

## POLICY WATCH

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### Department for Education and Skills Departmental Report 2006

130 pages, released last month, criticised by the Select Committee last week for not presenting information in a manner that makes comparisons from one year to another easy (“are you doing it on purpose so we cannot make comparisons?” asked one member) but an Annual Report that’s a veritable gold mine of facts, figures and updates on how the education system is progressing. Its main purpose is to report on money spent and progress made against PSA (Public Service Agreement) targets over the last year and so it reads a bit like a Club Treasurer’s Report but is valuable nevertheless.

In his forward, the Secretary of State reports that “we are making impressive progress” and cites the familiar battery of improving attainment levels, rising skill levels and increasing investment levels. Yet overall the impression is that while indeed progress is being made, a number of targets will not be met. Disturbingly many of these are in the core areas of English, maths, science and ICT achievement by young people where “slippage” against 2007 and 2008 targets is noted. The targets will be reviewed and possibly reset as part of next year’s Spending Review but it explains why there’s a such a buzz of activity around these areas at present.

The other impression you get from the Report is just how much is going on in the world of education and training and how much the language used to describe it is changing. From the 16 listed Non Departmental Public Bodies (NDPBs) to the 14 2004 PSA targets, from personalisation to Private Finance Initiatives (PFIs,) from the 40 formal consultations last year to the 8 Command Papers (generally Green or White Papers) this is a Dept, let alone a world that is transforming before our eyes.

The most welcome news in the Report? Surely for many people it will be the section in chapter 6 which spells out progress being made on simplifying and reducing admin burdens. “The Dept” it says on page 70, “will be publishing a simplification plan in Nov 2006. This will cover all the work being carried out by the Dept to reduce burdens on front line staff in children’s services, schools and further and higher education institutions.” Ole or something similar.

For those with neither an anorak nor a strong stomach, here is a list of 9 ‘not a lot of people know that’ bits of information that stand out from this Report.

- **Spending on education in England.** This will rise to £64.9bn in 2007/8. The proportion of GDP (gross domestic product) spent on education is forecast to rise to 5.6% . Proportion of GDP spend is the traditional measure used with a minimum of 5% often seen as a benchmark. The sharpest rise is for schools and within that increased capital investment in projects such as school buildings, ICT, Academy and Specialist School expansion
- **Local Authority expenditure.** In 2005/6, local authorities spent an estimated £37.3bn on education, largely directly on schools or in support

services to schools; a figure that will need to be balanced in future with rising expenditure on the Every Child Matters agenda

- **Schools Funding.** Schools now receive their funding through a ring fenced Dedicated Schools Grant (DSG.) This will increase by 6.4% in cash terms for each of the next 2 years though the final figure will depend on pupil numbers for the year concerned. Revenue funding per pupil rises to £4,590 by 2007/8 but the interesting issue may be how far the Chancellor intends to pursue his 2006 Budget statement of intending to raise the capital investment per state pupil to that of today's private school pupil
- **Funding for learning and skills.** Total public funding for the LSC for 2006/7 is £10.4 bn with the core of this, £5 bn, set aside for planned participation for further education in line with last autumn's Priorities for Success objectives. Funding per full FTE student in FE is under review in the light of the FE White Paper but is projected to rise to £5160 by 2007/8. Two issues facing colleges are the potential impact of the Train to Gain budget which is set to rise to £467m in 2007/8 and funding sources from so called non priority learners
- **Funding for HE.** HEFCE's budget rises to £6.9bn by 2007/8 and while funding for research may be the current issue, two other points are worth noting. One is that funding for teaching per student will be maintained in real terms in 2006/7 in line with the Chancellor's 2005 budget statement and the other is that under its current grant conditions, HEFCE is looking closely at how to increase the volumes of employer sponsored HE provision
- **Admin costs of NDPBs.** The 'Gershon' efficiency drive is having an effect on the admin costs of Non Dept Public Bodies. The largest body, the LSC, has the largest annual admin costs of £227.63m, followed by CAFCASS of £100.23m, the Student Loans Co of £54.01m and QCA of £50.96m. At the other end are Becta at £10.56m, NCSL at £10.11m and SSDA at £6.31m
- **Efficiency gains.** The Dept aims to achieve £4.3bn in annual efficiency gains by 2007/8 with £3.2bn recyclable back to the front line. Plans to achieve this include improved procurement through a new centre of excellence; improved front line productivity through workforce reform and use of ICT; streamlined delivery systems through lighter touch inspections, simpler 'conversations' and refined data collection. Specific measures over the next few months include e - procurement pilots, continuing school workforce remodelling, greater use of financial benchmarking and a single FE Quality Improvement strategy.
- **Capital investment.** Modernisation, personalisation and multiple use as in extended use of building and facilities are the three main drivers here. Apart from building programmes for schools and colleges, the other area of development is ICT to meet the e Strategy priorities. There are four priorities; creating personalised online learning space, developing a national digital infrastructure, extended support and e maturity
- **Progress against targets.** On course in 9, ahead in 2, slippage in 11 is the simple tally of progress against the major PSA targets. The table includes some targets held jointly with other Depts and some targets still in place from the 2002 Spending Review so it's not always easy to see the full picture. "Even where slippage is reported, there has still been substantial progress against where the Government started" is the DfES line. Fair comment, it's just that the slippage is in the areas that matter most like English and maths.

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