

# Education Spending

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## What was in the PBR on education spending?

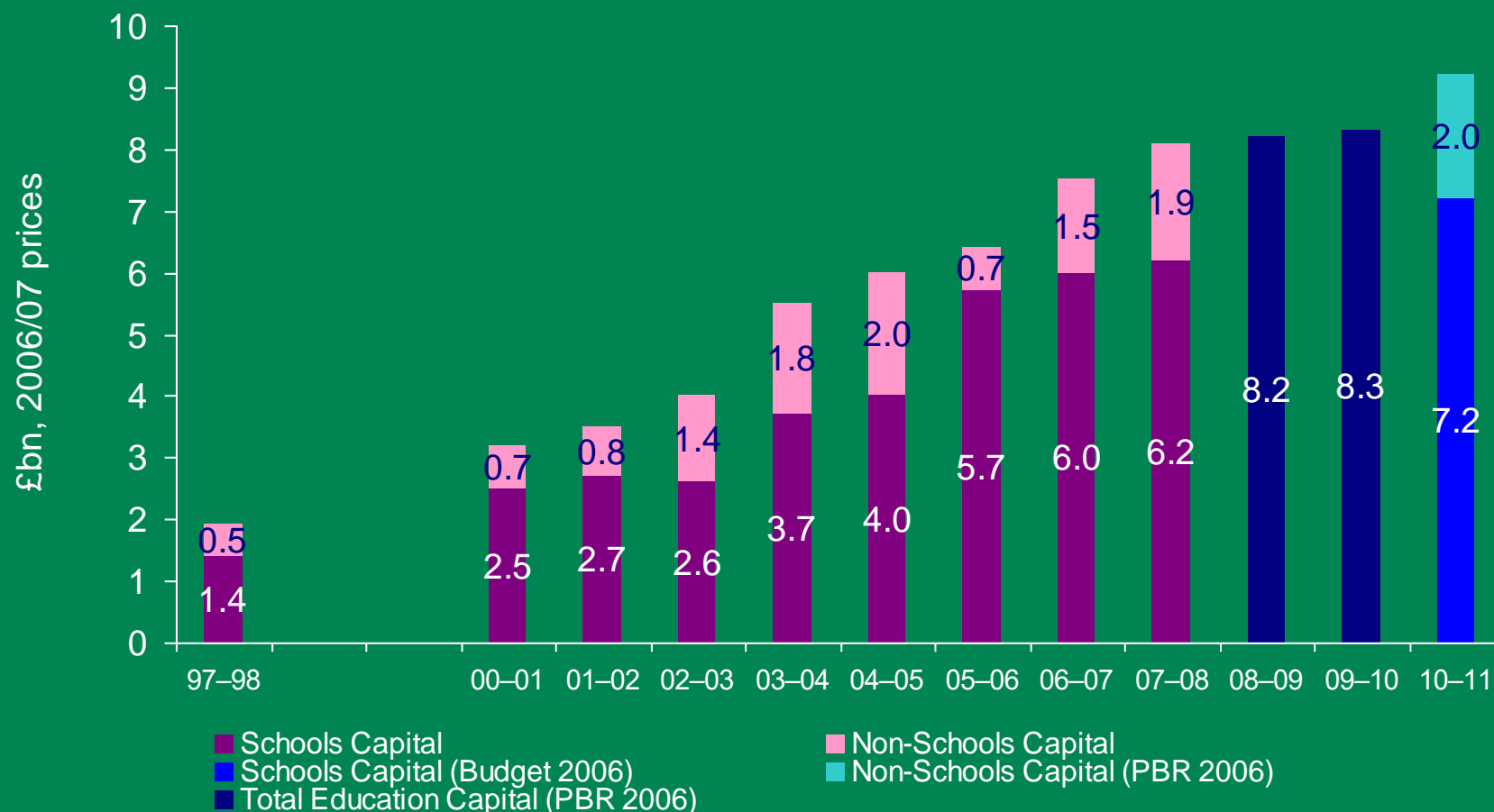
- £36 billion of investment in education
  - Mostly already announced: Budget 2006 covered schools
  - Colleges, universities' capital totals added yesterday
- Equivalent of £200 per pupil of payments direct to schools in 2007/08
  - Not much of this is new spending

# Education capital expenditure

*“In the next four years a cumulative investment in education alone of £36 billion”*

- Very little of this is new money:
  - Schools amounts already announced
  - New money amounts to £0.1 billion in 2006 prices per year for colleges and universities (2% real terms increase per year)
  - Slower growth compared to last 10 years

# Capital spending compared to previous years



# Step up or step down?

<b>Real Annual Growth Rate</b>	<b>Schools</b>	<b>Other</b>	<b>Education total</b>
1997-98 to 2007-08	16.3%	14.5%	15.9%
2007-08 to 2010-11	4.9%	2.0%	4.3%

# Matching private school spending

“Our long-term aim should be to ensure for 100 per cent of our children the educational support now available to just 10 per cent”

## Direct payments to schools

- £50,000 for every primary school, and £200,000 for every secondary school.
- Compared with levels this year of £39,000 for primary schools and £150,000 for secondary schools
- “The equivalent of £200 for every pupil paid three months from now direct to the school.”

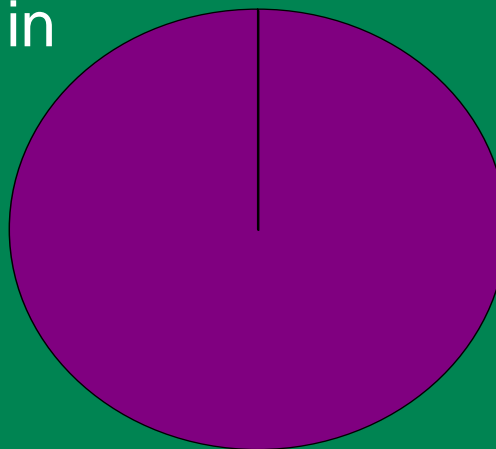
# Not much is new

- Very little of this is new money:
  - £120 from announcements/plans before Budget 2006
  - Budget 2006 announced £60 per head
  - Only £20 per head is new money
- Goes only a very small step towards achieving goal to match private and state per pupil spending
  - £20 = 0.4% real increase
  - £2,350 = 43% required to meet long-term pledge



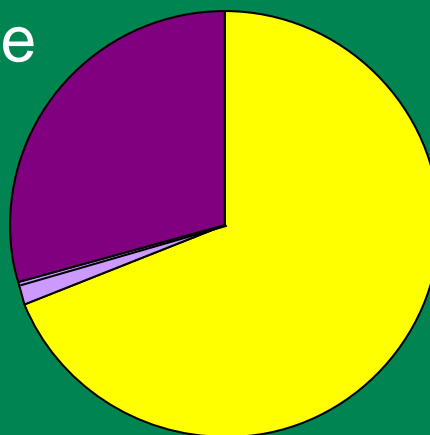
# Matching private school spending

Private sector spent  
£8,000 per head in  
2005-06



# Matching private school spending

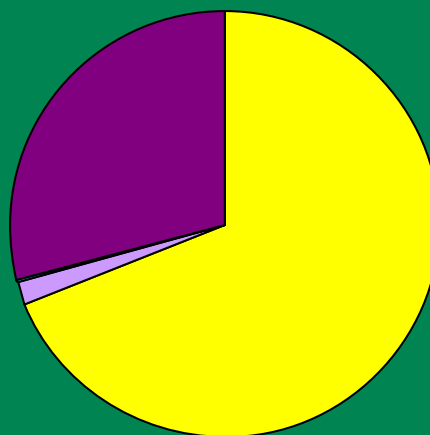
Planned expenditure  
before the PBR take  
the gap to around  
£2,350



- 2007-08 spend
- Extra capital planned to 2010-11
- Extra current PBR
- Still to be found

# Matching private school spending

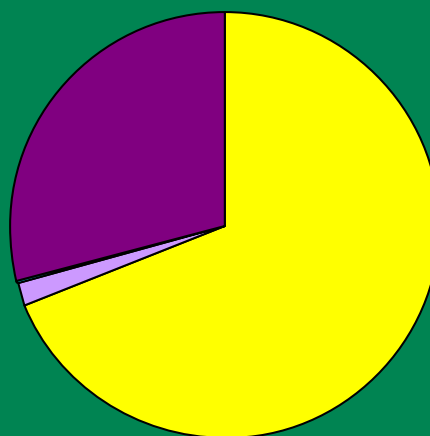
The PBR added just  
£20 per head from  
2007-08



- 2007-08 spend
- Extra capital planned to 2010-11
- Extra current PBR
- Still to be found

# Matching private school spending

The gap to be filled falls from around £2,350, to £2,330



- 2007-08 spend
- Extra capital planned to 2010-11
- Extra current PBR
- Still to be found

# Education spending announcements 2008-09 to 2010-11

Capital spending (11% of total)	
<i>Schools</i>	
<i>Other</i>	
Current spending (89% of total)	
<i>Schools</i>	
<i>Other</i>	

# Education spending announcements 2008-09 to 2010-11

	Totals announced?
Capital spending (11% of total)	
<i>Schools</i>	<i>Budget 2006</i>
<i>Other</i>	<i>PBR 2006</i>
Current spending (89% of total)	
<i>Schools</i>	X
<i>Other</i>	X

# Conclusions

- Very little new spending in yesterday's PBR
  - Re-announcement of school capital spending figures
  - Relatively small additions to non-schools' capital spending
  - New current spending for 2007-08 only amounts to £20 per head
- Need to wait for CSR settlement for current schools spending to see how quickly pledge could be met