</b>	<b>79.4</b>	<b>80.1</b>			
<b>Government-supported education and training<sup>6</sup></b>	<b>69.9</b>	<b>69.6</b>	<b>68.2</b>	<b>68.8</b>	<b>69.9</b>	<b>75.3</b>	<b>76.9</b>	
<b>Population (thousands)</b>	<b>551.3</b>	<b>601.1</b>	<b>619.7</b>	<b>612.1</b>	<b>605.2</b>	<b>614.4</b>	<b>613.6</b>	<b>638.2</b>
Age 18 Full-time education <sup>3</sup>								
Government-supported training	7.7	8.5	8.4	8.4	8.7	9.7	9.8	
Employer-funded training <sup>4</sup>	7.3	7.9	7.8	8.1	8.2			
Other education and training <sup>4</sup>	6.7	6.8	6.8	6.6	6.9			
<b>Total education and training<sup>5</sup></b>	<b>60.4</b>	<b>60.9</b>	<b>60.2</b>	<b>59.9</b>	<b>60.3</b>			
<b>Government-supported education and training<sup>6</sup></b>	<b>53.5</b>	<b>53.9</b>	<b>52.5</b>	<b>52.2</b>	<b>52.6</b>	<b>56.6</b>	<b>57.3</b>	
<b>Population (thousands)</b>	<b>538.7</b>	<b>553.6</b>	<b>603.5</b>	<b>621.1</b>	<b>617.5</b>	<b>610.9</b>	<b>618.3</b>	<b>617.3</b>

1 Ages at beginning of academic year. The denominators for participation rates are based on population estimates from the Office for National Statistics and projections from the Government Actuary's Department and are subject to minor revision.

2 In publicly funded institutions of further and higher education.

3 **Full-time education** includes study in schools and in publicly funded institutions of further and higher education.

4 In 2000, in order to improve the accuracy of participation rate estimates the methodology for incorporating Labour Force Survey data was revised and applied across the whole series. Consequently the figures for **Employer-funded training** and **Other education and training** differ from last year's series.

5 Sum of the above less a small overlap between **Full-time education** and **Government-supported training**.

6 Education in publicly funded institutions and government-supported training.

Sources: School Census, Further Education Funding Council's individualised student record, Higher Education Statistics Agency, DfEE projections, trainee database and management information system and the Labour Force Survey.

## Annex T Further Education Student and Staff Numbers<sup>1</sup>, 1995/96 to 2002/03

	1995/96 actual	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 provisional	2000/01 projected	2001/02 projected	2002/03 projected
<b>Total students (full-time equivalent) (thousands)</b>								
FEFC-funded courses <sup>2,3</sup>	1,015	1,031	1,013	982	982	1,071	1,142	1,155
Non-FEFC-funded courses <sup>4</sup>	184	199	163	175	175	175	175	175
<b>Total</b>	<b>1,198</b>	<b>1,230</b>	<b>1,176</b>	<b>1,158</b>	<b>1,158</b>	<b>1,246</b>	<b>1,317</b>	<b>1,330</b>
Of which further education in sector colleges <sup>5</sup>	1,023	1,050	1,009	995				
<b>Academic staff (full-time equivalent) (thousands)</b>								
Further education in sector colleges <sup>6</sup>	66.4	63.3	64.6	64.7				
<b>Student : staff ratio</b>								
Further education in sector colleges <sup>5,6</sup>	15.4	16.6	15.6	15.4				

1 All numbers exclude private institutions.

2 Full-time equivalent students funded by the Further Education Funding Council (FEFC) in either further education sector colleges (further and higher education students) or in external institutions, specialist designated institutions and higher education institutions (further education students only). Figures for 1996/97 and 1997/98 have been revised upwards to correct a slight measurement error in previous years.

3 From 1999/00 onwards the figures exclude 18,500 (FTEs) Higher National Diploma and Higher National Certificate students for whom funding has transferred to the Higher Education Funding Council for England.

4 Further education students not funded by the FEFC in further education sector colleges and adult education centres.

5 Excludes external and specialist designated institutions and FEFC-funded higher education.

6 The staff figures for 1998/99 are provisional.

Sources: FEFC's individualised student record and staff individualised record, Higher Education Statistics Agency and DfEE estimates and projections.

## Annex U Higher Education Student<sup>1</sup> and Staff Numbers, 1995/96 to 2002/03

	1995/96 actual	1996/97 actual	1997/98 actual	1998/99 actual	1999/00 estimated outturn	2000/01 projected	2001/02 projected	2002/03 projected
<b>Home domiciled students (thousands)<sup>1</sup></b>	<b>1,346</b>	<b>1,379</b>	<b>1,403</b>	<b>1,419</b>	<b>1,433</b>	<b>1,479</b>	<b>1,527</b>	<b>1,538</b>
of which full-time and sandwich	809	814	835	841	845	858	870	872
of which part-time	537	565	568	579	588	621	656	666
<b>European Union Students (thousands)</b>	<b>63</b>	<b>64</b>	<b>73</b>	<b>78</b>	<b>79</b>	<b>79</b>	<b>80</b>	<b>83</b>
<b>Other overseas students (thousands)</b>	<b>85</b>	<b>91</b>	<b>93</b>	<b>94</b>	<b>98</b>	<b>100</b>	<b>103</b>	<b>106</b>
<b>Great Britain Age Participation Index<sup>2</sup></b>	<b>32%</b>	<b>33%</b>	<b>33%</b>	<b>31%</b>	<b>32%</b>	<b>32-34%</b>	<b>33-35%</b>	<b>33-35%</b>
<b>Total full-time equivalent students (FTEs)<sup>3</sup></b>	<b>1,126</b>	<b>1,151</b>	<b>1,184</b>	<b>1,200</b>	<b>1,211</b>	<b>1,238</b>	<b>1,266</b>	<b>1,277</b>
of which publicly funded by HEFCE <sup>4</sup>	944	942	961	962	995	1,014	1,035	1,045
of which publicly funded by the TTA <sup>5</sup>	58	67	63	60	56	57	59	59
of which ITT students	58	56	53	49	45	46	48	48
<b>Average A level points score of entrants<sup>6</sup></b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>19</b>				
<b>Academic staff in higher education institutions (thousands FTEs)<sup>7</sup></b>	<b>59.7</b>	<b>60.4</b>	<b>59.1</b>	<b>60.6</b>				
<b>Student: staff ratio in higher education institutions<sup>8</sup></b>	<b>16.6</b>	<b>16.9</b>	<b>17.6</b>	<b>17.5</b>				

1 Numbers differ from those published last year due to revisions in the data collected from further education colleges. Open University data have also been revised due to underestimates in data collection.

2 The Age Participation Index (API) is defined as the number of home-domiciled young (aged less than 21) initial entrants to full-time and sandwich undergraduate courses of higher education expressed as a proportion of the averaged 18- to 19-year-old British population.

3 The full-time equivalent (FTE) factor used for all part-time students is 0.35.

4 Figures exclude some professions allied to medicine for which funding responsibility was transferred to the Department of Health from 1998/99. This is set to reach a permanent transfer of 6,700 (FTEs) from 2001/02 onwards. Figures include 18,500 (FTEs) higher education courses in further education colleges for which funding responsibility transferred to Higher Education Funding Council for England in 1999/00.

5 Teacher Training Agency figures include around 10,000 in-service teacher training students from 1996/97.

6 Universities and Colleges Admissions Service entrants only. Scores relate to those obtaining two or more A level passes, subject to a maximum score of 30 points.

7 Figures exclude staff at the Open University and in further education colleges. Figures for academic staff numbers include the research activity of academic staff who are engaged in both teaching and research.

8 The ratios cover HE study in HE institutions only. An estimated number of students on courses organised by higher education institutions but taught by further education colleges under franchise arrangements have been excluded. Student FTEs used in the calculation of SSRs are on a different basis to those appearing in the table.

Source: Higher Education Statistics Agency and Further Education Funding Council individualised student records; Higher Education Statistics Agency staff records; Universities and Colleges Admissions Service.

## Annex V Home and Overseas, Full-Time and Part-Time Students<sup>1</sup> in Higher Education by Type of Institution and Level of Course, 1995/96 to 1999/00 (thousands)

	1995/96 actual		1996/97 actual		1997/98 actual		1998/99 actual		1999/00 provisional	
	full- time	part- time	full- time	part- time	full- time	part- time	full- time	part- time	full- time	part- time
<b>Postgraduate</b>										
Higher Education Institution <sup>2</sup>	110.1	155.9	112.3	149.5	116.5	159.1	121.4	168.3	126.1	175.8
<i>of which Mature</i> <sup>3</sup>	59.2	145.2	62.2	138.8	66.0	148.8	68.7	157.6	70.7	164.6
<b>First Degree</b>										
Higher Education Institutions <sup>2</sup>	694.8	162.8	705.5	161.3	726.7	154.5	730.7	158.1	733.4	163.7
<i>of which Mature</i> <sup>3</sup>	315.5	159.8	313.5	157.6	309.6	150.7	296.5	153.4	285.7	158.1
<b>Other undergraduate</b>										
Higher Education Institutions <sup>2</sup>	93.0	138.9	94.3	159.0	97.4	159.9	99.2	164.9	98.5	163.4
<i>of which Mature</i> <sup>3</sup>	52.1	131.8	54.2	153.1	53.6	153.9	59.8	158.1	56.2	156.2
<b>Total students<sup>3</sup></b>	<b>897.9</b>	<b>457.6</b>	<b>912.1</b>	<b>469.9</b>	<b>940.6</b>	<b>473.6</b>	<b>951.2</b>	<b>491.2</b>	<b>958.0</b>	<b>502.9</b>
<b>Higher Education in further education sector colleges<sup>4</sup></b>										
Postgraduate	0.0	1.0	0.1	1.1	0.2	1.6	0.2	2.9	0.2	2.9
First Degree	3.0	2.7	4.5	4.1	9.7	6.8	11.9	5.2	11.9	5.2
Other undergraduate	26.6	105.5	27.7	114.4	26.8	108.9	25.5	103.3	25.5	103.3
Total,	29.6	109.1	32.2	119.6	36.7	117.3	37.7	111.3	37.7	111.3
<i>of which Mature</i> <sup>3</sup>	14.8	95.4	16.7	105.9	17.8	102.6	18.2	97.1	18.2	97.1
<b>Grand Total</b>										
	<b>927.5</b>	<b>566.8</b>	<b>944.3</b>	<b>589.5</b>	<b>977.4</b>	<b>590.8</b>	<b>988.9</b>	<b>602.5</b>	<b>995.7</b>	<b>614.3</b>
<i>of which Mature</i> <sup>3</sup>	441.7	532.2	446.6	555.4	446.9	556.0	443.2	566.2	430.8	576.0
percentage mature	47.6	93.9	47.3	94.2	45.7	94.1	44.8	94.0	43.3	93.8
<b>Percentage of total students by institution and level of course</b>										
<b>Higher Education Institutions<sup>2</sup></b>										
Postgraduate	12	28	12	25	12	27	12	28	13	29
First Degree	75	29	75	27	74	26	74	26	74	27
Other undergraduate	10	25	10	27	10	27	10	27	10	27
<b>Higher Education in further education sector colleges</b>										
Postgraduate	0	0	0	0	0	0	0	0	0	0
First Degree	0	0	0	1	1	1	1	1	1	1
Other undergraduate	3	19	3	19	3	18	3	17	3	17

1 Students writing up theses and on sabbaticals are not included in the part-time figures.

2 Including the Open University

3 Based on age in the current academic year (rather than in the year of entry); 21 and over for undergraduates, 25 and over for postgraduates.

4 The increase in the proportion of first degree students in further education colleges is due, in part, to improvements in data collection procedures.

Source: Higher Education Statistics Agency and Further Education Funding Council individualised student records.

## Annex W Home First-Degree Graduates from English Institutions<sup>1</sup>, 1995/96 to 1999/00 (thousands)

	1995/96	1996/97	1997/98	1998/99	1999/00 provisional
Medicine and dentistry	4	4	4	4	4
Subjects allied to medicine	9	10	11	13	13
Biological sciences	10	11	12	13	14
Veterinary, agricultural and related sciences	2	2	2	2	2
Physical sciences	11	11	10	10	10
Mathematical sciences	10	10	10	11	12
Architecture and related studies	6	5	5	5	4
Engineering and technology	15	14	13	13	12
<b>Total sciences</b>	<b>63</b>	<b>64</b>	<b>63</b>	<b>67</b>	<b>70</b>
Social sciences	24	24	22	23	25
Business and financial studies	19	19	18	20	21
Librarianship and information science	2	3	2	3	3
Languages and related studies	13	13	13	12	13
Humanities	8	8	8	8	8
Creative arts	14	15	15	16	17
Education	12	11	11	11	9
<b>Total arts</b>	<b>92</b>	<b>92</b>	<b>89</b>	<b>93</b>	<b>96</b>
Multi-disciplinary studies <sup>2,3</sup>	34	33	32	33	32
<b>All subjects</b>	<b>193</b>	<b>194</b>	<b>188</b>	<b>196</b>	<b>198</b>
<b>Projected outcomes of full-time first degree students in the UK<sup>4</sup> (percentage)</b>					
Qualify with a degree	N/a	80	80	N/a	N/a
Qualify with another undergraduate qualification	N/a	2	2	N/a	N/a
No award (non-completion) <sup>5</sup>	N/a	18	17	N/a	N/a

1 Includes all home graduates awarded university, Open University and university-validated degrees.

2 Includes the Open University.

3 From 1995/96 includes around 4,000 graduates from further education sector colleges whose subject of degree is not known.

4 The projected outcomes for a cohort based on the assumption that their patterns of progression will follow those of students currently in the system.

5 A student is assumed to have left with no award if they have been inactive for two years.

Source: Higher Education Statistics Agency and Further Education Funding Council individualised student records. Higher Education Funding Council for England performance indicators.

## Annex X Destination<sup>1</sup> of First-Degree Graduates from Full-Time Courses, 1995/96 to 1998/99 (Percentages)

Academic Year in which course completed	1995/96	1996/97	1997/98	1998/99
Permanent/Temporary UK employment	62	64	65	64
Overseas employment <sup>2</sup>	2	2	2	2
Education and training	20	19	19	20
Overseas graduates leaving UK <sup>3</sup>	1	1	1	1
Not available for employment <sup>4</sup>	6	6	6	7
Believed unemployed	8	7	6	6
<b>Total whose destination was known (thousands)</b>	<b>146</b>	<b>146</b>	<b>148</b>	<b>152</b>
Not known (thousands) <sup>5</sup>	38	41	42	40
<b>Total (thousands)</b>	<b>184</b>	<b>187</b>	<b>190</b>	<b>193</b>

1 Destination in the December following graduation. Excludes Open University students.

2 Home students.

3 For employment or reason not known.

4 Includes graduates having a fixed offer or acceptance of a place on a further education course, involved in portfolio preparation, taking time out, pregnancy/maternity/paternity, age past retirement, ill health and death.

5 Includes overseas students reported as returning overseas (no further data available).

Source: Higher Education Statistics Agency first destination survey.

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## Glossary

Administration costs	The day-to-day costs incurred in administering the Department business.
Aggregate External Finance	The total level of support that the Government provides to local authorities. This support is normally made up of Revenue Support Grant, some specific and special grants and the amount distributed from business rates.
Annual Managed Expenditure (AME)	The element of the public expenditure for which multi-year spending limits are not appropriate, and which is instead subject to annual review.
Appropriation account	A financial statement showing the expenditures and receipts of a government department for a financial year.
Appropriation in aid	Money received by a department which it is authorised to retain and offset against related expenditure in the current financial year.
Best Value	A new efficiency performance regime which requires local authorities to look constantly at new ways to improve the efficiency, quality, and effectiveness of their service delivery.
Better Quality Service (BQS)	A new efficiency performance regime which requires central government departments to constantly look at new ways to improve the efficiency, quality, and effectiveness of their service delivery.
Bill	A draft of an act of Parliament, presented to either the House of Commons or the House of Lords, to vote on. If successful, the bill becomes an Act after Royal Assent.
Capital Modernisation Fund (CMF)	A fund administered by the Treasury from which departments can bid for money to support capital projects aimed at improving the quality of public service delivery.
Cash terms	The amount of money actually spent or planned to be spent regardless of its purchasing power.
Consolidated Fund	The government's "current account", kept by the Treasury at the Bank of England, through which most government payments and receipts are made.
Departmental Expenditure Limits (DEL)	Expenditure which departments can control overall, though some elements may be demand-led.
Early years/foundation stage	Period of learning for children from aged 3 to the end of the school reception year.

Education Standard Spending	The level of funding the Government spends on education. It reflects the broad range of pressures facing the education service, and the scope for making efficiency savings.
Employment Opportunities Fund (EOF)	An interdepartmental fund to support the achievement of the government's welfare to work objectives.
Estimates	A statement of how much money a department needs in a financial year and for what purpose(s).
Exclusion	Pupils may not attend lessons or go on to the school premises for a set period of time, or permanently in the case of expulsion.
Invest to Save	A special fund set up by the Treasury to support projects which promote joined up government.
Key stage	A description and measurement of pupils' progress through school: key stage 1: pupils aged 5 to 7 – year groups 1 to 2 key stage 2: pupils aged 7 to 11 – year groups 3 to 6 key stage 3: pupils aged 11 to 14 – year groups 7 to 9 key stage 4: pupils aged 14 to 16 – year groups 10 to 11
Local education authorities	A local government body responsible for providing education for pupils of school age in a particular area.
National Curriculum	The basic framework setting out what children aged 5 to 16 in state schools should learn.
Non-departmental public bodies (NDPB)	A body which has a role in the processes of government, but is not a government department or part of one. NDPBs accordingly operate at arm's length from government Ministers.
Outturn	Annual cash expenditure.
Private Finance Initiative	An initiative to attract private sector funding for major public sector projects.
Public-private partnership (PPP)	The introduction of private sector funding and expertise into the provision of public services in order to achieve best value for money for taxpayers.
Public service agreement (PSA)	A plan setting out what a department will deliver, in the form of measurable targets, over the public expenditure review period, in return for its agreed spending.
Real terms	Expenditure measured against a standard of constant value, making allowance for changes in purchasing power as a result of inflation.

Resource accounting and budgeting (RAB)	Introduces generally accepted accounting practice into government accounting. The main changes are the adoption of accruals accounting for all departmental expenditure and the inclusion of depreciation and cost-of-capital charges in departmental budgets.
Revenue Support Grant	A Government grant to make up the shortfall between a local authority's SSA and the amount it would receive from Council Tax for Standard Spending and redistributed business rates.
Service delivery agreement (SDA)	Sets out the more detailed outputs that departments will need to focus on to achieve their objectives, and the modernisation processes they will go through to improve the productivity of their operations.
Special education needs (SEN)	A child is defined as having Special Educational Needs if he or she has a learning difficulty which needs special teaching. A learning difficulty means that the child has significantly greater difficulty in learning than most children of the same age.
Spending review	This sets DELs and plans AME for the following three years. It replaces the annual public expenditure survey and is held at less frequent intervals. The first was the Comprehensive Spending Review in 1998, and the second reported in summer 2000.
Standard Spending Assessment (SSA)	The Government calculates a Standard Spending Assessment in order to work out each local authority's share of the Total Standard Spending. The SSA takes account of the population, social structure and other characteristics of each authority.
Statutory instrument	Regulation made by a minister under the authority of an earlier 'enabling' act of Parliament. It is an example of delegated legislation.
Total Standard Spending	The amount of spending by local government as a whole that the Government is prepared to support through grants.
Vote	The amount of money approved by Parliament to cover departmental expenditure.

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