Training and Development Agency for Schools

Annual Report and Accounts 2010–11

tda

developing people, improving young lives

Training and Development Agency for Schools Annual Report and Accounts for 2010–11

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Introduction from the Chair

Last year's change of Government brought about a renewed focus for the Training and Development Agency for Schools (TDA) (the Agency) on our core expertise around teachers and teaching, in line with the thrust of the schools White Paper, *The Importance of Teaching*. We have worked closely with the new administration on measures to improve the quality of teachers, highlighting the increased reputation of teaching, including helping schools see the professional development of their teachers as integral to school improvement.

For the second successive year, the Agency has met the Government's defined recruitment targets, recruiting nearly 38,000 new entrants onto initial teacher training (ITT) courses for 2010 entry. We are particularly proud to have achieved our targets for priority subjects, including recruiting approximately 3,500 new entrants onto science ITT courses. We also successfully recruited a record 650 new entrants onto physics and around 980 onto chemistry ITT courses.

Our work with the National College for Leadership of Schools and Children's Services (the National College) is an example of our concerted effort to work across the wider education family. We collaborated to develop proposals for a new designation of schools to support the leadership of clusters and to lead on the provision of effective ITT, professional development and school-to-school support. The new teaching schools, announced in the schools White Paper, build on the strengths and expertise developed by the current training and teaching schools, and will bring coherence to the current system. The goal is to develop a school-led, collaborative system focused on improving teacher quality by providing teacher development from ITT, through continuing professional development (CPD), to leadership. These schools will have a key role to play in any expansion of school-centred ITT as the Government's ITT strategy develops.

This year also saw the completion of the final stage of our relocation programme as we moved from the Agency's temporary accommodation in City Tower, Manchester, to our new offices in Piccadilly Gate in August 2010. The move went well, with 95 per cent of staff agreeing that they had been well informed throughout the process and had experienced no interruption to business continuity.

It was with sadness that as part of this relocation we said goodbye to members of the Agency's Senior Leadership Team, including two Executive Directors, Hilary Emery and Leanne Hedden, and Graham Holley, our Chief Executive of six years. We were, however, pleased to welcome Stephen Hillier as Graham Holley's successor. Stephen joined the Agency in early May from the Government Office for the East Midlands and will play a crucial role in steering the Agency through the challenging year ahead.

As an outcome of the new Government's review of arm's-length bodies, the schools White Paper announced that the responsibilities of the TDA and other arm's-length bodies would be transferred to the Department for Education. On 1 April 2012, one of four new Department for Education executive agencies will be formed. The new executive agency will be responsible for ensuring the supply of high-quality teachers and training, and for teacher regulation. The Agency may also fulfil sector body responsibilities with regard to school staff that support teaching and learning.

Throughout this transition year we will remain committed to maintaining the high standard of service and support that we provide to our stakeholders, while continuing to carry the good work of the TDA effectively into the new executive agency. We will continue to work closely with the Government on all areas of our remit, with a focus on continuing to improve the quality and efficiency of all routes into the teaching profession, supporting the Department in implementing the principles of *The Importance of Teaching*.

With our experience, track record and commitment, and the support of the dedicated and hard-working staff at the Agency, we aim to make England's school workforce truly world class.

Christopher Baker MBE

Christopher Baker

The Board members

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Chief Executive, The Kemnal Academies Trust

Christopher Baker MBE

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Corporate Director, Children and Young People's Services, London Borough of Hackney

PERFORMANCE REVIEW

Priority 1 – Getting enough of the right people to become teachers of sufficient quality and diversity, with a continued focus on recruitment for mathematics, physics and chemistry

Initial teacher training recruitment

For entry to initial teacher training (ITT) for September 2010 we were set subject-specific and overall targets by the Department for Education (the Department). We are pleased to announce that, for the second year in succession, all targets have been met in secondary education.

The Agency has seen a strong performance in recruitment for physics and chemistry over the last two years. This year saw a record 650 entrants to physics ITT, 16 per cent more than last year, and a 2 per cent rise in chemistry ITT, with around 980 new entrants. This is partly due to the success of the Agency's marketing campaign and interventions put in place to encourage both providers and applicants to choose these subjects. We will continue to expand this portfolio of support into the new recruitment cycle.

Subject knowledge enhancement

The subject knowledge enhancement (SKE) scheme provides applicants to ITT with the subject knowledge they need to teach. Our evaluation has highlighted the scheme's success in raising both candidate confidence and subject knowledge, and has attracted a higher quality of applicant through the SKE scheme than through ITT alone.

The scheme has had a particular impact on recruitment to priority subjects: mathematics, physics and chemistry. This year a third of physics ITT entrants came through the SKE route. In academic year 2009/10 there were 1,251 trainees on mathematics, 592 trainees on physics, and 504 trainees on chemistry SKE courses. For 2010/11 we allocated 1,637 places for mathematics SKE.

Transition to Teaching

Transition to Teaching is a programme for those with degrees in mathematics, science or information and communications technology (ICT) seeking a change of career to teaching.

The programme has continued to run successfully with 1,458 supporting organisations. The initiative currently has 1,104 active participants, 227 who are either on, or have secured a place on, an ITT course. All applicants are potential teachers of science, technology, engineering and mathematics (STEM).

Career exploration

A range of opportunities was offered to those interested in exploring the idea of teaching as a career. During 2009/10, 1,506 enquirers attended one-day school observation visits; 57 per cent of these were interested in teaching a priority subject – mathematics, science, design and technology (D&T), ICT, music, modern languages or religious education.

The Agency held 158 three-day taster courses for enquirers thinking of applying to teach in the next 6 to 12 months. Of the 2,599 people who took part in these taster courses, 59 per cent were interested in teaching a priority subject and 23 per cent were men interested in primary teaching.

We registered 7,795 university students on three-week in-school placements as part of the Student Associates Scheme (SAS). In 2009/10, 45 per cent of the placements were in mathematics, physics or chemistry and 61 per cent in STEM subjects. A survey of participants indicated that 58 per cent already had a place on an ITT programme, or were intending to apply for one in the future.

Our regional careers advisers delivered impartial advice and guidance to 6,345 graduate career changers. From this, 50.4 per cent were interested in teaching a priority subject. Ninety-eight per cent of enquirers who returned customer satisfaction surveys rated the service as 'good' or 'excellent'.

Return to Teaching

The Agency's Return to Teaching programme (RTT) provides support and guidance to both primary and secondary teachers who wish to return to the profession. This year the programme also aimed to contribute to the supply of STEM teachers to reflect the demand for these subjects within schools.

This year, 1,130 former teachers took up an RTT course to help improve their confidence and update their knowledge and skills. Of these, 329 had a STEM background.

Initial teacher training allocations

The Agency has continued to focus training supply on high-quality provision and this is reflected in the targets set by the Department on the number of entrants allowed on our ITT programmes. Targets received and allocations set for academic year 2011/12 showed a 6 per cent increase in our targets for primary entrants, which reflected demographic changes. Our market intelligence helped us to identify particular areas where extra training places were required.

As expected, the scale of provision for secondary subjects presents a challenge. With falling numbers of secondary pupils and higher teacher retention in schools, the secondary targets were reduced. Although the total number of secondary places available has been reduced by 14 per cent, there are significant variations between secondary subjects, from a 5 per cent rise in modern languages, to a 43 per cent cut in business studies.

Mathematics, physics and chemistry continue to be high-priority subjects. Science cohorts were allocated by subject-specific specialism to emphasise the importance of physics and chemistry.

The quality of provision continues to be key in determining the allocation of places, with 'very good' providers (as defined by Ofsted inspection) retaining a greater proportion of places in an environment where all providers offering secondary provision have been allocated fewer places. To align allocations with targets we utilised recruitment, retention and employment data to distribute places productively.

Non-cognitive assessment

This year the Agency has developed and piloted a non-cognitive assessment with a range of providers. It is proposed that ITT providers will be able to use this tool to help them find out more about the qualities, skills and aptitudes of potential ITT applicants. The non-cognitive assessment takes place after successful completion of the skills test and uses a series of on-screen questions, exploring areas such as resilience, organisation and impression management.

Newly qualified teacher survey

As in previous years, from February to May the Agency led a survey of newly qualified teachers (NQTs) who had successfully completed their ITT in England during 2009/10.

In the primary sector, 84 per cent of primary trained NQTs gave a 'very good' or 'good' rating when asked about the overall quality of their training; this was one percentage point below the ratings of the previous year's NQTs. This has prompted a significant amount of additional input from the Agency in supporting providers to identify and tackle issues, and to share best practice.

In the secondary sector, 87 per cent of secondary trained NQTs rated the overall quality of their training as 'very good' or 'good'. NQTs' preparation to teach learners of different abilities, and their preparation for teachers' statutory responsibility for the welfare and safeguarding of children and young people, were rated higher than in the previous year.

Initial teacher training review

The Agency submitted evidence and briefings on ITT to the new Government. This work supplemented face-to-face meetings with Ministers. A range of proposals was considered and the Government set out its plans in the schools White Paper, *The Importance of Teaching*.

Marketing campaign

The Agency has adopted a number of different approaches to promoting teaching as a rewarding career for high-quality candidates.

A government-wide marketing freeze was introduced in June 2010. Exemption from the freeze was secured to run a pared-down recruitment campaign for the period from October 2010 to March 2011. The budget of £1.8m approved for this work has been focused on digital marketing activity, customer relationship marketing and a programme of face-to-face activities, including student fairs.

We continued our successful Train to Teach events in spring 2011. In the light of constraints on expenditure we ran the scaled-down events with considerably reduced costs, yet maintained a quality experience for attendees. The events attracted 7,361 potential candidates across the three locations (Birmingham, London and Manchester), a 2 per cent reduction on last year's attendee figures.

Our marketing complements the work undertaken by the Agency, and the creative and innovative response to the challenges faced are demonstrated by our low-cost, no-cost marketing strategy which has set a good example to other government marketers. We continue to work with the Central Office of Information and the Cabinet Office.

In November 2010 the Agency received three awards for the effectiveness of its ITT recruitment advertising campaign. Judged and awarded by the Institute of Practitioners in Advertising, we secured a gold award for our teacher recruitment campaign, alongside brands such as Hovis, O_2 and Sainsbury's and ahead of brands such as Barclaycard, Cadbury and Audi. We also won two special category awards: 'Best multi-channel' and 'The Channon prize for best new learning'. These are major awards from a leading industry body and are a tribute to the skill and expertise in the Agency.

Priority 2 – Continuing improvements in the quality and relevance of initial teacher training

Qualified teacher status support

We publish case studies that promote outstanding trainee achievement in the qualified teacher status (QTS) standards and outstanding ITT provision. The case studies complement the existing guidance on the QTS standards and ITT requirements, and support training providers in the design and delivery of ITT.

The Agency developed and submitted proposals to the Department for an assessment-only route to QTS. We also provided evidence to the Government's reviews of the Early Years Foundation Stage and the criminal records system, and to the Education Select Committee on behaviour and discipline in schools.

The overall quality of initial teacher training

For the first time we have inspection evidence on the quality of employment-based initial teacher training (EBITT) providers – previous reports were ungraded. While outcomes were good across the sector in 2009/10, Ofsted reported that there was more outstanding initial teacher education delivered by higher education-led partnerships than by school-centred ITT partnerships and employment-based routes.

Languages in training

In November 2010, the Secretary of State for Education proposed a new English baccalaureate at the end of key stage 4. This new qualification would be an aggregation of five GCSEs in English, maths, science, a humanities subject and an ancient or modern language. The introduction of this proposal will lead to a significant increase in demand for language teachers in England. The Agency is working with the Department to develop a marketing and recruitment strategy to encourage more people to become language teachers, in order to mitigate the risk of a potential shortfall in the number of teachers required to deliver the policy.

We have also worked with the Department to address the issues raised in the Ofsted language report *Modern Languages: Achievement and challenge 2007–2010* published in January 2011. Our approach is to help schools and ITT providers to work together to support improved attainment in languages at key stage 3 and key stage 4.

This year, 900 specialist languages primary trainees and 50 secondary trainees participated in an exchange programme with teacher education institutions across Europe. Research and consultations were carried out on the provision of training for English as an additional language. The outcomes have been provided to the Department to inform policy decisions.

Teach First

Teach First is an increasingly attractive route to QTS. It attracts high-performing graduates who would not otherwise consider teaching in challenging schools. The Agency supports and funds Teach First. As an independent charitable organisation, its training partners attract increasing numbers of participants and provide them with an innovative, high-quality training programme. This year, 560 participants attended the Teach First Summer Institute to prepare for entering the classroom in September 2010, compared with 485 the previous year. A further expansion of the Teach First programme over the next three years has been agreed, with the aim of doubling the entrants to 1,140. We have started to work more closely with Teach First to align our strategies for attracting and training high-quality graduates, particularly for mathematics, physics and chemistry.

The accelerated route to qualified teacher status

We piloted a two-term route to QTS with the Institute of Education. The route aimed to recruit high-calibre career changers into teaching priority subjects. We conducted an independent evaluation of the accelerated route and found that the tailored nature of the course and the appeal of training alongside peers attracted high-quality and often highly experienced trainees. The findings of the evaluation informed the broader review of ITT currently under way.

The use of systematic synthetic phonics in the teaching of reading and writing

The Agency shares the Government's aim that no child capable of learning to read should leave primary education without a secure level of literacy. We agree that, to achieve this, all new primary teachers should be secure in their grasp of phonics teaching.

There has been some improvement in this aspect of ITT with the proportion of NQTs rating this part of their initial training as 'good' or 'very good', rising from 38 per cent in 2007 to 51 per cent in 2010. However, satisfaction with this element of training falls substantially behind satisfaction with many other elements.

We have therefore implemented a strategy to achieve swift and significant improvement. Working with the National Strategies we have ensured that ITT providers are clear about the requirement for systematic synthetic phonics in the teaching of early reading. The strategy helps providers to respond quickly to indications of poor provision and to work with the sector to secure consistently high-quality provision of systematic synthetic phonics training and assessment in ITT.

Alongside this we have been gathering the views of the cohort that achieved QTS in 2010, and the views of their schools on their ITT, and developing a more detailed understanding of NQTs' views on this aspect of their training. This information will strengthen our evidence base to inform continued improvements.

Technology in learning and teaching

We continue to work with our key partners on e-safety. Developments will include further support for the training of ITT tutors in e-safety. We are working with Childnet International to develop and host an online e-safety support and guidance resource for ITT and NQTs. Childnet will be providing up-to-date information on e-safety, case studies, a checklist of dos and don'ts, and clear signposts to high-quality resources for the classroom.

Science, technology, engineering and mathematics mentoring

The Learning Skills Network delivered courses on STEM for the Agency. The courses provide mentoring and support for teachers of science and mathematics to the end of their second year of teaching, aim to improve long-term retention of STEM teachers and support our recruitment to priority subjects.

We met the initial target with 600 mentees being recruited by 2009/10 and an additional 200 mentees in 2011.

Science Additional Specialism and Mathematics Development for Teachers programmes

These programmes help serving teachers to develop their subject knowledge. The Agency worked with the science and mathematics communities – including the National Centre for Excellence in the Teaching of Mathematics, the Institute of Physics and the Royal Society of Chemistry – to develop courses for non-specialist teachers of physics, chemistry or mathematics to teach these subjects, primarily at key stages 3 and 4. We have exceeded the recruitment target of 200 places for the science course for 2010/11, with 234 teachers starting the programme in July 2010. Though we did not achieve the target for the mathematics programme, we did recruit 180 participants, which was the highest since it was initiated.

Independent evaluation shows the positive impact of the programme on participating teachers and the quality of their teaching.

Special educational needs

There has been considerable activity this year to support and improve provision in special educational needs (SEN) in both ITT and continuing professional development (CPD).

We have a series of training resources available on our website to support providers. SEN training resources have been embedded by ITT providers over the past year, and 82 per cent of providers are currently signed up to an SEN network.

ITT SEN induction training resources were disseminated at an induction coordinators conference in May 2010 and are now being used by local authority induction coordinators and NQTs.

There are 190 teachers of children with sensory impairment undergoing the two-year mandatory qualification. SEN coordinators (SENCOs) have to undertake a mandatory qualification, the National Award for SEN Coordination. In 2009/10, 2,243 entrants began training, with a further 3,886 in 2010/11.

In July 2010 we awarded contracts to 30 providers to train 2,400 teachers as specialist dyslexia teachers.

As commissioned by the Department, we are continuing to develop advanced training resources in five areas of SEN in response to the recommendations of the Lamb report (*Special Educational Needs and Parental Confidence*, 2009). Recommendations in the Salt report (*Independent Review of Teacher Supply for Pupils with Severe, Profound and Multiple Learning Difficulties*, 2010) led us to develop further specialist training modules. Contracts for developing both sets of these resources, which will include a six-month pilot, were awarded in April 2011.

The teacher training resource bank, Multiverse and Behaviour4Learning

In 2004 we established resource networks to support the quality of ITT, ensuring that tutors and trainers are informed by practice, knowledge and research evidence. Resources from the teacher training resource bank, Multiverse and Behaviour4Learning continue to be a valuable asset. They have been made freely available to the Department and to the education sector under the Open Government Licence.

Priority 3 – Developing and reviewing the framework of qualifications and professional and national occupational standards for the whole school workforce

Professional and occupational standards support the Government's priority policy of improving the quality of the school workforce through their use in performance management and professional development, and in supporting overall school improvement.

Professional standards and the quality of teaching

Research into the use of professional standards has shown that the standards are widely understood and applied by schools. The most recent figures, in November 2010, show that 75 per cent of schools are using the standards to support and monitor the quality of teaching, with 76 per cent of teachers personally using them. Eighty-six per cent of senior leaders surveyed reported that they are using the professional standards as part of performance management discussions with teachers; 71 per cent were also using the standards to identify and plan teachers' CPD requirements.

On 11 March 2011, the Secretary of State announced a review of teacher standards. The review aims to develop the standards to secure an even greater impact on quality, in line with the priorities set out in the 2010 schools White Paper. We are continuing to work closely with the Department in supporting the work of the independent review group led by Sally Coates, Principal of Burlington Danes Academy, London.

Developing the staff who support teaching and learning and the wider workforce

The Agency is the recognised sector body for school support staff, representing the needs of about 400,000 people in the school workforce. We develop and maintain the national occupational standards supporting teaching and learning in schools, vocational qualifications, professional standards for higher level teaching assistants and Apprenticeship frameworks.

The Agency continued to support the assessment of higher level teaching assistants, and there are now almost 36,000 people who have been awarded this status.

The Agency will continue to keep the Apprenticeship frameworks for school support staff under review. There were 618 supporting teaching and learning Apprenticeships certificated by the Agency during 2010–11, a significant increase on the previous business year.

We have established an endorsement process for universities that provide programmes for the school support workforce. They are providing a range of programmes, including foundation degree and Bachelor of Arts qualifications, and links with employers.

Priority 4 – Promoting a learning culture in schools through the implementation of the Professional Development Strategy of the children's workforce in schools

Our work with schools, clusters of schools, national partners and local authorities has supported the development of a professional learning culture. We have worked with the Department to provide strategic advice on the structures and processes that will help the school system to become self-improving.

Training and teaching schools

We support existing training schools as centres of innovation and excellence in the initial training of teachers and the provision of professional development for the whole school workforce. Each school carries out an annual review, evaluating progress against eight key performance indicators.

They provide mentor training, coaching, professional development and leadership training to their own staff, their partner schools, their local authorities, and partner higher education institutions (HEIs). They offer innovative approaches to ITT, such as training whole cohorts on the Graduate Teacher Programme and postgraduate certificate in education programmes, establishing their own school-centred initial teacher training (SCITT) and EBITT provision, and supporting Teach First. Annually, around 7,200 trainees gain their training experience in these schools.

We are now working with the National College for Leadership of Schools and Children's Services (the National College) to develop proposals for a new designation of schools to support the leadership of clusters and to lead on the provision of effective ITT, professional development and school-to-school support. The new teaching schools, announced in the schools White Paper, build on the strengths and expertise developed by the current training and teaching schools, and will bring coherence to the current system. The goal is to develop a school-led, collaborative system focused on improving teacher quality by providing teacher development from ITT, through CPD, to leadership. These schools are likely to have a key role to play in the expansion of school-centred ITT.

We are currently working with 260 school partnerships to support the management of strategic leadership of collaborative approaches to CPD and school-led improvement. Over 3,000 schools across all phases and regions are currently working in this project, using a self-assessment framework to identify local and national priority areas on which to focus shared activities.

Building on research by the National College, guidance to help secondary schools raise levels of attainment by learning from the in-school variations in pupil attainment has been developed in partnership with schools.

The Agency's national training and development programme for CPD leadership is delivered in partnership with the National College, as part of its leadership pathways programme. By the end of this year, over 900 candidates will have participated.

Continuing professional development leadership

The Agency has helped to build CPD leadership capacity across the system. CPD leaders in schools have access to support through local networks and some 500 CPD champions who are trained to support high-quality CPD and are based across most regions. CPD quality marks have been developed in many local authorities to embed the quality and capacity of CPD and its leadership in schools.

In 2009 we established a national CPD database to ensure that teachers and support staff have access to information about professional development.

Training in vocational learning/14–19 workforce development

We have continued to work closely with the Department and with the further education sector, the Learning and Skills Improvement Service and Lifelong Learning UK. From this engagement we have refocused our work on vocational learning and are currently reviewing cross-sector approaches to ITT and CPD that actively support its delivery.

The Agency contributed evidence to the Wolf Review of Vocational Education, paying particular attention to teacher training and CPD requirements for new approaches to vocational learning, the status of further education teaching qualifications and the role of information, advice and guidance.

We have worked with the Department to explore the recommendations of the Careers Profession Task Force report (*Towards a Strong Careers Profession*, 2010) and of the Gatsby *STEM Careers Review* (2010) for teachers and schools. Both reports identified initial and in-service training needs for school teachers, and a role for the Agency in helping schools identify and share examples of good practice, considering the scope of the Agency's involvement.

Priority 5 – Improving teaching and learning through the development of a masters-level profession

Masters in teaching and learning

The masters in teaching and learning (MTL) forms part of the portfolio of masters-level qualifications in over 40 universities that have validated this qualification. Feedback from participating teachers and providers suggests that the programme is improving teachers' classroom practice. The programme builds progressively on ITT to develop teachers' subject, practice and professional knowledge, as well as their skills and understanding.

In 2010 the MTL was offered as a fully-funded programme to NQTs in schools in the North West Government Office region, to NQTs and heads of department in schools facing challenging circumstances, and to National Challenge schools in all Government Office regions. During this period, over 2,000 eligible teachers enrolled on the MTL, and over 1,500 school-based coaches were trained to support colleagues on the MTL programme.

Following the Government's decision that Agency funding for this qualification should be withdrawn, we continued to work closely with individual HEIs, as well as the nine regional masters in teaching and learning (MTL) consortia, to ensure the continued provision of trained MTL in-school coaches. We worked in partnership with university tutors to support the MTL participants.

Priority 6 – Improving the deployment and remodelling of the workforce in schools

School business management

School business managers (SBMs) provide organisational support for headteachers and make a direct contribution to improving the effectiveness of their schools and leadership teams. We have worked closely with the National College to promote the role of SBMs.

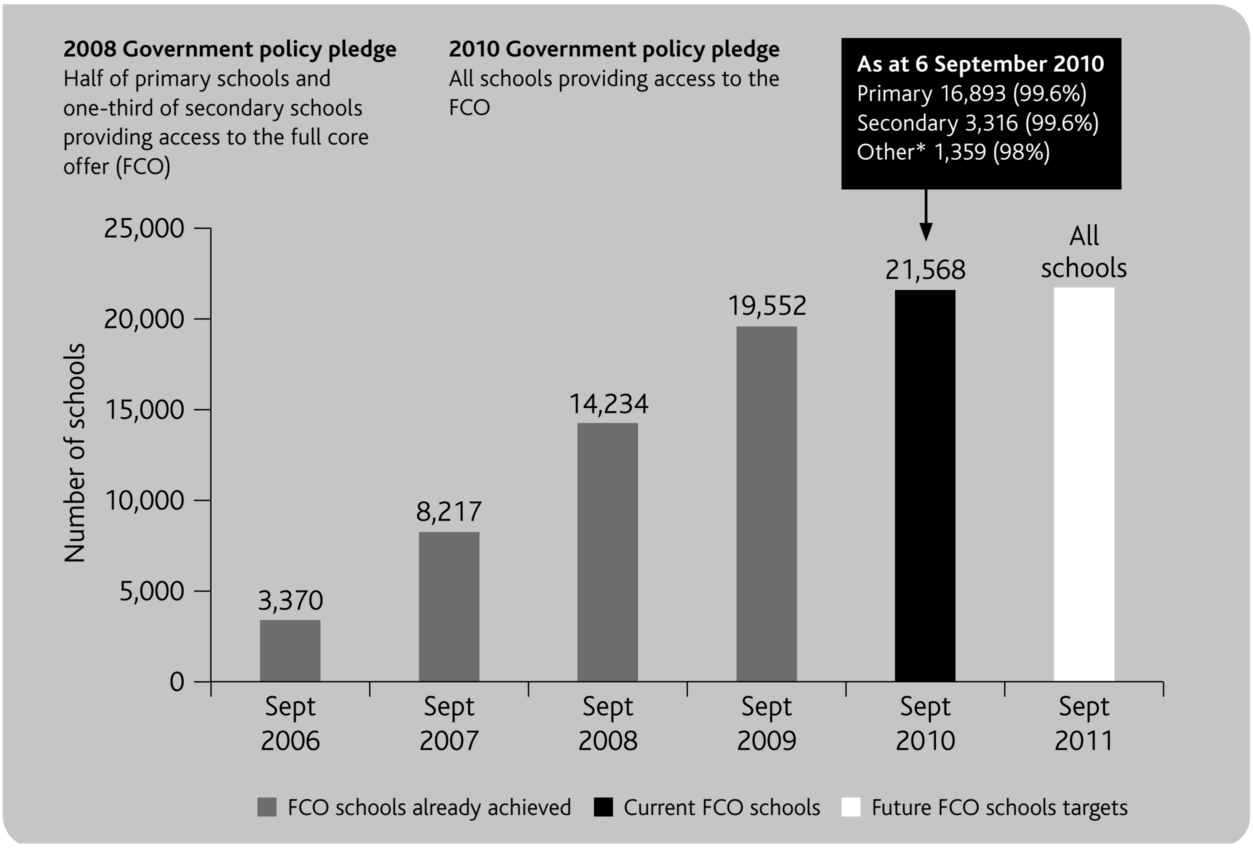
Although 90 per cent of secondary schools have an SBM, only around a third of primary schools do. We have supported the National College in promoting the 'Invest to save – school business manager primary partnerships' grant of up to £20k to enable a cluster of primary schools to share an SBM. By the end of the year, around 200 clusters will have benefited from the scheme.

Extended services

In November 2010, we completed our five-year remit to support and challenge local authorities to ensure that all schools provide a range of extended services, as well as implementing the Disadvantage Subsidy Scheme and parent support advisers. We worked with local authorities to deliver this target, and by September 2010 some 99.49 per cent of schools (21,568) were providing access to the full core offer of extended services.

Emphasis was placed on making sure local authorities and schools secured services that went beyond compliance to meet local needs and impact on outcomes for pupils.

Figure 1: Schools providing access to extended services: the core offer



Source: Local authority project management information via the change tool on the TDA website, 6 September 2010

* 'Other' consists of nursery and special schools

Following the formation of the new Government, our support to local authorities and schools has focused on identifying what provision has had the greatest benefit locally, and how best to sustain the most valuable elements of that provision in the future. As part of the transfer of responsibilities for coordinating extended services, we were able to supply Department policy colleagues and implementation partners with impact evaluation reports provided by local authorities relating to extended services, together with a comprehensive database of case studies demonstrating examples of impact.

Supporting services

Digital engagement

Working with our digital services supplier, the Agency deployed a refreshed website in September 2010. A key feature of the revised site is its role-specific structure which allows users to access their areas of interest with one click. This feature, alongside a range of improvements to facilities such as the search capability, are both a response to customer feedback and a strategy to make the website an even more effective tool in supporting the trainee teacher recruitment effort.

Initial data analysis of the website refresh is extremely positive. The first eight weeks of activity on the new site produced 26.4 per cent more visits than the equivalent period before go-live. We saw a 28 per cent increase of visitors completing the ITT registration form, and a 27.6 per cent rise in traffic from the 'Home' page to the 'Get into teaching' section. As a result of the stronger calls to action and clearer signposting, this is a year-on-year increase of 7.1 per cent.

Analysis also supports the role-based approach that has been adopted, with traffic from the 'Home' page to the 'Teacher' role page increasing by 4.19 per cent. The 'School leader' page has increased by 6.82 per cent, and traffic to the QTS section from within the trainee teacher role has increased significantly to 25 per cent.

Relocation

The Agency completed the move to Manchester on time and within budget. The final stage of the relocation programme was the move from the Agency's temporary accommodation in City Tower to Piccadilly Gate in August 2010. The move went well, with 95 per cent of staff agreeing that they had been well informed throughout the process, and there was no interruption to business continuity. Relocation has enabled the Agency to implement a number of organisational improvements, and the key benefits of relocation are now being tracked and measured.

Human resources

Relocation has enabled us to review the senior management structure during the course of the year in the light of changing business needs and the requirement for efficiency savings. We have reduced the number of director-level posts by 39 per cent.

Recruitment and leavers

On 31 March 2011 the Agency employed 318 people.

Since the introduction of the recruitment freeze, we have met Cabinet Office requirements by advertising any vacancies that we have been unable to fill internally on websites restricted to existing government employees. We have also run programmes to redeploy staff around the Agency to meet emerging needs, compatible with changing business priorities.

During the period of the report we were unable to fill the vacancy for a new Chief Executive internally, and applied for an exemption to the recruitment freeze. This was obtained and a new Chief Executive was appointed with effect from 3 May 2011.

Sickness absence

The total number of days lost due to sickness absence amounted to 1,948 (compared with 1,808 in 2009–10). This is an average of 6.4 days per employee (five days in 2009–10). The Civil Service average is 8.7 days per employee (2009–10 data).

Investors in People

During 2010, the Agency was re-accredited as an Investor in People. The assessor particularly noted the quality of the induction for new colleagues in Manchester. We will build on this success by focusing learning and development on building capability, increasing individual and organisational flexibility, and maintaining our successful record of staff engagement.

Staff survey

The results for the 2010 staff survey were very positive and compared favourably with the cross-government 'People Survey' of Civil Service staff. Ninety-four per cent of staff expressed a positive commitment to the Agency and its values, with 90 per cent saying they had a clear understanding of how their role contributes to our goals. Eighty-eight per cent of employees said that their line managers valued their contribution, and 90 per cent treated them with respect. There were significant improvements within the working environment with 89 per cent of staff stating they were satisfied, and satisfaction with work–life balance rising to 85 per cent. There was a 10 per cent increase in the positive perception of the Strategic Leadership Team (SLT) in terms of leadership and visibility.

Equality and diversity

The Agency continues to ensure that equality and diversity are embedded into its day-to-day functions. Our Equality Impact Assessment process is integrated into our policy and project management processes to ensure that equality considerations are part of the design and development of policies before they are adopted.

During the year we published a revised gender equality scheme. A key aim of this was to continue to align with the anticipated requirements of the revised Public Sector Equality Duty. This includes putting time and energy into ensuring that real advances in equality are achieved where necessary, rather than into systems for reporting the steps towards that achievement.

Staff demographics

The staff demographics for September 2010 are:

Table 1: Agency staff by race

Category	%
Asian Pakistani and Asian British	4.4
Black and Black British	1.9
Mixed ethnicity	1.9
White and White British	85.2
Chinese and other ethnicities	1.3
Unknown/Did not say	5.3
Total	**100**

Table 2: Agency staff by gender

Gender	%
Female	58.0
Male	42.0

Table 3: Agency staff by disability status

Disability status	%
Declared a disability	2.5

Relations with the Public and Commercial Services Union

The Agency works very closely with the Public and Commercial Services Union. We have met regularly to consult on and discuss a wide range of matters that have an impact on our staff, and have found their input and views helpful.

Regional delivery

The Integrated External Delivery Programme was introduced in April 2010 to drive significant change in the Agency by providing a single, effective delivery system for all policy initiatives.

The approach aims to bring about greater coherence and provide a single point of contact across all policy areas by creating a Regional Delivery Team employed directly by us, replacing the previous three teams of contractors.

The new system is already having a positive impact, ensuring that delivery expectations for this year are met and that policy activity is closely aligned.

Financial and contract management

Major contracts awarded during 2010–11

The Agency awarded 48 contracts in the year, worth a total of £16.74m. Of these, four were over £500k in value, totalling £12.22m (these are listed below). This compares with 13 contracts of this value, totalling £23.71m, awarded in 2009–10.

Supplier	Service	Cost £000	Contract period (financial year)
Edge Hill University	Provision of specialist dyslexia training for teachers	1,543	2010–12
Dyslexia Action	Provision of specialist dyslexia training for teachers	1,080	2010–12
Pearson Vue	QTS skills test delivery	9,000	2010–12
Specialist Schools and Academies Trust	Speech and language therapy/ special educational needs Specialist modules	600	2010–11

MANAGEMENT COMMENTARY

Review of 2010–11

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

- recruiting nearly 38,000 new entrants onto mainstream secondary ITT courses for 2010 entry, meeting the Government's targets in nearly all subjects for the second successive year
- recruiting approximately 3,500 new entrants onto science ITT courses, yet again meeting the target set for us by the Government, and
- recruiting a record 650 new entrants onto physics and 980 onto chemistry ITT courses, an increase of 14 and 1 per cent respectively against the previous year.

Future developments

2. In November 2010 the Coalition Government published the schools White Paper, *The Importance of Teaching*, setting out its plans for the future of the profession and changes to the educational landscape over the coming years. The White Paper discussed many areas currently undertaken by the Agency, and we are working closely with our Department colleagues to understand the far-reaching impact of new policy directions, as well as ensuring that continuing core activities are delivered in line with future policy.

3. Within the White Paper, the future of the TDA as a non-executive agency is mentioned. At the end of March 2012, the current proposal is that its key ongoing functions will be undertaken by a new executive agency of the Department (subject to Parliamentary approval of the Education Bill). The current Agency will at that point be closed.

4. As the key functions and activities of the TDA will be continued by the new executive agency, these accounts have been prepared on a going concern basis in line with the guidance in the 2010–11 *Government Financial Reporting Manual* issued by HM Treasury.

5. We will continue to look for the most cost-effective ways to deliver our remit from the Department. We have strengthened our programme management system and have introduced an Agency-wide approach to evaluating the impact of our work.

Board members during 2010–11

6. Board members are appointed for a term of three years by the Secretary of State, and are drawn from a variety of backgrounds. Some are headteachers, governors or teachers – or work in other parts of the education system – while others have business backgrounds. Several are members of the governing bodies of institutions that receive grants from the Agency. The Board members during 2010–11 were:

Christopher Baker MBE
Chair from September 2009

Graham Holley
Chief Executive from March 2006 to March 2011

John Atkins
Chief Executive, The Kemnal Academies Trust, Bromley, appointed February 2009

Rekha Bhakoo CBE
Headteacher, Newton Farm Nursery, Infant and Middle School, South Harrow, appointed February 2009

Dr Michael Cresswell CBE
Visiting Professor, Bristol University, Graduate School of Education, appointed January 2010

Dr Michael Day
Following the retirement of Graham Holley, Michael Day was appointed as Interim Chief Executive from 1 April 2011 to 2 May 2011

Colin Dennis
Chairman, RVL Aviation, appointed January 2010

Alison Drury
Owner, Thinkvivid marketing, appointed January 2010

Professor David Green
Vice-Chancellor and Chief Executive, University of Worcester, reappointed February 2009

Stephen Hillier
Following the retirement of Graham Holley, Stephen Hillier has been appointed as Chief Executive from 3 May 2011 until 31 March 2012

Professor Christopher Husbands
Formerly Dean of the Faculty of Culture and Pedagogy, currently (from January 2011) Director, Institute of Education, University of London, reappointed October 2009

Derrick Palmer
Non-executive Director, Bradford District Care Trust, appointed December 2008

Dame Gillian Pugh OBE
Member, Children's Workforce Development Council, reappointed February 2009

Richard Thornhill
Executive Headteacher, Loughborough/Kings Avenue Federation, Brixton, reappointed February 2009

Dr Susan Tranter
Headteacher, formerly of Fitzharrys School, Oxfordshire, currently (from January 2011) of Edmonton County School, London, reappointed February 2009

Alan Wood
Corporate Director, Children and Young People's Services, London Borough of Hackney.

7. The TDA Board has the power to co-opt up to two non-voting members, subject to the approval of the Secretary of State. There were no co-opted members in 2010–11.

8. Reciprocal arrangements exist between the Agency and various sector bodies for observers to attend TDA Board meetings. The TDA Board invites observers from the Department for Education (DfE), the Higher Education Funding Council for England (HEFCE), Ofsted, the General Teaching Council for England and the National College.

Board members' directorships and other significant interests

9. The Agency requires Board members to inform us if they are the director of any company or organisation, or if they have any other significant interests. They must register these interests with us within 14 days of being appointed or of the interest arising. This includes:

- remunerated employment or directorships
- political activity that might influence their judgement or could be perceived to do so
- connection with ITT training institutions or other aspects of the Agency's business, and
- any significant shareholdings in a public company that have a nominal value greater than £25k, or less than £25k but greater than 1 per cent of the issued share capital of the company.

10. The register of Board members' interests is available for inspection on request during normal working hours at our offices at Piccadilly Gate, Manchester.

The Audit Committee

11. The role of the Audit Committee is to advise the accounting officer and the Board on:

- the adequacy of the Agency's internal control and risk management systems
- promoting the highest standards of propriety in the use of public funds and encouraging proper accountability for the use of those funds
- ensuring that the Agency operates within the authority delegated to it by the Department as set out in the Management Statement, including the Financial Memorandum, and
- recommending the Agency's financial statements and internal auditors' annual report for approval by the Board.

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

Derrick Palmer
Chair, appointed February 2009

Alan Gibbins
External member, appointed September 2009

Tim Head
External member, appointed for a second term June 2008

Roy Ransley
External member, appointed for a second term of 12 months July 2010

Dr Susan Tranter
TDA Board member, appointed October 2009.

13. Committee members normally serve for three years, but may serve a second term for a period of up to three years. The term of appointment of members who are also members of the Board will cease on completion of their Board appointment.

14. The meetings are usually attended by the Chief Executive in his role as Accounting Officer, PricewaterhouseCoopers (PwC) in their role as internal auditors, the Director of Finance and Procurement, the Executive Director for Supporting Delivery, and the Executive Director for Training. The National Audit Office (NAO), as the external auditors, and the Department, as the sponsoring department, are informed about all meetings and may attend as observers if they wish. The committee met on five occasions in 2010–11, and an additional training workshop was facilitated by the NAO to undertake the annual self-assessment review.

15. In accordance with its terms of reference, the committee submitted its annual report for 2010–11 to the Board in June 2011. The report highlighted the recommendations made by PwC on the Agency's system of internal control, management responses to those recommendations, and progress on these.

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

Audit services

17. The Agency's annual accounts are audited by the NAO on behalf of the Comptroller and Auditor General. The Comptroller and Auditor General is appointed as the Agency's external auditor under statute, and reports to Parliament on the audit examination.

Other services

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

Audit assurance

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

Value for money

20. There has been a substantial amount of progress made in 2010–11 in improving the value for money achieved by our organisation. This included an investment in the website rolled out in September, which significantly improved the trainee teacher recruitment effort by achieving more than a 25 per cent increase in activity. In addition, there has been a restructuring of the organisation to reflect the benefits of relocation and, following the reduction in staff numbers of more than 5 per cent, two directorates have been merged this year, resulting in an additional reduction in management staff.

Equality and diversity

21. The Agency has an equal access to employment policy which applies to all job applicants, workers and employees. We monitor our staff in terms of their ethnicity, their gender, and whether they are disabled.

22. As at 31 March 2011, the Agency employed 318 people, of whom 9.5 per cent identified as being from racial groups other than white, 58 per cent were female, and 2.5 per cent indicated that they are disabled.

23. The Agency believes that this confirms that our recruitment and retention programmes have been fair and reached all groups of the local workforce.

Environmental management and sustainable development

24. The Agency successfully regained ISO 14001 (Environmental Management Standard) certification in May 2010. We are now fully certified to 2013. Our commitment to protecting and monitoring our impacts on the environment continues to grow from strength to strength; this is reflected in our move in August 2010 to Piccadilly Gate, which has a Building Research Establishment Environmental Assessment Method (BREEAM) 'excellent' rating (based on a range of environmental impacts such as waste, energy, water and pollution). Being located in a BREEAM 'excellent' building has provided us with the opportunity to monitor our resource use more closely and make the most from having environmentally friendly facilities in place, such as a rainwater tank which has a capacity of 9,000 litres and serves approximately 80 toilets within the building.

25. The Piccadilly Gate building has a state-of-the-art integrated lighting, heating and cooling system managed by a building management system, which should see a lower energy demand. We continue to monitor our waste management practices and report when they are not segregated properly (this information is then used for performance benchmarking), and always ensure we obtain and maintain the appropriate duty of care documents for the transfer of both landfill and recyclable waste.

26. A revised sustainable travel strategy is in place. This sets out our commitment to ensuring that our activities and operations are carried out in a responsible manner, promoting ideals of sustainable and economically viable travel. We are also in the process of introducing a carbon offsetting scheme for purchasing credits to offset our carbon emissions from business flights.

27. A sustainable development action plan for 2011 identifies priority areas for the year and details how we will embed sustainable development principles into our work, contributing to the UK Sustainable Development Strategy. We have a current recycling rate of 56 per cent, and this is improving all the time. We plan to introduce new targets to meet once the new Sustainable Development in Government targets are released. These are due imminently.

28. Throughout 2010–11 we continued to reduce our printing where possible, and to monitor trends with any increased printing. We continue to promote the use of electronic marketing and other online media channels.

Health, safety and welfare at work

29. The Agency maintains an up-to-date health and safety policy statement and a health and safety manual, which is available to all staff. The policy statement sets out the organisational responsibilities of the Chief Executive, directors, managers, team leaders and all employees for health and safety.

Sickness absence

30. In the year to 31 March 2011, the total number of working days lost due to sickness absence amounted to 1,948 days (compared with 1,808 days in 2009–10), which is an average of 6.4 days per employee (5.0 days in 2009–10).

Information security

31. In accordance with Cabinet Office guidelines, we must report any incidents involving personal data. We keep personal data relating to our employees, contractors, suppliers, school workforce candidates and stakeholders. In the year to 31 March 2011 there were no incidents reported to the Information Commissioner's Office, either formally or informally.

32. The paragraph on information security in the statement on internal control on page 32 sets out our data protection statement and what we do to manage information risk.

Freedom of information

33. The Agency complies fully with the Freedom of Information Act 2000. In the year to 31 March 2011 we received and responded to 44 separate requests for information under the terms of the Act.

Grant for the period and net expenditure for the year

34. The grant for the year was £727.464m (2009–10: £781.639m).

35. Expenditure continues to be accounted for through the Statement of Comprehensive Net Expenditure, regardless of the source of funding, while the grant goes directly to the Statement of Financial Position and forms part of the general reserves. As a result, the Statement of Comprehensive Net Expenditure shows net expenditure for the year of £724.418m (2009–10: £780.009m).

Financial results for 2010–11

36. The Statement of Comprehensive Net Expenditure on page 36 shows net expenditures of £724.418m (2009-10: £780.009m):

- Net release of relocation provisions of £6.107m (2009–10: increase of £1.438m) exceeded in-year costs of £4.223m (2009–10: £12.580m), resulting in a net credit due to relocation activity of £1.884m (2009–10: cost of £14.018m).
- Administration expenditure was £21.879m (2009–10: £26.908m).
- Programme expenditure was £704.426m (2009–10: £740.553m).

Going concern

37. The Statement of Financial Position at 31 March 2011 shows total net liabilities of £1.016m (2009–10: £4.063m), which takes into account a relocation provision of £1.692m (2009–10: £7.800m). The Department is committed to fund the full year's budget for the Agency, which will cover all costs accrued at the year end.

38. Although the current proposal is that the TDA will be abolished at the end of March 2012, the key functions and activities of the Agency will be continued by an executive agency of the DfE (subject to Parliamentary approval of the Education Bill). Therefore these accounts have been prepared on a going concern basis in accordance with the guidelines in the 2010–11 *Government Financial Reporting Manual* issued by HM Treasury.

The Agency/Department Financial Memorandum

39. During 2010–11, no services were provided free of charge by the Department. All services were paid for in accordance with the provisions of the individual service level agreements concluded with the Department.

Income other than the Department grant

40. In previous years the Agency has received income other than from the Department grant (see note 2 to the accounts) which this year amounted to £2.68k (2009–10: £1.47m). This income was generated under a Memorandum of Understanding with the National Assembly for Wales for promoting teaching in Wales, and with HEFCE for non-HEIs' capital expenditure contribution. This year all income was drawn directly from the Department.

Cash balances at 31 March 2011

41. At 31 March 2011 the Agency had a cash balance of £883k (2009–10: £17.185m) which was fully committed (note 10 to the accounts). The large drop from 2009–10 is due to good cash management by the Agency, and the fact that this year cash for invoices accrued has not been drawn down at the year end, in line with Departmental instruction, and which the Department has agreed to fund.

Non-current assets

42. Note 1 to the accounts explains the policy adopted for the capitalisation of non-current assets.

43. The net book value of non-current assets decreased from £1.883m at 31 March 2010 to £1.146m at 31 March 2011, due to annual depreciation charges and little expenditure on additions.

Payment of creditors

44. We are fully committed to the prompt payment of suppliers and aim to pay all valid invoices as soon as possible. We support HM Treasury's Better Payment Practice Code which targets payment within 30 days, and monitor our performance in-year against this target. In 2010–11 we met this target for 94 per cent of invoices (2009–10: 94 per cent).

45. At the year end our trade payables balance (that is, the amount owing to our suppliers) was £0.8m. Comparing this balance with the aggregate amount invoiced by suppliers in-year (£72.0m) and expressing this as a number of days gives an indication of the average time we take to pay our bills: for the year ended 31 March 2011 our figure for 'creditor days' was 4.0 days (2009–10: 4.9 days).

46. No interest has been paid or claimed by creditors under the Late Payment of Commercial Debts (Interest) Act 1998 (2009–10: nil).

Providing information to employees

47. We provide information to our employees to encourage them to be aware of, and involved in, our performance, the factors that affect it, and key documents such as the annual report and accounts. Our regular communications channels are the weekly news digest, the intranet, all-staff e-mails, and face-to-face staff briefings by executive directorates. We also encourage the use of seminars to share best practice, and inform staff about different projects taking place across the Agency. The Internal Communications Working Group provides feedback on the efficiency and effectiveness of current internal communications channels.

Stephen Hillier

Chief Executive and Accounting Officer

Date: 9 June 2011

Remuneration report
Part 1: Unaudited information

Service contracts of senior management

48. New appointments to director level posts are on merit and by fair competition. New opportunities are usually widely advertised, although in exceptional circumstances more limited advertising is appropriate.

49. Current policy is to appoint the Chief Executive on a fixed-term contract; other senior managers are appointed on open-ended contracts or on a period of secondment from other employers. Open-ended contracts have no retirement age and a notice period of three months.

50. Early termination, other than for misconduct or inefficiency, would result in compensation under the Civil Service Compensation Scheme (CSCS). In 2010–11 there were three CSCS payments made (one in 2009–10) and the details are set out in paragraph 66.

Remuneration of senior management

51. The Remuneration Committee is made up of four members: Christopher Baker (TDA Chair), Alison Drury (TDA Board member), David Green (TDA Board member) and Dame Gillian Pugh (TDA Board member).

52. The policy on the remuneration of senior managers is to ensure that the remuneration package takes account of:

- the need to recruit, retain and motivate suitably able and qualified people who can, as a team, lead the Agency to achieve its aims, and take responsibility for particular aspects of the business
- contribution to the achievement of Agency objectives
- comprehensive pay and grading reviews conducted periodically by specialist reward consultants
- pay movements in the wider economy, the public sector and the Senior Civil Service, in particular the annual HM Treasury pay guidance
- the pay levels and pay system for all other Agency staff, and
- the affordability of the proposals, taking account of the Agency's annual administration budget.

53. The pay system for directors is analogous to that of all other Agency staff where there is pay progression and the opportunity to be awarded annual non-consolidated performance-related payment.

54. Individual performance is assessed against key objectives which are agreed at the beginning of the financial year, taking account of the relevant objectives in the Agency's corporate plan.

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

Remuneration report
Part 2: Audited information

Emoluments of Board members

56. The Agency pays Board and Board subcommittee members £300 per day for attendance. Board members also receive £150 per day for meeting preparation. However, members who are public sector employees, who already draw a full-time salary from the public purse, are not remunerated for serving as Board or subcommittee members. Their employers can request payment to be made to their institution instead.

57. In 2010–11, the following sums were paid to Board and subcommittee members, or their respective employers:

Member/Employer	2010 11 £	2009 10 £
James Aston *	–	1,035
John Atkins	3,300	4,200
Christopher Baker MBE**	–	–
Rekha Bhakoo CBE	2,550	2,550
Dr Michael Cresswell CBE	2,700	1,200
Colin Dennis	4,500	1,650
Alison Drury*	5,501	1,350
Deborah Eyre	–	2,400
Alan Gibbins	1,500	1,200
Professor David Green	2,850	3,300
Tim Head	1,500	2,400
Professor Christopher Husbands	3,000	3,600
Derrick Palmer	7,650	8,850
Dame Gillian Pugh OBE	3,600	3,300
Roy Ransley	1,500	1,500
Richard Thornhill	2,700	3,750
Dr Susan Tranter	3,600	4,050
Alan Wood	1,950	2,250
Total	**48,401**	**48,585**

* Includes value added tax (VAT)

** Christopher Baker was employed by the Agency during the period and therefore received no attendance payments.

58. Details of non-taxable travel and subsistence payments made to Board members are shown in note 6 to the accounts.

Emoluments of the Chair

59. The Chair's total emoluments in the year to 31 March 2011 were £26.2k. (In 2009–10 the Agency had two Chairs during the course of the year. Professor Sir Brian Follett stepped down on 31 August 2009 and his total emoluments up to that date were £19.5k. Christopher Baker succeeded Professor Sir Brian Follett on 1 August 2009, and his total emoluments were £19.0k.) The Chair received no bonuses or taxable benefits. No pension contributions are payable by the Agency on the Chair's emoluments.

Emoluments of the Chief Executive

60. The Chief Executive's total emoluments for 2010–11 were £214.4k (2009–10: £194.8k) representing salary of £150.1k (2009–10: £142.2k), a non-consolidated performance-related pay of £40.8k (2009–10: £4.2k) and a relocation housing allowance of £23.5k (2009–10: £13.8k). Employer's contributions to the pension scheme of £34.5k were also paid in the year (2009–10: £34.6k). The non-consolidated performance-related pay relates to a payment made to all key role holders in recognition of their commitment and achievement of objectives in relation to the move from London to Manchester.

61. The Chief Executive is a member of the Principal Civil Service Pension Scheme; contributions are paid at the rate of 24.3 per cent (2009–10: 24.3 per cent) as outlined in note 5c to the accounts. Graham Holley was appointed as Chief Executive of the Agency in March 2006 with his contract running to 2013. However, in January 2011, Graham Holley gave notice of his intention to resign from the Agency with effect from 30 March 2011. As a result, the Agency gained an exemption from Ministers to enable it to recruit a successor. The Agency, successfully, appointed Stephen Hillier, who took up post on 3 May 2011.

Salary and pensions entitlements of senior management

62. The table at paragraph 65 shows the salary paid, and pension benefits accrued, for each member of the Strategic Leadership Team (SLT) in 2010–11, with the corresponding prior year figures (in brackets). Salary includes gross salary, recruitment and retention allowances, and reserved rights to London weighting or London allowances.

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

64. During the year the following benefit in kind was paid to a member of the SLT:

- Graham Holley, Chief Executive: £23.5k (relocation housing allowance).

65. The benefit in kind payment in 2010–11 noted above relates to rented accommodation in Manchester. The payment is based on the relocation travel and subsistence policy approved by the Board at the June 2009 meeting.

	Salary paid	Bonus payments	Benefits in kind	Real increase in pension at 60	Total accrued pension at 60 at 31/3/11	Real increase in lump sum	Lump sum at 31/3/11	CETV[1] at 1/4/10	CETV at 31/3/11	Real increase in CETV at 31/3/11
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Graham Holley, Chief Executive	150–155	40–45	23.5	No increase	65–70	No increase	200–205	1,373	1,469	No increase
	(140–145)	(0–5)	(14)	(2.5–5)	(65–70)	(7.5–10)	(200–205)	(1,345)	(1,496)	(66)
Michael Day, Executive Director, Training	95–100	35–40	–	0–2.5	25–30	0–2.5	85–90	542	594	5
	(90–95)	(–)	(12)	(0–2.5)	(25–30)	(2.5–5)	(80–85)	(525)	(584)	(29)
Hilary Emery, Executive Director, Development and Improvement	105–110	30–35	–	0–2.5	60–65	–	–	970	1,051	No increase
	(110–115)	(–)	(–)	(50–52.5)[2]	(55–60)	(–)	(–)	(116)	(1,043)	(916)
Leanne Hedden, Executive Director, Supporting Delivery	100–105	0–5	–	0–2.5	35–40	0–2.5	115-120	638	701	8
	(95–100)	(–)	(–)	(0–2.5)	(35–40)	(5–7.5)	(110–115)	(623)	(702)	(37)
Lorraine Chapman, Director, Corporate Services	50–55[3]	0–5	–	0–2.5	30–35	0–2.5	95–100	694	759	9
	(85–90)	(–)	(–)	(0–2.5)	(30–35)	(5–7.5)	(95–100)	(641)	(728)	(40)
Habte Hagos, Director, Finance, to 31 March 2010[4]	15–20[5]	0–5	–	No increase	25–30	–	–	470	478	No increase
	(85–90)	(–)	(12)	(2.5–5)	(25–30)	(–)	(–)	(438)	(510)	(45)
James Henry, Director, Finance	75–80	–	–	0–2.5	0–5	–	–	2	22	17
	(5–10)	(–)	(–)	(0–2.5)	(0–5)	(–)	(–)	(–)	(2)	(2)

[1] The actuarial factors used to calculate cash equivalent transfer values (CETVs) were changed in 2010–11. The CETVs at 31 March 2010 and 31 March 2011 have both been calculated using the new factors for consistency. The CETV at 31 March 2010 therefore differs from the corresponding figure in last year's report, which was calculated using the previous factors.

[2] Dr Emery had a preserved award for earlier service. On 21 September 2009 she decided to aggregate this service with her current period of service. This is the reason for the significant increase in her pension benefits in 2009–10.

[3] Left 31 October 2010. Annualised salary and bonus would be in the range £85k–90k.

[4] From 1 April 2010, Habte Hagos continued to be employed by the Agency (part time) to help complete the annual report and hand over to the new Director of Finance and Procurement.

[5] Left 31 July 2010. Annualised full-time salary and bonus would be in the range £85k–90k.

Compensation for loss of office

66. As part of the Agency's relocation from London to Manchester, during the year several members of the SLT took early retirement under the former flexible/approved early retirement terms. The following table shows the date of leaving and the capitalised cost of the exit package. All payments are made in line with the CSCS, as set out at paragraph 50.

		Date of leaving	Cost of package (£)
Habte Hagos	Director of Finance and Procurement	31/07/2010	109,589
Lorraine Chapman	Director of Corporate Services	31/10/2010	86,715
Leanne Hedden	Executive Director for Supporting Delivery	31/03/2011	549,457
Total			**745,761**

67. The amount of compensation payments included above under 'Cost of package' does not necessarily reflect amounts paid to the individuals.

Reporting of Civil Service and other compensation schemes: exit packages

68. The relocation to Manchester also resulted in a number of exit packages for other Agency staff, all of which were made under the former flexible/approved early retirement terms. The table below shows the number of exit packages paid to all staff during the year, with the prior year comparatives shown (in brackets):

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0 (5)	0 (23)	0 (28)
£10,000–£25,000	1 (2)	1 (32)	2 (34)
£25,000–£50,000	0 (0)	4 (30)	4 (30)
£50,000–£100,000	0 (0)	3 (22)	3 (22)
£100,000–£150,000	0 (0)	6 (4)	6 (4)
£150,000–£200,000	0 (0)	1 (1)	1 (1)
£200,000+	0 (0)	5 (1)	5 (1)
Total number of exit packages	1 (7)	20 (113)	21 (120)
Total resource cost	**£19.57k (£60.61k)**	**£3.092m (£4.186m)**	**£3.112m (£4.247m)**

69. Redundancy and other departure costs have been paid in accordance with the provisions of the CSCS, a statutary scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

The Civil Service Pension

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

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

72. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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

74. Further details about the Civil Service Pension arrangements can be found on the website www.civilservice.gov.uk/my-civil-service/pensions/index.aspx. Note 5c to the accounts provides further information on the actual pension contribution rates payable and the actual pension contribution paid by the Agency in 2010–11.

Cash equivalent transfer values

75. The CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their to-date employment, not just their current Agency appointment. The CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in the value of the cash equivalent transfer value

76. This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the member (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Chief Executive and Accounting Officer

Date: 9 June 2011

ACCOUNTS

Statement of Accounting Officer's responsibilities

Under Schedule 13, paragraph 17(2) of the Education Act 2005, the Agency is required to prepare a statement of accounts in the form and on the basis determined by the Secretary of State with the consent of HM Treasury. The accounts are prepared on an accrual basis and must give a true and fair view of the Agency's state of affairs at the year end and of its Statement of Comprehensive Net Expenditure, cash flows for the financial year, and statement of changes in reserves and taxpayers' equity.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* (FReM) and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government FReM have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the entity will continue in operation.

The Accounting Officer for the Department has designated the senior full-time official, the Chief Executive, as the Accounting Officer for the Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Agency's assets, are set out in chapter 3 of *Managing Public Money*, which is available on the HM Treasury website.

2010–11 statement on internal control

Scope of responsibility

As Accounting Officer, I have a responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives. I also have a responsibility of safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*. I also appreciate that I play an important role in ensuring that professional and regulatory standards are met. This includes ensuring that Equality Impact Assessments covering race, disability and gender are completed. I am also required to maintain an awareness and understanding of Agency policies and procedures, and to apply them fairly across the organisation.

I have been provided with a letter of assurance from the exiting Accounting Officer dated 30 March 2011. This letter of assurance covers the areas mentioned within this statement and has contributed to giving me the confidence to complete my statement on internal control.

With reference to the letter of assurance from the exiting Accounting Officer, I believe the TDA had a sound system of internal control and met its professional and regulatory standards for the financial year.

I understand that I am required to highlight potential exceptions to this assurance, which have arisen either through lack of awareness of the procedures or because business issues were unforeseen. I accept that I am also required to highlight areas where potential issues may develop and to confirm that any exceptions reported in the previous year have been addressed.

I have been provided with a letter of assurance from the exiting Accounting Officer. This letter of assurance covers the areas mentioned within this statement and has contributed to giving me the confidence to complete my statement on internal control.

The TDA is a non-departmental public body of the Department for Education established by the Education Act 1994 as amended by the Education Act 2005. The Agency can therefore do only those things that the Education Acts asks of it.

The Agency's Management Statement and Financial Memorandum define the respective roles of the Accounting Officer, the non-executive Board and Ministers. The Management Statement defines the reporting requirements placed on the Agency. Appropriate communication channels are in place to ensure that the Department is informed of the business of the Agency and that we, in turn, are informed of its requirements. With reference to the letter of assurance from the exiting Accounting Officer, I believe the role of the Accounting Officer has been carried out in accordance with the Financial Memorandum.

The TDA Board consists of 14 members, with Christopher Baker as its Chair, as appointed by the Secretary of State. During 2010–11 the Board met regularly with the exiting Accounting Officer and senior managers to provide strategic guidance to the executive. As the Chief Executive, I am the only executive member of the Board.

The Board, through the Strategic Leadership Team (SLT) which acts as the risk management committee, and the Directors' Group, is informed of the risks facing the Agency and its responses for dealing with these risks. In 2009, following the recommendations of *The Sutherland Inquiry: An independent inquiry into the delivery of National Curriculum tests in 2008*, a new subcommittee of the Board, the Performance Committee, was established. The Performance Committee is chaired by Christopher Baker, who is also the Chair of the TDA Board, which is attended by a number of non-executive members. The committee is also attended by the Agency's Chief Executive and members of the SLT and other TDA colleagues as required. It acts, under delegated authority from the Board, to review, support and challenge the Agency's performance towards its targets, monitoring progress against key performance indicators, financial performance and risk management. As part of the TDA's governance cycle, the Performance Committee met four times during the financial year to review Agency performance information from executive directorate boards, whose remit is to ensure that the executive directorates operate within the Agency's governance framework while making good progress on delivery of the business plan. The Audit Committee will continue to routinely scrutinise the risk management process and the way it operates as part of its overall responsibility in respect of the Agency's system of internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide a reasonable, not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Agency for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

Capacity to handle risk

The Agency has developed a comprehensive risk management policy, which is regularly reviewed by the SLT and has been assured by the exiting Accounting Officer.

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

The risk and control framework

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

We have a 12-month rolling risk register. Risks are identified routinely at an operational level; high-level risks are subject to regular scrutiny and reported on. The strategic risk register was reviewed quarterly by the SLT, taking into account emerging issues and priorities for the forthcoming financial year and the prevailing assessment of the risks on the existing register. This is also reviewed by the Audit Committee. The strategic risk register was approved by the Board at the start of the year and reviewed quarterly, when members considered the SLT's assessment of the levels of impact and likelihood of each risk.

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

Risk management is embedded within the Agency. The risk and control framework operates side by side with the Agency's corporate and operational planning process. So, for example, risk identification and assessment are carried out when strategic, operational and project plans are being considered. Risks are monitored and reported on in accordance with the Agency's monitoring process, or at programme Board meetings as appropriate. With reference to the letter of assurance from the exiting Accounting Officer, I am aware of the reported risks to the Agency and have confidence in the controls that are in place to manage and reduce these risks to an acceptable level.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. I believe that the Agency aims to address weaknesses in internal control and ensures continuous improvement in these.

The review on the effectiveness of the system of internal control is informed by the work of the internal auditors PricewaterhouseCoopers (PwC) and the Higher Education Funding Council for England (HEFCE) assurance service.

My review is also informed by directors and programme managers from within the Agency, who have responsibility for the development and maintenance of the internal control framework.

External audit management reports from the National Audit Office (NAO) are also a key source when reviewing the effectiveness of the system of internal control, as well as advice and guidance from the Board, the Audit Committee and the Performance Committee.

Processes to address weaknesses and ensure continuous improvement of the system of internal control are in place.

Directors' responsibility

We have introduced the director-level statement on internal control assurance requirement. This requires directors to maintain an awareness and understanding of Agency policies and procedures, to apply them fairly and to promote their awareness within their directorate.

Directors are required to highlight potential exceptions to the assurance, which have arisen either through lack of awareness of the procedures or because business issues were unforeseen. They are also required to highlight areas where potential issues may develop and to confirm that any exceptions reported in the previous year have been addressed.

By completing a director-level statement on internal control, directors are declaring that they are satisfied that those working in their area of responsibility have complied, to the best of their knowledge and in all material respects, with the Agency's standard arrangements, policies, systems and processes throughout the financial year. If directors are aware of any material exceptions, they are asked to note them, having considered if the exceptions seriously prejudice or prevent achievement of targets, or have any material impact on the financial statements and on the Agency's reputation.

For this financial year a number of issues have been brought to my predecessor's attention through the director-level statement on internal control assurance requirement, ranging from breaches in policy to non-compliance with internal controls. Based on the disclosures made by directors, including the remedial action taken, I am confident that the disclosed issues will be resolved satisfactorily, in line with the Agency's policy and procedures.

The Audit Committee

A duly constituted Audit Committee has operated through the year and its terms of reference reflect best practice. It consists of two Board members and three independent members. The committee aims to ensure that the Agency has a comprehensive and reliable assurance for the framework of risk management, control and governance.

The committee has met regularly and has considered reports from the internal audit function, provided by PwC, on the system of internal control, risk management and governance. It reviews these reports and agrees the necessary action plans, which are then monitored regularly.

It also receives reports from HEFCE, on HEIs' ITT providers' systems of internal control, and also obtains reports from the external audit function provided by the NAO. Evidence is also taken from senior managers as and when deemed appropriate, and an annual report is submitted to the Board, all of which encompasses their findings and recommendations.

The Audit Committee, in line with best practice, also considers its own effectiveness and in this financial year the Agency facilitated members' professional development training.

Internal audit

A professional and independent internal audit service, conducted by PwC, was maintained throughout the year. The Audit Committee agreed the internal audit strategy and plans for 2010–11.

My review includes consideration of the internal audit opinion in conjunction with the Audit Committee and the letter of assurance from the exiting Accounting Officer. Internal audit was carried out in accordance with the internal audit strategy programme set out in the audit plan. The programme took into account the challenging agenda of the Agency and the internal auditors' assessment of the coverage required to meet the government internal audit standards introduced from 1 April 2009. The audit programme agreed for the year included reviews of corporate governance processes, payroll, risk management and IT security.

The exiting Accounting Officer received from the internal auditors reports on internal audit findings, which included their professional opinion on the level of assurance applicable to the Agency. Of the 11 reports that resulted in assurance ratings, 3 were awarded high assurance, 5 were awarded moderate assurance and 3 were awarded limited assurance.

The three limited assurance reports were Business Planning, Impact Evaluation Framework and Ordering and Payments. TDA management have responded that they were aware of the issues in each of these areas and that strong progress has been made on all of them in 2010–11. The Audit Committee is monitoring progress against the recommendations in these internal audit reports and requesting updates from TDA officers on key issues.

Overall, PwC reported moderate assurance on the effectiveness of internal controls for 2010–11, citing good practice in Corporate Governance and Payroll, but drawing attention to limited assurance in the high-risk areas of Business Planning and Ordering and Payments. Their work did not identify any significant control weaknesses that they consider to be pervasive in their effect on the system of internal control. While the majority of the reviews completed in this year contained medium-risk recommendations (with five high-risk recommendations, isolated to two systems), PwC consider that these do not, in aggregate, at this point in time, have significant impact on business-critical systems, and as such they have given moderate assurance on the design adequacy and effectiveness of the system of internal control.

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

Other assurance mechanisms

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

- provider financial reports
- receipt and examination of ITT providers' accounts, and
- Project Highlight Reports: these encompass performance, risk and budget information and include a report from project managers.

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

Information security

We have continued to work with the Department to deliver information assurance to the mandates with the HMG Security Policy Framework. All staff completed the annual Information Assurance training provided by the National School of Government, with information asset owners (IAOs) having completed levels 1–3.

We have continued our work on risk management accreditation document sets, with assessment of risks having been undertaken by an independent third party organisation. Independent assurance is also provided by our internal audit partner PwC and also the NAO through external audit.

We have also undertaken our annual independent IT security health check. During the course of the year our IAOs reviewed the information asset register for completeness and accuracy, and we also strengthened our protective marking procedures through the introduction of a new toolset. The Agency also operates a clear desk working policy and provides secure facilities to store physical documents. Mobile assets of the Agency also use data encryption to appropriate standards.

Following the move to Piccadilly Gate, the Agency has been undertaking a full review of business continuity arrangements, including a relocation of our Disaster Recovery Centre to the North West from London, and for this financial year we experienced no incidents with personal data and no incidents with any business data of Business Impact Level 3 or above.

As part of our Security Policy Framework mandated activities, IAOs returned annual assurance letters to the agency senior information risk owner (SIRO), and the SIRO returned his assurance letter to the Accounting Officer.

Relocation

In line with the Lyons Review, the Agency's offices relocated from London to a temporary office in Manchester; this move was completed in March 2010. The second stage relocation, moving our offices from City Tower to Piccadilly Gate in Manchester, was delivered as scheduled in August 2010, on time and on budget. The move went well, with 95 per cent of staff agreeing that they had been well informed throughout the process, and with no interruption to business continuity. Relocation has enabled the Agency to implement a number of organisational improvements, and the key benefits of relocation are now being tracked and measured. The Relocation Programme Board, which ensured proper governance as well as effective monitoring of the risks associated with this programme, has now been closed.

As part of establishing the Agency in Manchester, we have rationalised some of our functions, such as the way we deliver our regional services and the manner in which we formulate our strategies centrally. This has resulted in the realignment of some of the functions across the three executive directorates.

The new Piccadilly Gate building fits with the value for money agenda (the cost is around 60 per cent less than the TDA's previous London premises and the new building includes a conference facility that is significantly reducing the Agency's use of external venue hire) and the sustainability agenda (at the time of commissioning it was one of only three 'B' rated energy efficient buildings in the Government Estate).

New executive agency

Following the Coalition Government's review of arm's-length bodies, it was announced by the Department for Education that, from April 2012, the activities of the TDA will be undertaken by a new executive agency of the Department. This new agency will also undertake some activities currently carried out by other arm's-length bodies of the Department in addition to the activities of the TDA.

The current proposal is that the TDA will be abolished at the end of the 2011–12 financial year (subject to Parliamentary approval of the Education Bill). However, in accordance with the guidance in the FReM, the TDA can still be considered a going concern as its key functions and activities will continue within government.

Conclusion

As Accounting Officer, I am satisfied with the Agency's governance, risk management and internal control arrangements, and that any weaknesses identified by internal audit, or any other assurance process, are being mitigated against and do not in any event represent a material threat to the Agency's operational effectiveness.

Approved by the Board

Stephen Hillier

Stephen Hillier
Chief Executive and Accounting Officer

Date: 9 June 2011

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Training and Development Agency for Schools (the Agency) for the year ended 31 March 2011 under the Education Act 2005. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Agency, Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Agency and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Education Act 2005. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Training and Development Agency for Schools' affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Education Act 2005 and Secretary of State directions issued thereunder.

Emphasis of matter – uncertainty regarding going concern

Without qualifying my opinion, I draw attention to Note 1 of the financial statements concerning the application of the going concern principle. The draft Education Bill provides for the abolition of the Agency. This is subject to legislation and there is therefore uncertainty over whether the TDA will continue to operate in its current legal form and with its current functions.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Education Act 2005; and

- the information given in the Annual Report, Management Commentary and the unaudited part of the Remuneration Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or

- I have not received all of the information and explanations I require for my audit; or

- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

National Audit Office
157–197 Buckingham Palace Road
Victoria
London SW1W 9SP

Date 15 June 2011

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2011

		2010–11		2009–10 Restated	
	Notes	£000	£000	£000	£000
Expenditure programme					
Grants for qualifying activities	3	686,830		712,114	
Provision of information and advice	3	16,990		27,040	
Research on improving training of teachers	3	606		1,190	
Other activities	3	–		209	
			704,426		**740,553**
Relocation					
Movements in provisions		(6,107)		1,438	
In-year costs		(4,223)		12,580	
	4		**(1,884)**		**14,018**
Administration					
Staff costs	5	17,006		18,591	
Other administration costs	6	4,068		7,579	
Depreciation and amortisation	7/8	805		738	
			21,879		**26,908**
			724,421		**781,479**
Income					
Income from activities	2		(3)		(1,470)
Net expenditure			**724,418**		**780,009**

The results for 2009–10 have been restated as there is no longer a requirement to disclose the notional cost of capital as disclosed in note 1 to the accounts.

The notes on pages 40 to 55 form part of these accounts.

Statement of Financial Position

as at 31 March 2011

	Notes	31 March 2011 £000	31 March 2010 £000
Non-current assets			
Property, plant and equipment	7	990	1,715
Intangible assets	8	156	168
Total non-current assets		**1,146**	**1,883**
Current assets			
Trade and other receivables	9	10,064	5,785
Cash and cash equivalents	10	883	17,185
Total current assets		**10,947**	**22,970**
Total assets		**12,093**	**24,853**
Current liabilities			
Trade payables and other liabilities	11	(10,054)	(21,117)
Total current liabilities		**(10,054)**	**(21,117)**
Non-current assets plus net current assets		**2,039**	**3,736**
Non-current liabilities			
Provisions	12	(3,055)	(7,799)
Total non-current liabilities		**(3,055)**	**(7,799)**
Assets less liabilities		**(1,016)**	**(4,063)**
Equity and liabilities			
Revaluation reserve		0	56
General reserve		(1,016)	(4,119)
Taxpayers' equity		**(1,016)**	**(4,063)**

Approved by the Board

Stephen Hillier

Stephen Hillier
Chief Executive and Accounting Officer

Date: 9 June 2011

The notes on pages 40 to 55 form part of these accounts.

Statement of Cash Flow
for the year ended 31 March 2011

	2010–11 £000	2009–10 £000
Cash flows from operating activities		
Net expenditure	(724,418)	(780,009)
Depreciation charges	806	738
(Increase)/decrease in trade and other receivables	(4,278)	2,444
(Decrease)/increase in trade and other receivables	(11,063)	2,319
Items not passing through net expenditure account		
Loss on disposal of assets	–	852
Loss/(gain) on revaluation of assets	–	–
Use of provision	(4,744)	1,436
Net cash outflow from operating activities	**(743,697)**	**(772,220)**
Cash flows from investing activities		
Purchase of property, plant and equipment	–	(1,772)
Purchase of intangible property, plant and equipment	(69)	(201)
Proceeds from disposal of assets	–	1
Net cash flows from investing activities	**(69)**	**(1,972)**
Cash flows from financing activities		
Grant/grant-in-aid received	727,464	781,639
	(16,302)	**7,447**
Net increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	17,185	9,738
Cash and cash equivalents at end of the period	883	17,185
Net (decrease)/increase in cash	**(16,302)**	**7,447**

The notes on pages 40 to 55 form part of these accounts.

Statement of Changes in Taxpayers' Equity

	General reserves £000	Revaluation reserves £000
Balance as at 31 March 2009	**(5,748)**	**56**
Changes in taxpayer's equity 2009–10		
Net expenditure after cost of capital reversal	(780,009)	–
Net gains/(loss) on revaluation of property, plant and equipment	–	–
Total recognised income and expense for 2009–10	(785,757)	56
Grant and grant-in-aid received	781,639	–
Balance as at 31 March 2010	**(4,118)**	**56**
Changes in taxpayers' equity 2010–11		
Net expenditure	(724,418)	–
Net gains/(loss) on revaluation of property, plant and equipment	–	–
Total recognised income and expense for 2010–11	(724,418)	56
Transfer between reserves	56	(56)
Grant and grant-in-aid received	727,464	–
Balance as at 31 March 2011	**(1,016)**	**–**

The notes on pages 40 to 55 form part of these accounts.

Notes to the accounts

1. Accounting policies

1.1 Basis of preparation

The financial statements are drawn up in accordance with the Accounts Direction, given by the Secretary of State, with the approval of the Treasury, in accordance with Schedule 13, paragraph 17(2) of the Education Act 2005 and the Financial Memorandum between the Secretary of State and the TDA, copies of which may be obtained from the Agency or the Department.

These financial statements have been prepared in accordance with the 2010–11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Agency are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The Agency's financial statements comprise:

- Statement of Comprehensive Net Expenditure
- Statement of Financial Position
- Statement of Cash Flow
- Statement of Changes in Taxpayers' Equity, and
- notes to the accounts.

1.2 Basis of accounting

The accounts are prepared under the historical cost convention modified by the revaluation of property, plant and equipment.

Although the current proposal is that the TDA will be abolished at the end of March 2012 (subject to Parliamentary approval of the Education Bill), the key functions and activities of the Agency will be continued by an executive agency of the DfE on behalf of the Secretary of State. Therefore these accounts have been prepared on a going concern basis in accordance with the guidelines in the FReM.

1.3 Adoption of new accounting standards

The Agency has adopted the following standards:

- International Accounting Standard (IAS) 7: Statement of cash flows, amendment (effective from 1 January 2010). The standard states that cash flows from investing activities will only be represented by expenditure resulting in the recognition of assets. However, this does not have any impact on the Agency's financial statements in this financial year.
- Revision of IAS 24: Related party disclosures, effective from 1 January 2011. This simplifies and clarifies the definition of related parties. IAS 24 provides partial exemption from the disclosure requirements for government-related entities in respect of third party transactions and balances, including commitments. This does not have any impact on the Agency's future financial statements.
- IAS 10: Events after the reporting period. IAS 10 requires disclosure of the date when the financial statements are authorised.

1.4 Intangible assets and amortisation

Purchased computer software licences are capitalised as intangible assets where expenditure of £5k or more is incurred. Software licences are amortised over three years or the licence life, whichever is shorter. Website costs are capitalised to the extent that development costs which are directly attributable and generate income can be identified. Website content is capitalised at cost and reviewed annually; it is written down to its current value on an annual basis, and the written down amount is charged to the Statement of Comprehensive Net Expenditure. No website costs have been capitalised this year.

Where material, intangible assets are revalued using appropriate indices. There has been no revaluation of intangible assets this year.

1.5 Property, plant and equipment and depreciation

During 2010–11, the Agency leased office space, from which it operated, in both City Tower and Piccadilly Gate in Manchester. It carried out enhancements to both of these locations, which have been capitalised. The Agency owns all other property, plant and equipment recognised in the Statement of Financial Position.

Expenditure on the acquisition of property, plant and equipment is capitalised where these costs exceed £1k.

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

- Building refurbishment – five years or life of lease (whichever is shorter)
- Office furniture and equipment – three years
- IT equipment (hardware) – three years.

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

Property, plant and equipment are carried at fair value. However, in accordance with the FReM, depreciated historic cost is used as a proxy for fair value. This is deemed appropriate as the assets are of short life and low value, meaning that the difference between historic cost and fair value is not material.

1.6 Notional costs

Following publication of FReM 2010–11, there is no longer a requirement to charge a notional cost of capital in the Statement of Comprehensive Net Expenditure. This is a change in accounting policy from 2009–10, where the notional cost of capital was disclosed in the notes to the accounts (refer to note 5 in the 2009–10 annual report). Any notional cost was previously charged after net expenditure, and then immediately reversed out again, resulting in no effect to the Statement of Comprehensive Net Expenditure. Any change to this policy will therefore have no impact on the accounts.

1.7 Grant-in-aid receivable

All grant-in-aid from the Department for Education (DfE) is treated as financing as it is a contribution from controlling parties, giving rise to a financial interest. It is recorded as financing in the Statement of Cash Flow and credited to the general reserve.

1.8 Grants payable

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

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

1.9 Income

Other income is recognised in the Statement of Comprehensive Net Expenditure for the year on an accruals basis.

1.10 Value added tax

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

1.11 Taxation

The Agency's activities are outside the scope of corporation tax as it does not carry on a trade or any other business.

1.12 Leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Net Expenditure in the year to which the payments relate. This practice conforms to IAS 17: Leases.

1.13 Loans

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

1.14 Pension costs

The Agency has adopted IAS 19: Employee benefits in compliance with the 2010–11 FReM. IAS 19 prescribes the accounting and disclosure by employers of employee benefits, including pensions and termination benefits in the accounts of employing entities (refer to note 5c to the accounts).

The Agency participates in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is a multi-employer defined benefit scheme, but the Agency is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation is carried out every four years, and the last valuation was carried out at 31 March 2007.

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

1.15 Provisions

The Agency recognises a provision when:

- it has a present legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefit will be required to settle the obligation, and
- a reasonable estimate can be made of the amount of the obligation.

1.16 Bad debt write-off

The Agency reviews its outstanding receivables on a regular basis with a view to pursuing and providing for bad and doubtful debts where appropriate. Doubtful or irrecoverable debts are accounted for in accordance with IAS 36: Impairment of assets.

1.17 Financial instruments

The Agency has adopted IAS 32: Financial instruments: Presentation, IAS 39: Financial instruments: Recognition and measurement, and IFRS 7: Financial instruments: Disclosures in this year's accounts. The Agency does not have any complex financial instruments; however, financial assets and financial liabilities are recognised in the Agency's Statement of Financial Position when the Agency becomes a party to the contractual provisions of the instrument.

Financial assets: The Agency recognises trade receivables as financial assets. Such assets have fixed or determinable payments that are not quoted on an active market. They are recognised at fair value and are subsequently measured at amortised cost less any appropriate provisions for specific doubtful receivables.

Financial liabilities: The Agency recognises trade payables as financial liabilities. Such liabilities are recognised at fair value and are subsequently measured at amortised cost.

Embedded derivatives: Embedded derivates are only recognised if considered separable from the host contract. The Agency has not identified any embedded derivatives for recognition in the Statement of Financial Position.

1.18 Impact of future IFRS

The following IFRS are effective from 1 July 2010. IFRS 1 has been amended to provide additional disclosures on financial instruments. IFRS 3: Business combinations has been amended to give clarification on non-controlling interest and adjustments to liabilities. IFRS 7 has been amended in response to the credit crisis and as a result requires more disclosure on transfer transactions and risks. These amendments are unlikely to have any impact on the Agency's future financial statements.

The International Accounting Standards Board intend that IFRS 9: Financial instruments will replace IAS 39: Financial instruments: Recognition and measurement in its entirety (effective from 1 January 2013). This is unlikely to have any impact on the Agency's future financial statements.

The IAS 1, 27 and 34 amendments on presentation and consolidation of financial statements and interim financial reporting (effective from 1 January 2010) are unlikely to have any impact on the Agency's future financial statements.

New interpretations and amendments to IFRS Interpretations Committee (IFRIC) 14 and 19 on financial liabilities and prepayments, respectively, effective from 1 January 2011 are also unlikely to have any impact on the Agency's future financial statements.

1.19 Embedded derivatives

The Agency has also adopted IFRIC 9: Reassessment of embedded derivatives in full. We assess whether an embedded derivative is required to be disclosed, under IAS 39, as separable from the host contract, and accounted for as a derivative when we first become a party to the contract.

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

1.20 Operating segments

The Agency applies IFRS 8: Operating segments in full, in line with FReM requirements.

The standard requires the total assets to be analysed under different operating segments if this is how it is regularly reported to the chief operating decision-maker. The segmental analysis is contained in note 15 to the accounts.

2. Income from activities

	2010–11		2009–10	
	£000	£000	£000	£000
Income from the National Assembly for Wales				
Reimbursement of cost		3		734
Other operating income				
HEFCE grant income	–		735	
Access to Learning	–		–	
Miscellaneous income	–		1	
		–		736
Total operating income		**3**		**1,470**

In previous years the Agency has received income other than that from the Department grant. This income was generated under a Memorandum of Understanding with the National Assembly for Wales, for promoting teaching in Wales, and with HEFCE for non-HEIs' capital expenditure contribution. This year all income is now being drawn directly from the Department.

3. Analysis of full cost expenditure on current programmes

	2010–11		2009–10 Restated*	
Grants payable	**£000**	**£000**	**£000**	**£000**
The Executive Directorate for Training				
ITT provider funding	270,341		255,342	
Teach First	19,230		6,941	
Employment-based routes funding	84,094		88,333	
Training bursaries	164,580		157,303	
Access to Learning funds	12		48	
QTS skills tests	4,175		5,130	
Primary modern foreign languages	1,945		3,268	
Additional ITT development activity	1,892		10,911	
Additional ITT recruitment activity	1,540		7,593	
Student Associates Scheme	7,566		12,415	
Masters in Teaching and Learning	7,194		7,474	
Under-represented groups	1,254		2,269	
Career-phase specific support	434		668	
Postgraduate professional development	22,083		26,923	
Curriculum	8,553		3,489	
Subject knowledge enhancement	11,488		9,387	
SENCO	14,303		10,003	
Special educational needs	5,943		1,645	
		626,627		609,142
The Executive Directorate for Development and Improvement				
Golden Hello Scheme	20,637		29,662	
Support staff training, qualifications and delivery	2,329		27,733	
Training schools	17,026		–	
Qualifications and standards	90		574	
Workforce development and deployment	321		230	
Extended schools	38		1,445	
Children's workforce in schools modernisation and development (WMDG)	14,067		20,495	
Programme delivery and management	190		7,065	
Continuing professional development strategy	398		1,279	
Personal tutors	–		356	
CRESS	5,107		14,133	
		60,203		102,972
Total grants paid		**686,830**		**712,114**
The Executive Directorate for Supporting Delivery				
Media campaigns, recruitment events, recruitment website	7,617		13,520	
Other communications activity	7,401		13,520	
Regional leads	1,972		–	
		16,990		27,040
Research		606		1,190
Other activities – special projects		–		209
Total grants paid		**704,426**		**740,553**

Substantially all of the above expenditure (more than 90 per cent) was within the public sector.
* 2009–10 expenditure has been restated for consistency.

4. Relocation costs

a) The costs associated with relocation

The costs of redeployment, severance and premises associated with relocation are detailed below.

	2010–11 In-year cost £000	2009–10 Total £000
Staff cost		
Salary cost	72	798
Salary cost – role transfers	(3,962)	665
National Insurance contributions – salary	5	66
National Insurance contributions – role transfers	17	55
Recruitment costs	(698)	1,004
Superannuation – salary	9	146
Superannuation – role transfers	24	124
Voluntary exit scheme	1,730	479
Temporary staff costs	65	105
Total staff cost	**(2,738)**	**3,442**
Non-staff cost		
City Tower rent and fit-out	175	1,471
Piccadilly Gate fit-out	705	3
Dual office costs	60	–
Travel and subsistence costs	503	848
Loss on disposal of assets	–	852
Dilapidations	(320)	–
Business expertise	(84)	395
Staff and stakeholder communication	–	16
Improving services review	(185)	(41)
Provisions	–	7,032
Total non-staff cost	**854**	**10,576**
Total	**(1,884)**	**14,018**

The relocation expenditure set out here is not included in the cost disclosed in note 5a.

b) Average number of employees

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

	2010–11 Numbers	2009–10 Numbers
Executive Directorate for Supporting Delivery	–	12
Relocation – role transfers	2	24
Total	**2**	**36**

5. Staff costs

a) The costs of staff, excluding relocation

The total costs of staff – including the Chief Executive and temporary staff – employed by and seconded to the Agency in the period to 31 March 2011, were:

	2010–11 £000	2009–10 £000
Staff salaries	13,016	12,260
Cost of temporary staff	195	3,083
Social Security costs	1,277	1,008
Superannuation costs	2,518	2,240
Total	**17,006**	**18,591**

The relocation costs of staff are disclosed in note 4a above.

b) Average number of employees, excluding relocation

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

	2010–11 Numbers	2009–10 Numbers
Directors and senior managers	6	6
The Executive Directorate for Training	84	127
The Executive Directorate for Development and Improvement (EDDI)	91	63
The Executive Directorate for Strategy	–	5
The Executive Directorate for Supporting Delivery (EDSD)	152	98
Temporary staff	6	52
Total	**339**	**351**

The average number of employees employed on relocation is disclosed in note 4b above.

Staff numbers in the EDSD increased by 54 during the financial year. This was due to the Integrated External Delivery Programme being brought in-house rather than being externally delivered through contractors. The programme improves the way in which we engage with our regional stakeholders, partners and colleagues, and the way in which we deliver our services.

c) Pensions arrangements for staff

For 2010-11, employers' contributions of £2.519m were payable to the PCSPS (2009–10: £2.449m) at one of four rates in the range of 16.7 per cent to 24.3 per cent of pensionable pay, based on salary bands (the rates in 2009–10 were 16.7 per cent to 24.3 per cent). The scheme's actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010–11 to be paid when the member retires, and not the benefits paid during the period to existing pensioners. The superannuation amounts are under staff costs note 5 and also within relocation staff costs note 4.

Employees can opt to open a partnership pension account – a stakeholder pension with an employer contribution. Employers' contributions of £33.3k (2009–10: £35k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 per cent to 12.5 per cent of pensionable pay. In addition, employers also match employee's contributions up to 3 per cent of pensionable pay. A further £1.9k (2009–10: £4.4k) or 0.8 per cent of pensionable pay was payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

There were no contributions prepaid to the partnership pension providers at the end of the financial year.

6. Other administration costs

	2010–11 £000	2009–10 £000
Board members' emoluments	42	49
Travel, subsistence and hospitality		
Chair	2	4
Chief Executive	1	3
Board	6	28
Employees	272	87
Staff training and fees	244	271
General administrative expenditure	580	1,002
Recruitment	45	714
Information systems and payroll	588	286
Accommodation charges	1,217	3,936
Consumables	110	626
IT infrastructure	759	398
Internal auditors' remuneration	129	96
External auditors – statutory audit	70	70
External auditors – IFRS audit	–	5
Bank charges	3	4
Total	**4,068**	**7,579**

7. Property, plant and equipment

	Refurbishment £000	Information technology £000	Furniture and equipment £000	Total £000
Cost or valuation				
At 1 April 2009	338	882	2,562	3,782
Additions	1,167	513	92	1,773
Disposals	(338)	(20)	(2,421)	(2,779)
At 31 March 2010	**1,167**	**1,375**	**233**	**2,775**
At 1 April 2010	1,167	1,375	233	2,775
Additions	–	–	–	–
Disposals	–	–	–	–
At 31 March 2011	**1,167**	**1,375**	**233**	**2,775**
Depreciation				
At 1 April 2009	(313)	(383)	(1,614)	(2,310)
Charged in the year	(255)	(367)	(55)	(677)
Disposals	313	1	1,613	1,927
At 31 March 2010	**(255)**	**(749)**	**(56)**	**(1,060)**
At 1 April 2010	(255)	(749)	(56)	(1,060)
Charged in the year	(292)	(356)	(78)	(725)
Disposals	–	–	–	–
At 31 March 2011	**(547)**	**(1,105)**	**(134)**	**(1,785)**
Net book value at 31 March 2011	**620**	**270**	**99**	**990**
Net book value at 31 March 2010	**912**	**626**	**177**	**1,715**

The Agency owns all tangible plant and equipment and intangible assets on its Statement of Financial Position.

8. Intangible assets

	Software licences 2010–11 £000	Software licences 2009–10 £000
Cost or valuation		
As at 1 April 2010	524	323
Additions	69	201
Disposals	–	–
As at 31 March	**593**	**524**
Depreciation		
As at 1 April 2010	(356)	(295)
Charged in the year	(81)	(61)
Disposals	–	–
As at 31 March	**(437)**	**(356)**
Net book value at 31 March	**156**	**168**

9. Trade and other receivables

Receivables: Amounts falling due within one year	**31 March 2011 £000**	**31 March 2010 £000**
Programme receivables	466	4,400
Other receivables	8	96
Programme prepayment	1,657	955
Other prepayments and accrued income	7,872	250
Loans to staff	61	84
Total	**10,064**	**5,785**

Receivable balances with other government bodies	**31 March 2011 £000**	**31 March 2010 £000**
Other central government bodies	105	234
Local authorities	7,460	2,456
NHS trusts	–	–
Public corporations and trading funds	–	33
Balance with other government bodies	7,565	2,723
Balance with other non-government bodies	2,499	3,062
Total	**10,064**	**5,785**

10. Cash and cash equivalents

	£000
Balance at 1 April 2010	**17,185**
Net change in cash and cash equivalent balances	(16,302)
Balance at 31 March 2011	**883**

All balances are cash held in Government Banking Service accounts.

11. Trade payables and other liabilities

	31 March 2011 £000	31 March 2010 £000
Amounts falling due within one year		
Other taxation and social security	–	–
Programme payables	6	6,697
Other payables	799	3
Programme accruals	8,266	13,052
Other accruals	983	1,365
Total	**10,054**	**21,117**
Payable balances with other government bodies		
Other central government bodies	824	420
Local authorities	1,357	2,898
Public corporations and trading funds	8	507
Balance with other government bodies	2,189	3,825
Balance with other non-government bodies	7,865	17,292
Total	**10,054**	**21,117**

12. Provisions for liabilities and charges

	Relocation		Other		Total
	£000	£000	£000	£000	£000
Balance brought forward		7,799			7,799
Additional amount for the year			1,363		
Provision written back not required	(1,884)		0		
Net movement in provisions		**(1,884)**		**1,363**	**(521)**
Provision utilised during the year		(4,223)			(4,223)
Balance carried forward		**1,692**		**1,363**	**3,055**

The relocation provision at the year end relates to voluntary exit scheme payments still to be paid.

The 'Other' provision relates to a potential liability for VAT payable in relation to a contract. The Agency is awaiting a judgement from HM Revenue and Customs to confirm the extent of any liability arising.

13. Commitments under leases

Total future minimum lease payments under operating leases are given in the table below:

	31 March 2011 £000	31 March 2010 £000
Obligations under operating leases comprise:		
Buildings		
Not later than one year	1,566	511
Later than one year and not later than five years	6,265	–
Later than five years	14,489	–
	22,320	511
Other		
Not later than one year	712	–
Later than one year and not later than five years	770	478
Later than five years	–	–
Total	**23,802**	**989**

14. Other financial commitments

Capital
As at 31 March 2011 the Agency had no capital commitments.

Programme financial commitments
The Agency enters into ITT and postgraduate professional development funding commitments, approved on an academic year basis. The payments the Agency is committed to during 2010–11, analysed by the period of commitment, are estimated as:

	31 March 2011 £000	31 March 2010 Restated £000
Less than one year		
Executive Directorate for Training		
Provider funding	288,651	435,078
Training bursaries	104,330	274,096
Employment-based ITT funding	115,451	145,766
Student Associates Scheme	3,200	16,235
Subject knowledge enhancement scheme	15,875	22,352
Postgraduate professional development	15,503	29,642
Total	**543,010**	**923,169**
Executive Directorate for Development and Improvement		
Golden Hello Scheme	30,000	30,000
Wider workforce	–	17,100
WMDG	–	21,470
	30,000	**68,570**
Total	**573,010**	**991,739**
More than one year		
Golden Hello Scheme	45,000	75,000
Total	**618,010**	**1,066,739**

Following a review of commitments, the Agency has recognised commitments for more than one year for the Golden Hello Scheme. Prior year comparatives have been restated on a consistent basis.

15. Analysis of net expenditure by business unit

Business units	Expenditure £000	Income £000	Depreciation £000	2010–11 Total £000	2009–10 Total £000
ITT provider funding	270,341		301	270,642	264,729
Training bursaries	164,579		183	164,762	157,303
Employment-based routes funding	84,095		93	84,188	88,333
ITT other	107,611		120	107,731	98,777
Golden hellos	20,637		23	20,660	29,662
EDDI other	39,566		44	39,610	73,311
EDSD	16,990		19	17,009	27,040
Relocation	(1,884)		–	(1,884)	14,018
All other segments	21,680	(3)	23	21,700	27,568
Total	**723,615**	**(3)**	**806**	**724,418**	**780,741**

In identifying operating segments, management have followed the Agency's organisational structure and strategic lines of operation.

All lines of operation fall within the same geographical location and regulatory environment.

'All other segments' includes staff costs, other administration costs and losses on disposal of assets.

The relocation amount is negative because the movement in the provision has been offset against the expenditure.

16. Events after the Statement of Financial Position

There have been no events after the Statement of Financial Position date requiring an adjustment to the financial statements. The financial statements were authorised for issue on 13 July by Stephen Hillier (Accounting Officer).

17. Financial instruments

IFRS 7: Financial instruments: disclosures requires organisations to disclose information on the possible impact of financial instruments on their risk profile, and how these risks might affect their performance and financial position. The financial instruments held by the Agency extend only to trade and other receivables and cash held within the Government Banking System. We have no overseas operations and do not operate any foreign currency bank accounts; as such, the Agency is not subject to any foreign currency risks.

18. Related party payments schedule

The DfE is the Agency's parent department and is therefore a related party, as are other arm's-length bodies. In addition, the Agency has had a small number of material transactions with other government departments and other central government bodies, principally HEFCE and the National College.

The relationship with HEFCE and the National College has been developed to support the Agency in its remit, particularly in areas of continuing professional development for teachers and undergraduate teacher training courses.

During the year the Agency received £2.1k from the National College for assisting with seminars.
The Agency also paid £448k to HEFCE for the repayment of grants which were initially received directly, then, as per DfE guidance in relation to the Clear Line of Sight project, were subsequently received along with grant funding directly from the DfE.

During the year, the Agency also entered into the following transactions with other related parties (see paragraphs 6 and 12 in the Management Commentary):

Member	Third party	Relationship	2010–11 Payment £000	2010–11 Receipt £000	2009–10 Payment £000	2009–10 Receipt £000
Christopher Baker	National College	Chief Executive	–	–	6,398	169
John Atkins	The Kemnal Academies Trust	Chief Executive	–	–	3	–
Rekha Bhakoo	Newton Farm School	Headteacher	–	–	3	–
Michael Cresswell	Bristol University	Visiting Professor	3,311	–	3,326	–
David Green	University of Worcester	Vice-Chancellor and Chief Executive	7,983	–	7,213	–
Christopher Husbands	Institute of Education, University of London	Director	15,319	4	13,600	–
Derrick Palmer	Calder High School	Governor	–	–	1	–
	Derrick Palmer Associates Limited	Director	9	–	–	–
Gillian Pugh	Children's Workforce Development Council	Board member	42	–	42	56
	Institute of Education	Visiting Professor	15,319	4	13,600	–
Richard Thornhill	Loughborough/Kings Avenue Federation	Executive Headteacher	3	–	3	–
Susan Tranter	Edmonton County School	Headteacher	3	–	4	–
Alan Wood	Children and Young People's Service, London Borough of Hackney	Corporate Director	4	–	265	–
Alison Drury	Teaching Awards	Research Consultant	100	–	–	–

Habte Hagos was appointed Financial Director of the Institute of Education with effect from 1 April 2010. Up to 31 July 2010, he occupied this post while he continued with the Agency, noted in the Management Commentary at paragraph 65.

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

19. Losses and special payments

During the year the Agency suffered the following losses:

Type	Number of cases	Value £000
Loss of stores	1	1
Fruitless payments	30	282
Constructive losses	1	24
Claims waived or abandoned	12	12
Total		**319**

Of the total above, £218k relates to the cancellation at short notice of the 14–19 Diploma courses as a result of changes to policy, and £63k relates to losses incurred as a result of cancellation of planned activity due to the change in administration, and a subsequent halt on activities.

Glossary

BREEAM	Building Research Establishment Environmental Assessment Method
CETV	cash equivalent transfer value
CPD	continuing professional development
CSCS	Civil Service Compensation Scheme
CWDC	Children's Workforce Development Council
D&T	design and technology
DCSF	Department for Children, Schools and Families
DfE	Department for Education
EBITT	employment-based initial teacher training
EDDI	Executive Directorate for Development and Improvement
EDSD	Executive Directorate for Supporting Delivery
FReM	Financial Reporting Manual
FCO	full core offer
HEFCE	Higher Education Funding Council for England
HEI	higher education institution
IAO	information asset owner
IAS	International Accounting Standards
ICT	information and communications technology
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IoE	Institute of Education
IT	information technology
ITT	initial teacher training
MTL	masters in teaching and learning
NAO	National Audit Office
National College	National College for Leadership of Schools and Children's Services
NQT	newly qualified teacher
Ofsted	Office for Standards in Education, Children's Services and Skills
PCSPS	Principal Civil Service Pension Scheme
QTS	qualified teacher status
RTT	Return to Teaching Programme
SAS	Student Associates Scheme
SBM	school business manager
SCITT	school-centred initial teacher training

SEN	special educational needs
SENCO	special educational needs coordinator
SIRO	senior information risk owner
SLT	Strategic Leadership Team
STEM	science, technology, engineering and mathematics
TDA	Training and Development Agency for Schools
VAT	value added tax
WMDG	workforce in schools modernisation and development grant

Assurance level	**Definition**
Sound	Sound design of internal control that addresses risk, meets best practice and is operating as intended.
Adequate	Adequate design of internal control that addresses the main risks, but falls short of best practice and is operating as intended.
Inadequate	Major flaws in design of internal control, or significant non-operation of controls, that leaves significant exposure to risk.

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