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## **Section 2. Supplementary Estimates**

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# Department for Education and Skills

## Introduction

1. This Supplementary Estimate is required for the following purposes:

Amount £

### Changes in resources

**RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills**

#### **Increases:**

##### Resource Transfer from RfR2

Transfer to section A £40,800,000 from the Transformation Fund, to meet commitments within RfR1, to section B £2,000,000 for Schools Foundation Stage Strand of the Primary National Strategy, to section C £475,000 for Sure Start contribution to DirectGov.	43,275,000
Transfer to non-budget section Q for National College of Schools Leadership £4,000,000 for the Professional Qualification Integrated Leadership Centre.	4,000,000

##### Resource Transfer from RfR3

Programme Resource	
Transfer from RfR3 to section A £15,000,000 for Children's Fund loan repayment, section T £29,524,000 for Local Area Agreements.	44,524,000

##### Transfers from Other Government Departments

Transfers from the Department of Health £15,000,000 for University College London (£13,000,000), Education Intervention Programme (£2,000,000); from the Cabinet Office £396,000 E-money towards the expansion of the Parliamentary Counsel Office; from the Home Office £5,683,000 for Prison Education Service.	21,079,000
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##### Capital Transfers between sections within the Estimate

Movement from non-voted Credit Approvals £223,085,000 to section B (£219,187,000) support for Schools and Teachers, to section J (£3,697,000) support for Schools through Local Authorities, to section M (£201,000) support for Children and Families through Local Authorities. Movement from section C £1,965,000 to section J support for Schools through Local Authorities.	223,085,000
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##### Increases to NDPB Cash Requirement

Section S £513,309,000 for Learning and Skills Council to cover non-voted resource budget.	513,309,000
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#### **Decreases:**

##### Transfers to Other Government Departments

Transfer to the Department of Trade and Industry £350,000 for contributions towards the National Council of Graduate Entrepreneurship (NCGE); to the Home Office £9,663,000 for Post Bichard vetting and barring scheme (£1,340,000), Prison Education Service (£8,323,000); to the Department of Culture Media and Sport £2,130,000 for Museum and Galleries Programmes; to the National Assembly for Wales £159,000 for the Open University in Wales.	-12,302,000
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##### Machinery of Government Changes

Transfer to the Department for Constitutional Affairs £5,545,000 in respect of Administration charges for Special Education Needs Tribunal; to the National Assembly for Wales £22,600,000 in respect of the Welsh share of Student Loan resource consequences.	-28,145,000
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**Resource Re-profile**

Movement of Youth Media Fund section C £500,000 (2006-07) to section C (2007-08), -1,300,000  
 movement of Youth Challenge Fund £800,000 (2006-07) to section C (2007-08).

**Neutral Changes:****Resource Transfers between sections within the Estimate**

Movement from section A £8,010,000 to non-voted support for Lifelong Learning; Movement -  
 from section B £210,362,000 to section I (£162,283,000) support for Schools through Local  
 Authorities, to non-voted support for Lifelong Learning (£48,079,000); Movement from section  
 C £121,415,000 to section T (£91,912,000) for Local Area Agreements, to non-voted support  
 for Children and Families (£5,025,000), to non-voted support for Lifelong Learning  
 (£24,478,000); Movement from section D £9,518,000 to non-voted support for Lifelong  
 Learning (£9,418,000) and non-voted Student Support (£100,000); Movement from section F  
 £172,027,000 to non-voted support for Lifelong Learning; Movement from section G  
 £4,100,000 to non-voted Student Support; Movement from section H £50,000 to non-voted  
 support for Lifelong Learning; movement from section L £22,343,000 to non-voted support for  
 schools (£13,192,000), to non-voted support for Lifelong Learning (£9,151,000); Movement  
 from section N £68,042,000 to non-voted support for Schools.

**Increase / Decrease in gross spending offset by Appropriations In Aid**

Increase in gross provision and appropriations in aid on section A by £1,600,000 for General -  
 Administration from Other Government Departments; on section B by £2,381,000 for Literacy  
 and Numeracy (£2,000,000), London Challenge (£336,000), Nutritional Evaluation (£45,000);  
 on section C by £1,500,000 for Positive Activities for Young People; on section E £8,714,000  
 for Higher Education Innovation Fund; on section F £3,129,000 for Qualifications (£2,802,000),  
 Investors in People from the Department of Health (£300,000), Adult Basic Skills (£27,000);  
 section I £13,019,000 for School Standards. Decrease in gross provision and appropriations in  
 aid on section E by £65,046,000 for the Science Research Investment Fund (£65,000,000), the  
 Business Fellows (£46,000).

**Total change in resources for RfR1** 807,525,000

**RfR 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare****Increases:****Transfer to RfR2 Resource Budget**

In section A £500,000 from Sure start own capital to Local Authority Capital Grants. 500,000

**Decreases:****Resource Transfer to RfR1**

Transfer to section A £40,800,000 from the Transformation Fund, to meet commitments within -43,275,000  
 RfR1, to section B £2,000,000 for Schools Foundation Stage Strand of the Primary National  
 Strategy, to section C £475,000 for Sure Start contribution to DirectGov.

Transfer to non-budget section Q for National College of Schools Leadership £4,000,000 for the -4,000,000  
 Professional Qualification Integrated Leadership Centre.

**Resource Re-profile**

Movement of Early Education Pilots from section B £3,500,000 (2006-07) to section B (2007- -3,500,000  
 08).

**Neutral Changes:****Resource Transfers between sections within the Estimate**

Movement from section A £656,141,000 to section B £417,055,000 for Local Authority current -  
 grants, to new section D £207,326,000 for Local Area Agreements through Local Authorities, to  
 new section E £31,760,000 for Schools provision within Sure Start.

**Capital Transfers between sections within the Estimate**

Movement from section A £19,458,000 to section E for re-allocation of provision to Local Authorities. -

**Total change in resources for RfR2** -50,275,000

**RfR 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund**

**Decreases:****Resource Transfer to RfR1**

Transfer to RfR1 section A £15,000,000 for Children's Fund loan repayment, section T £29,524,000 for Local Area Agreements. -44,524,000

**Neutral Changes:****Resource Transfers between sections within the Estimate**

Movement from section A £225,000 to section B for Children's Fund Evaluation. -

**Total change in resources for RfR3** -44,524,000

**Total change in resources for Estimate** 712,726,000

**Changes in capital**

In RfR2 section A £500,000 to section E Sure Start own capital to Local Authority Capital Grants -500,000

In RFR1 section A £20,000 Special Educational Needs Tribunal administration capital as part of a Machinery of Government change to the Department of Constitutional Affairs. -20,000

In RfR1 section O £42,179,000 transfer of Student Loan Issues and Receipts as part of a Machinery of Government change to the National Assembly for Wales. -42,179,000

**Total change in capital for Estimate** -42,699,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £680,625,000.
3. Symbols are explained in the Introduction to this booklet.

**Part I**

£

<b>RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills</b>	† ††	<b>807,525,000</b>
<b>RfR 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare</b>	††	<b>-50,275,000</b>
<b>RfR 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund</b>	††	<b>-44,524,000</b>
Total additional net resource requirement		712,726,000
<b>Additional net cash requirement</b>	†*	<b>680,625,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the Department for Education and Skills on:

**RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills**

loans to voluntary aided schools; provision relating to former grant-maintained schools; the Assisted Places Scheme; music and dance schools; support for the Academy of Gifted and Talented Youth; City Technology Colleges; support for Academies; the school curriculum and its assessment; OFSTED inspection reform; education action zones; modernising the teaching profession and other educational services and initiatives; initiatives to write-off student loans to teachers in England and Wales; class size reductions; school and local education authority intervention; specialist schools; excellence in cities and other specific grants to local authorities including those through the Standards Fund; Dedicated School Grants; grants in aid to the National College for School Leadership, the Training and Development Agency for Schools, the British Educational Communications and Technology Agency, the Schools Food Trust, the Qualifications and Curriculum Authority, the Adventure Activities Licensing Authority and the Partnerships for Schools; support for the Centre for Information Learning Technology; capital grants to schools including those through the Standards Fund; the youth service; careers guidance and services including through the Connexions Service including working capital grants and loans for capital purchases; higher, further and other education provision and initiatives, including the Higher Education Innovation Fund, the Science and Research Investment Fund and Higher Education Business Fellows; capital grants to music, dance and other schools; payments for education in prisons and other custodial institutions; student grants; the payment of access funds and education maintenance allowances; the provision of training and assessment programmes for young people and adults; initiatives to improve education, training and qualifications arrangements and access to these; the promotion of enterprise, including Career Development Loans; teacher training initiatives; payments to the Department for Work and Pensions to support the UK subscription to the International Labour Organisation and other international educational programmes; payments to support other international education and skills programmes; costs associated with the UK presidency of the European Union; Millennium Volunteers; payments to the Home Office to support the Criminal Records Bureau and the payment of certain fees; loans and grants to the University for Industry; payments and grants to support personal and children's social services and initiatives relating to teenage pregnancy, hospital and community health services; children, secure accommodation and family policy; family parenting and law grants; Grants in Aid to the Children and Family Court Advisory and Support Service and the Children's Commissioner; payments and grants to support parenting and parenting organisations; grants to support Strengthening Families, Marriages and Relationships; payments to support the Respect Agenda (including Family Intervention); payments to support and develop vetting and barring; payments to the Department for Communities and Local Government to support Local Area Agreements including those for the

## Part I (*continued*)

Childrens Fund; investments and loans to support PFI; payments related to the Sector Skills Councils; payments to the Arts Council for Arts and Drama initiatives; payments to the Department of Trade and Industry in connection with the Regional Development Agencies and the London Development Agency; loans and residual costs of the winding up of the Training and Enterprise Councils (TECs); the distribution of residual TEC assets, returned to the Secretary of State under the terms of the TEC Licence, to local voluntary, community and business support organisations; the resource consequences of loans to students, reimbursement of fees for qualifying European Community students and post graduate awards; mandatory student awards and their administration; student loans and the cost of sales of the student loans debt; grants to the Royal Anniversary Trust, grants in aid to the Higher Education Funding Council for England, the Learning and Skills Council, the Adult Learning Inspectorate, Investors in People UK, the Student Loans Company, Office for Fair Access, the Quality Improvement Agency and Sector Skills Development Agency; grant in aid, grants and working capital loans to the General Teaching Council; the Department's own administration and research and payments for the administration of teachers' pensions; information and publicity services; initiatives and programmes supported by the European Union, the Capital Modernisation Fund and with other Government Department's under the Invest to Save Budget; compensation payments to teachers and staff of certain institutions and teachers' medical fees; and associated non-cash items.

### **RfR 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare**

promoting the physical, intellectual and social development of babies and young children; childcare initiatives including quality assurance arrangements, children's centres; the education of under-fives; supporting families and communities; evaluating the programme; Sure Start payments to the Department for Communities and Local Government to support Local Area Agreements; the administration of the Sure Start Unit; and associated non-cash items.

### **RfR 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund**

payments and grants to support people, funding preventative services, primarily for 5 to 13-year-olds, through local partnerships in line with the objectives of the Children's Fund; funding voluntary groups countering social exclusion and poverty amongst children and young people in line with the objectives of the Children's Fund; supporting voluntary groups and other organisations to promote and facilitate consultation, participation and representation of children and young people including the UK youth Parliament; monitoring and evaluating the Children's Fund; and associated non-cash items

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

† The Special Educational Needs Tribunal function was transferred to the Department for Constitutional Affairs on 1 April 2006. The changes relating to this machinery of government transfer are

- a) the reduction in net resource (RfR1) of £5,545,000
- b) the reduction in capital (RfR1) of £20,000
- c) the net reduction in the cash requirement of £5,565,000.

†† The reallocation of RfR reductions within the Estimate as follows:

- 1) reduction in RfR 2 of £50,275,000 offset by a reallocation of those resources to RfR 1.
- 2) reduction in RfR 3 of £44,524,000 offset by a reallocation of those resources to RfR 1.

\* £177,000 has been advanced from the Contingencies Fund to ensure that the inspection reform to be delivered by Ofsted, as the inspectorate for education, children's services and skills, can be taken forward effectively. The purpose is to ensure that the new Ofsted has a fully functioning board in place following Royal Assent of the Education and Inspections Bill. A corresponding amount is required to enable repayment to be made to the fund. There are no implications for resources supporting the services provided for in the Estimate.

## Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision	
<b>RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 1 - A	Activities to Support all Functions	289,689	49,721	1,600	48,121	337,810
RfR 1 - B	Support for Schools and Teachers not through Local Education Authorities	1,040,442	11,076	2,381	8,695	1,049,137
RfR 1 - C	Support for Children and Families not paid through Local Authorities	909,697	-127,525	1,500	-129,025	780,672
RfR 1 - D	Higher Education	292,336	-10,041	-	-10,041	282,295
RfR 1 - E	Higher Education Receipts from the Department of Trade and Industry	-335,450	-	-56,332	56,332	-279,118
RfR 1 - F	Further Education, Adult Learning and Skills for Lifelong Learning and International Programmes	552,802	-171,838	3,129	-174,967	377,835
RfR 1 - G	Support for Students in Higher Education	1,548,801	-23,862	-	-23,862	1,524,939
RfR 1 - H	Compensation to Former College of Education Staff	11,870	-50	-	-50	11,820
RfR 1 - I	Current Grants for Local Education Authorities	4,077,484	175,302	13,019	162,283	4,239,767
RfR 1 - J	Capital Grants for Local Education Authorities to	3,063,929	5,662	-	5,662	3,069,591
RfR 1 - L	Current Grants to Local Authorities to support Children and Families	239,185	-22,343	-	-22,343	216,842
RfR 1 - M	Capital Grants to Local Authorities to support Children and Families	32,228	201	-	201	32,429
RfR 1 - N	Dedicated School Grants	26,546,000	-68,042	-	-68,042	26,477,958
RfR 1 - P	Grant in Aid to NDPBs supporting Schools	719,697	79,790	-	79,790	799,487
RfR 1 - Q	Grant in Aid to NDPBs supporting Children and Families	98,980	7,690	-	7,690	106,670
RfR 1 - R	Loans to Students and Grant in Aid to NDPBs supporting Higher Education	6,925,407	-40,847	-	-40,847	6,884,560
RfR 1 - S	Grant in Aid to NDPBs supporting Further Education, Adult Education and Skills and Lifelong Learning	10,184,214	786,492	-	786,492	10,970,706
RfR 1 - T	Current grants to Local Area Agreements to Support Children and Families	-	121,436	-	121,436	121,436
<b>Total RfR 1</b>			<b>772,822</b>	<b>-34,703</b>	<b>807,525</b>	

**Part II: Changes proposed (continued)**

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
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**RfR 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare****Spending in Departmental Expenditure Limits (DEL)**

RfR 2 - A	Sure Start Current grants not through Local Authorities	831,676	-682,074	-	-682,074	149,602
RfR 2 - B	LA Current Grants	476,100	372,755	-	372,755	848,855
RfR 2 - C	LA Capital Grants	398,067	19,958	-	19,958	418,025
RfR2 - D	LA Current Grants for Local Area Agreements	-	207,326	-	207,326	207,326
RfR2 - E	Sure Start Schools Current Grants not through Local Authorities	-	31,760	-	31,760	31,760
<b>Total RfR 2</b>			<b>-50,275</b>	<b>-</b>	<b>-50,275</b>	

**RfR 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund**

RfR 3 - A	Children's Fund	40,100	-225	-	-225	39,875
RfR 3 - B	LA Current Grants	150,000	-44,299	-	-44,299	105,701
<b>Total RfR 3</b>			<b>-44,524</b>	<b>-</b>	<b>-44,524</b>	
<b>Total Changes to RfRs</b>			<b>678,023</b>	<b>-34,703</b>	<b>712,726</b>	

	Present Provision	Change in Provision	£000 New Provision
<b>Capital and Cash</b>			
Total Capital Expenditure	3,162,404	-50,986	3,111,418
Non-Operating A in A	509,120	-8,287	500,833
<b>Net cash requirement</b>	<b>60,102,791</b>	<b>680,625</b>	<b>60,783,416</b>

**Part II: Revised subhead detail including additional provision**

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
<b>RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills</b>								
248,136	240,801	56,833,939	57,322,876	317,040	57,005,836	3,111,418	500,833	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Activities to Support all Functions								
248,136	38,571	61,796	348,503	10,693	337,810	10,170	575	
B Support for Schools and Teachers not through Local Education Authorities								
-	14,100	1,037,418	1,051,518	2,381	1,049,137	-	-	
C Support for Children and Families not paid through Local Authorities								
-	38,206	743,966	782,172	1,500	780,672	-	-	
D Higher Education								
-	74,320	208,084	282,404	109	282,295	-	-	
E Higher Education Receipts from the Department of Trade and Industry								
-	-	-	-	279,118	-279,118	-	-	
F Further Education, Adult Learning and Skills for Lifelong Learning and International Programmes								
-	75,604	312,451	388,055	10,220	377,835	-	-	
G Support for Students in Higher Education								
-	-	1,524,939	1,524,939	-	1,524,939	-	-	
H Compensation to Former College of Education Staff								
-	-	11,820	11,820	-	11,820	-	-	
<i>Support for local authorities</i>								
I Current Grants for Local Education Authorities to Support Schools and Teachers								
-	-	4,252,786	4,252,786	13,019	4,239,767	-	-	
J Capital Grants for Local Education Authorities to Support Schools								
-	-	3,069,591	3,069,591	-	3,069,591	-	-	
K Higher Education Fees and Awards through Local Education Authorities								
-	-	1,000	1,000	-	1,000	-	-	
L Current Grants to Local Authorities to support Children and Families								
-	-	216,842	216,842	-	216,842	-	-	
M Capital Grants to Local Authorities to support Children and Families								
-	-	32,429	32,429	-	32,429	-	-	
N Dedicated School Grants								
-	-	26,477,958	26,477,958	-	26,477,958	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central Government spending</i>								
O Loans to Students								
-	-	-	-	-	-	3,101,248	500,258	
<b>Non-Budget</b>								
P Grant in Aid to NDPBs supporting Schools								
-	-	799,487	799,487	-	799,487	-	-	

**Part II: Revised subhead detail including additional provision**

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
Q	Grant in Aid to NDPBs supporting Children and Families							
-	-	106,670	106,670	-	106,670	-	-	
R	Loans to Students and Grant in Aid to NDPBs supporting Higher Education							
-	-	6,884,560	6,884,560	-	6,884,560	-	-	
S	Grant in Aid to NDPBs supporting Further Education, Adult Education and Skills and Lifelong Learning							
-	-	10,970,706	10,970,706	-	10,970,706	-	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Support for local authorities</i>								
T	Current grants to Local Area Agreements to Support Children and Families							
-	-	121,436	121,436	-	121,436	-	-	
<b>RfR 2: Promoting the physical, intellectual and social development of babies and young children through Sure Start, Early Years Provision and Childcare</b>								
-	1,162	1,654,406	1,655,568	-	1,655,568	-	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A	Sure Start Current grants not through Local Authorities							
-	1,162	148,440	149,602	-	149,602	-	-	
<i>Support for local authorities</i>								
B	LA Current Grants							
-	-	848,855	848,855	-	848,855	-	-	
C	LA Capital Grants							
-	-	418,025	418,025	-	418,025	-	-	
D	LA Current Grants for Local Area Agreements							
-	-	207,326	207,326	-	207,326	-	-	
<i>Central Government spending</i>								
E	Sure Start Schools Current Grants not through Local Authorities							
-	-	31,760	31,760	-	31,760	-	-	
<b>RfR 3: Tackling child poverty and social exclusion by helping vulnerable children and young people, and their families, to break the cycle of deprivation and disadvantage through the Children's Fund</b>								
-	-	145,576	145,576	-	145,576	-	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A	Children's Fund							
-	-	39,875	39,875	-	39,875	-	-	
<i>Support for local authorities</i>								
B	LA Current Grants							
-	-	105,701	105,701	-	105,701	-	-	
<b>Total for Estimate:</b>								
248,136	241,963	58,633,921	59,124,020	317,040	58,806,980	3,111,418	500,833	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net Resource Requirement</b>	<b>58,094,254</b>	<b>712,726</b>	<b>58,806,980</b>
<b>Voted capital items</b>			
Capital	3,162,404	-50,986	3,111,418
<i>Less:</i> Non-operating A in A	<u>509,120</u>	<u>-8,287</u>	<u>500,833</u>
<b>Total net voted capital</b>	<b>2,653,284</b>	<b>-42,699</b>	<b>2,610,585</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-3,970		-3,970
Depreciation	-9,175	-	-9,175
New provisions and adjustments to previous provisions	-708,428	10,598	-697,830
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-450	-	-450
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-244	-	-244
Increase(-)/decrease (+) in creditors	10,052	-	10,052
Use of provisions	<u>67,468</u>	<u>-</u>	<u>67,468</u>
<b>Total accruals to cash adjustments</b>	<b>-644,747</b>	<b>10,598</b>	<b>-634,149</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>60,102,791</b>	<b>680,625</b>	<b>60,783,416</b>

## Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

## Forecast Operating Cost Statement

	£'000
	2006-07 provision
<b>Net Administration Costs</b>	
RfR 1	244,091
RfR 2	-
RfR 3	-
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<b>Total Net Administration Costs</b>	<b>244,091</b>
<b>Net Programme Costs</b>	
RfR 1	56,761,745
RfR 2	1,655,568
RfR 3	145,576
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<b>Total Net Programme costs</b>	<b>58,562,889</b>
<b>Total Net Operating Cost</b>	<b>58,806,980</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>58,806,980</b>
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
<b>Resource Budget</b>	<b>53,867,743</b>

## Notes to the Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>58,806,980</b>
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts in the OCS	-
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>58,806,980</b>
<i>Adjustments to remove:</i>	
capital grants	-3,994,609
European Union income related to capital grants	-
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-1,005,906
unallocated resource provision	61,278
Other adjustments	-
<b>Resource Budget (Budget)</b>	<b>53,867,743</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	53,132,060
Annually Managed Expenditure (AME)	735,683

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
<b>Net Voted Capital (Estimates)</b>	<b>2,610,585</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	1,200,775
capital grants	3,994,609
European Union income related to capital grants	-
supported capital expenditure (revenue)	1,042,302
capital spending by levy funded bodies	-
unallocated capital provision	22,227
Other adjustments	-
<b>Capital Budget (Budget)</b>	<b>8,870,498</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	6,266,330
Annually Managed Expenditure (AME)	2,604,168

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## Notes to the Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

<b>Request for Resources 1</b>	Mr David Bell, Permanent Head of the Department
<b>Request for Resources 2</b>	Mr David Bell, Permanent Head of the Department
<b>Request for Resources 3</b>	Mr David Bell, Permanent Head of the Department

Mr David Bell, Permanent Head of Department as the Accounting Officer of the Department for Education and Skills has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Department for Education and Skills.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

## Notes to the Estimate (*continued*)

### Analysis of operating appropriations in aid (A in A)

£'000

2006-07  
Provision

**RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills**

<b>Administration</b>	<b>4,045</b>
<i>of which:</i>	
Sale of goods and services	4,045
<b>Programme</b>	<b>312,995</b>
<i>of which:</i>	
Sale of goods and services	8,399
EU Income	109
Other grant income (including repayment of grants/subsidies)	284,018
Interest and dividends	-
CFERs	-
Other income (including receipts)	20,469
<b>Total RfR 1</b>	<b>317,040 †</b>

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: European Fast Stream receipts; repayment of career development loans; repayments of working capital loans; receipts in respect of Career Development Loans default recoveries by banks; sale of National Record of Achievement products; receipts in connection with Childcare Link; Training and Enterprise Councils (TECs) contributions towards the cost of Individual Learning Accounts; receipts covering the return of assets from TECs as part of their winding-up process; recovery of salaries, etc. for seconded staff; receipts from careers service conferences; receipts relating to Skills Training Agency, Qualifications and Curriculum Authority properties and surplus Funding Agency for Schools and TEC properties; receipts from the sale of surplus properties; receipts from outside organisations (including the EC) in respect of advertising and publicity activities and materials; sale of research publications; repayments of grants overpaid to voluntary aided and special schools in previous years, including repayment of proceeds of sale; receipts from the European Social Fund to cover departmental programmes supported by the EC; general administration receipts, including those in connection with services provided to Sure Start; profits on the sale of surplus equipment and other assets; repayment of fees and awards overpaid to Higher Education students; receipts from the Department of Trade and Industry in connection with the Higher Education Reach Out to Business and the Community Fund, the Higher Education Innovation Fund, Higher Education Business Fellows, Sector Challenge, Knowledge Transfer for Universities and the Science and Research Investment Fund; from the Home Office as a contribution to the Home Start programme; sales of Connexions priced publications; Offender Education Receipts; Activities for Young People receipts; Sponsorship Funding; rent income from three domestic properties on the estate of the European School at Culham, Oxfordshire; contributions from the National Assembly for Wales towards Key Skills; contributions from the National Assembly for Wales and the Scottish Executive for dance and drama students; contributions from the Scottish Executive, the National Assembly for Wales, and the Northern Ireland Executive towards Millennium Volunteers and miscellaneous European Education programmes; contributions from the National Assembly for Wales and the Northern Ireland Executive for the International Mathematics Olympiad; annual maintenance fee from the Northern Ireland Executive for the National Professional Qualification for Headship; contributions from other government departments and other sources towards the costs of promoting UK education and training overseas; International Receipts (including the EC); Schools Standard Fund receipts; Music Manifesto Champion; Food Standards Agency receipts; and of research and miscellaneous services and projects; inspection of Jobcentre Plus from the Department of Work and Pensions; Strengthening Families receipts from the Home Office; Literacy and Numeracy receipts, London Challenge Receipts; receipts from the Department of Health for Investors in People Healthy Organisation.

<b>Total Operating A in A</b>	<b>317,040</b>
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### Analysis of non - operating appropriations in aid (A in A)

**RfR 1: To help build a competitive economy and inclusive society by: creating opportunities for everyone to develop their learning; releasing potential in people to make the most of themselves; and achieving excellence in standards of education and levels of skills**

<b>Programme</b>	<b>500,833</b>
<i>of which:</i>	
Sale of assets	575
Loan, etc, repayments	500,258
<b>Total RfR 1</b>	<b>500,833 †</b>

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

<b>Total Non - operating A in A</b>	<b>500,833</b>
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## Notes to the Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

	£'000	
	2006-07 provision	Receipts
	Income	Receipts
Other Income	-	-
Student Loans Interest Receipts	80,955	75,300
<b>Total</b>	<b>80,955</b>	<b>75,300</b>

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	-408,984	296,386	36,250,948	16,881,112	53,132,060
<i>of which:</i>					
Administration budget*	331	-	244,091	-	244,091
Near-cash in RDEL	-398,386	330,340	35,539,523	16,859,657	52,399,180
Capital**	288,065	-275,085	3,804,204	2,462,126	6,266,330
Less Depreciation†	-	1,715	-9,175	-25,724	-34,899
<b>Total</b>	<b>-120,919</b>	<b>23,016</b>	<b>40,045,977</b>	<b>19,317,514</b>	<b>59,363,491</b>

\* The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

\*\*Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

### Cash which may be retained to offset expenditure

**£'000**  
817,873

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid

### Expenditure resting on the sole authority of the Appropriation Act

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

RfR/Section	Service	£'000
<b>RfR 1</b>		
C	Grants to support Marriages and Relationships	1,500
D	Grants to the Royal Anniversary Trust to cover costs associated with the Higher and Further Education Awards Scheme (Queen's Anniversary Prizes)	167
C	Payments to support Respect Family Intervention Projects	6,000

## Notes to the Estimate (*continued*)

### Grants in Aid

RfR/Section	Body		£'000
<b>RfR 1</b>			
P	Adventure Activity Licensing Authority		0.4
P	British Educational Communications and Technology Agency	◆	10.6
P	Partnerships for Schools		0.0
P	National College for Schools Leadership	◆	83.2
P	Schools Food Trust		0.0
P	Training and Development Agency for Schools	♥	705.3
Q	Children and Families Court Advisory and Support Service	♥	103.7
Q	Children's Commissioner	♥	3.0
R	Higher Education Funding Council for England	♥	6,836.3
R	Office For Fair Access	♥	0.5
R	Student Loan Company	◆	47.8
S	Adult Learning Inspectorate	♥	22.3
S	Investors in People UK	◆	5.4
S	Learning and Skills Council	♥	10,646.8
S	Qualifications and Curriculum Authority	♥	143.4
S	Sector Skills Development Agency	◆	61.0
S	Quality Improvement Agency		91.9