BCOP REPORT FOR PEMPAL

STUDY VISIT TO UK: REFORMS AND APPROACHES TO FUNDING PUBLIC EDUCATION

April 23-25, 2013

1. BACKGROUND

On April 23-25, 2013, participants from Ministries of Finance across Europe and Central Asia (ECA) participated in a peer-learning visit to the UK government to discuss reforms and approaches to funding public education. Visits were facilitated with representatives from HM Treasury, the Department for Education (DfE), the Department for Business, Innovation and Skills (DBIS) and the Office for Budget Responsibility (OBR). Nine participants from six countries attended: Albania, Belarus, Bosnia and Herzegovina, Kosovo, Russia and Turkey. These participants were largely heads or senior professionals of budget related departments with one Deputy Minister of Finance attending from Belarus.

Education financing reforms were identified by these countries as a priority given their governments are currently moving or considering moving to a per pupil financing approach. UK was chosen as it is currently going through a significant reform process which includes reforms to move towards a national funding formula in the next spending review period. The study visit was part of the Public Expenditure Management Peer-Assisted Learning (PEMPAL) program and was in accordance with the agreed Budget Community of Practice (BCOP) Action Plan 2012-14 which reflects the peer learning priorities of BCOP's 21 member ECA countries.

The following briefing provides a summary of the key points raised by the UK government during their presentations and also provides an overview provided by participants of the status of reforms in their countries and the key lessons taken from the UK approach. The World Bank resource team assisted the participants in developing this comprehensive report which will be shared with the rest of the BCOP. This report will also be posted on the PEMPAL website and a presentation given to all BCOP members at the next plenary meeting. The UK study visit agenda, presentations, and materials can be found at http://www.pempal.org/event/read/83

2. UK EDUCATION

Policy, Legislative and Institutional Context

The UK's reforms have been developed within the context of the Europe 2020 strategy. The article on 'Education in the Europe 2020 Strategy' describes these in more detail. Europe 2020 is the European Union's 10-year strategy for 'smart, sustainable and inclusive growth'. In 2009, the Council of the European Union adopted Conclusions setting up a strategic framework for European cooperation in education and training, 'ET2020'.[1]

Significant reforms have been underway since the UK Government, formed by a coalition of the Conservative and Liberal Democrat parties, took office on 11 May 2010. This followed three terms of the Labour Government since 1997. On 20 May 2010, the new government announced its five year program for education[2] including amongst other reforms enabling parents, charities, community groups and teachers to establish new schools; giving schools greater freedom in organising and delivering the

[1] Source: European Commission's Encyclopedia for National Education Systems (EURYPEDIA).
[2] See *Programme for Government* (Cabinet Office, 2010) Chapter 14 'Families and Children', Chapter 26 'Schools' and Chapter 31 'Universities and Further Education'. Also mid-term review provides progress report available here. For a broad overview of the system and its key characteristics see the 'Organisation and Governance' topic.

curriculum; introducing a 'pupil premium' to increase spending on pupils from the poorest backgrounds; reforming pay and conditions rules to give schools greater freedom to reward good teachers and address poor performance; targeting inspections on areas of failure with less frequent inspections for successful education establishments; reforming school league tables so that schools are able to focus on, and demonstrate, the progress of children of all abilities; and developing ways of supporting the creation of apprenticeships, internships, work pairings and college and workplace training places, as part of the wider programme to stimulate employment.[3]

Following the change of government in May 2010, the Department for Education (DfE) was created, taking over responsibility for pre-school, primary and secondary education from the former Department for Children, Schools and Families. The Department for Business, Innovation and Skills (BIS) remained responsible for further and higher education and skills. In December 2010, the DfE published a White Paper for schools (*The Importance of Teaching* (DfE, 2010) which set out plans for whole-system reform. These proposals were legislated for by the Education Act 2011 and received Royal Assent in November 2011. Further information about the Education Act 2011 is available here.

The HM Treasury provides the government with both finance and economic functions which includes spending, tax and debt management; overall monetary and fiscal policy framework advice; and management of growth objectives. Its overall policy objectives are to reduce government spending as a percentage of GDP to address the structural deficit and to achieve balanced growth (regionally and between private and public sectors). HRM Treasury is also currently aiming to reduce their staff from 1,300 to 1,000 over the coming years.

The National Audit Office (NAO) audits the government's spending outturn against the approved estimates. The NAO also conducts value for money (VFM) studies and up to 70 reports are published each year. For example, the NAO reports related to education get discussed with the head of DfE at the Committee of Public Accounts or PAC (which examines accounts expenditure and is appointed by the House of Commons). The PAC then produces a report through a Treasury minute and the department provides updates on implementing the recommendations through Treasury minutes.

There are two other organizations that are important to financial management in the UK and are independent from the government. The Institute for Fiscal Studies (http://www.ifs.org.uk/) provides research and advice on policy issues and the Office for Budget Responsibility (OBR) (http://budgetresponsibility.independent.gov.uk/about-the-obr/what-we-do/) provides oversight on the fiscal estimates and costing of the government. The HM Treasury no longer does forecasts for the economy which is now mandated to the OBR. The OBR is an independent body tasked with providing such forecasts to enable the production of the two key budget documents (the Annual Budget and the Autumn Statements). The OBR also scrutinizes and certifies the policy costing included in these documents.

All Government departments have fixed annual limits for spending through Departmental Expenditure Limits (DELs) which are set for a 3-4 year period through a Spending Review. DEL is split into resource (current) and capital spending. Each year, Parliament votes to agree these limits through a process called estimates. Departments have flexibility to move money between functional lines except they are unable to decrease capital or increase administrative or salary spending. Another category of spending for each department is the Annually Managed Expenditure (AME) which is not set within fixed limits and is often demand led or economy driven (eg pensions, welfare, debt interest).

The 2010 Spending Review allocated the budget up to 2014-15. From this review the government is currently implementing £ 80 billion of resource and capital spending reductions. To achieve these cuts the

[3] Source information drawn from UK government presentations and supplemented with further information from European Commission's Encyclopedia for National Education Systems (EURYPEDIA) ie hyperlinks to copies of policies, legislation etc https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/

Spending Review begun in October 2010 shortly after the new government was established. As part of this process, baselines were set for 2010-11 for every department with departments asked to look at options for reductions to expenditure from 20 to 40 percent. However, Defence, Education and Health were only requested to find cuts of 10 to 20 percent. Public sector pay was also frozen and every government department was asked to find 33 percent administrative savings. For capital spending, no baselines were set and bilateral negotiations were held with government and private sector teams challenging assumptions and proposals with a team of economists challenging NPV calculations. Thirty percent reductions were made to capital spending, with the remaining capital spending funds prioritized for projects with higher economic value such as transport, science and research and development.

The UK Government is currently one year into implementing the cuts from the 2010 Spending Review process. However according HM Treasury, some preliminary key positive and negative lessons can be drawn. The positives include:

- all had a shared political objective coming into office of finding spending cuts to achieve fiscal sustainability
- a change of government represents a significant opportunity to introduce major changes
- across the board cuts are an effective way to find savings eg civil servant pay rates frozen and 33% across the board administrative cuts
- zero based capital budgeting process was effective as focus was given to projects that had greater economic value

The negatives include:

- More thinking was needed on cross cutting reforms rather than the focus on individual departments (eg pensions, aging, young people)
- More thinking was required on the role of the State.[4]

Funding for education can be separated into 5 to 16 year olds, 16 to 19 year olds and higher education which each have distinct funding mechanisms. The education budget for the UK is approximately 5 percent of GDP rising to 6.2 percent of GDP for higher education**.**

Education 5 to 16 year olds

Education for 5 to 16 year olds is funded through the DfE. Given the importance of education to growth, a 4 percent cut to education budgets were agreed at the Spending Review. Most of these reductions were made to centrally run programs to protect service delivery in schools. This included cuts to school inspectors employed at the central level.

DfE's budget for 2013-14 (DEL and AME) is £ 56.4 billion. The Government wants to simplify the current complex funding arrangements and hopes to introduce a national funding formula during the next spending review period, from 2015 onwards. The objective of the reforms is to create a more consistent and transparent approach to providing funding, to facilitate more funding reaching the schools, and to improve the consistency of funding across schools. A National Enquiry Service has also been established which enables all questions related to the reforms to be channeled through one email service. Frequently asked questions have also been developed and shared as part of this service.

Capital funding is also currently under significant reform with the Government launching a comprehensive review in July 2010,which reported in April 2011 on all capital investment needs in schools, early years education and care, and further education colleges. The review will guide future spending decisions over

[4] The fiscal mandate is to have a cyclically adjusted current balance by the end of the rolling five year forecast period (2017-18) and to have public sector net debt falling between 2014-15 and 2015-16. Currently there is a 10-12 percent budget deficit and debt is 85 percent of GDP.

the next spending review period. It looked at how best to meet demands from parents; make procurement more cost-effective and efficient; and to overhaul how capital is allocated and targeted. Currently 2,500 schools purchase separately so there are significant opportunities to improve procurement.

Local authorities (LAs) provide education services through a mechanism known as '**Maintained Schools'**. A different mechanism is **Academies**, which are publicly funded schools that are independent of local authorities and have additional freedoms for example with regard to teachers' pay and conditions and the curriculum.[5] The Government aims to help every school to become an academy, if it wishes. In April 2013 there were 2,886 academies (representing just over half of state funded secondary schools), compared to 203 in May 2010. The Government has also introduced changes to enable more new providers to enter the system in response to parental demand. The Academies Act 2010 makes it easier for groups of teachers, parents, trusts, charities, and religious and voluntary groups to set up '**Free Schools'** which are a type of academy.

LAs are responsible for the maintenance of Maintained Schools and are provided with capital grants. Similarly academies are eligible for certain capital funds. The Education Funding Agency (EFA), in the DfE, is responsible for administering several formulaic devolved capital programs, which are also currently being reformed. For costs other than capital, a **Dedicated School Grant (DSG**) is allocated for education provision for 5 to 16 year olds of approximately £ 37 billion (USD 50 billion). A separate **Pupil Premium** of £ 2.5 billion is also provided. The EFA is responsible for grant distribution and annual funding settlements set out the amount of the DSG and Pupil Premium. The current document is the School Funding Settlement for 2012/13 including the Pupil Premium.

The Pupil Premium payments provide schools with additional funds for students from disadvantaged backgrounds. The objective is to enable schools to have the freedom to use strategies that they know will support these pupils to increase their attainment.[6] The Pupil Premium is for students whose parents are unemployed or on part-time low wages of 8,000 £ or less a year. This amount per pupil is determined through using census statistics (deprived category) then dividing the total budget available by the number of these children classified in this category. More Information on the Pupil Premium can be found at http://www.education.gov.uk/schools/pupilsupport/premium

Schools are also free to raise extra funds through voluntary contributions from parents or through renting out school premises or running additional income generating activities for example. Part of the DSG is also used to support part-time places for three- and four-year-olds and disadvantaged two-year-olds. The Early Years Single Funding Formula was introduced in April 2011 and is used to calculate the amount of this part of the grant.

The DSG is distributed through two stages. Firstly it is given from the central Government to 152 Local Authorities. These LAs are then allowed to apply a set of up to 12 factors in a formula (from 2013) to allocate it to schools. For Academies, the LA formula applies but the budget allocation is paid direct from the central Government. Thus each LA develops its own formula depending on the parameters set at the national level.[7] The previously existing 37 factors have been reduced to 12 of which only 2 are compulsory (basic entitlement that constitutes the largest proportion and a deprivation amount for

[5] Initially the Academies model was introduced to address poor or failing LA schools but the Government then began encouraging good and outstanding schools who want to be independent of the LA to also become Academies.

[6] This is measured by exam results published in the media in performance tables. Such results can be benchmarked internationally through the Programme for International Student Assessment (PISA) which is a tool launched by OECD in 1997.

[7] The LA's also retains some of each budget centrally to undertake responsibilities set out in regulations (eg special educational needs and access to education such as administration of admissions). Department of Communities and Local Government also gives money for some centralized services. Academies are compensated by DfE through equivalent grants that enable them to buy such services off the LA.

students from poor families).[8] For example currently the basic entitlement is £ 5,000 per student, and £ 900 is set for deprived students paid through the Pupil Premium.

This reduction in the number of factors is part of the progress towards a National Funding Formula. However the reforms will have an impact of some schools losing up to half of their funding immediately so compromises have had to be made and compensation arranged.[9] Thus maximum and minimum funding guarantees have been introduced to manage the winners and losers. Schools also have a 1.5 percent floor to protect them from significant drops in funding to give them time to adjust to lower levels of funding caused from fewer students enrolling. The reforms have also meant accuracy of student number data is very important.

Although the UK Government believes in autonomy and freedom in schools, there are checks and balances in the system. Every year, the school has to publish a report on how it has spent the Pupil Premium, which is assessed by the Inspectorate Ofsted.[10] The first report has just been received which indicates that half the schools are using this premium well and the other half are not, due to misunderstandings about how to achieve the objective of the payment (which is to narrow the educational attainment between students from poor families verses students from rich families as measured by exam results of 16 year olds). However how this is to be achieved is under much debate. Some believe poor students should stay in school for longer hours, others say they should be given more free meals.

More generally schools are assessed according to the exam results achieved by students, which are published in the media through performance tables. The schools which get poor exam results get more visits from Ofsted. Schools are assessed as outstanding (top 20 percent), good (next 20 percent), requires improvement, or requires special measures. Tools are also available to enable schools to benchmark against each other and the DfE website contains a series of value for money tools for schools and case studies on how to improve efficiency.

16 to 19 year olds vocational education and training

Funding for 16 to 19 year olds is provided through the DfE. There are three types of providers delivering services to 16 to 19 year olds. Firstly the 6th form colleges, secondly further education colleges, and lastly 6th forms within schools. The Wolf Review of vocational education for 14- to 19-year-olds was published in March 2011. In response to the report, the Government is raising the participation age and requiring all students to remain in school longer[11] and is moving funding to a program basis with funding provided on a per student basis.

The Wolf Review found perverse incentives were present in the system with some colleges pushing students through easy courses which had limited labor market value to get more funding. Thus it was recommended that funding be moved from per qualification to funding per learner. However although the report found that some colleges were gaming the system, many negative responses were received on the proposed reforms. More advice was commissioned and the value for money reforms had to be balanced with a reform package for the losers. These reforms were launched in July 2012 and are set to start in September 2013.

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[8] The definition of deprivation is narrow. It is determined through using the index of deprivation of children or if the student is receiving free school meals under other social programs.

[9] There was a formula up until 2005 which was frozen due to irrantional factors being chosen such as lighting, number of trees, swimming pools which has led to funding disparaties between schools ranging from 4,000 to 8,000 £ per student.

[10] Ofsted is the Office for Standards in Education, Children's Services and Skills and is the official UK body for inspecting schools. It reports directly to Parliament and is independent and impartial.See http://www.ofsted.gov.uk/ for more information.

[11] The Government has a policy commitment to raise the participation age by September 2013 to 17 years and by 2015, to 18 years. This involved an increase in funding for the DfE of £ 7.5 billion.

Thus funding for 16-19 year olds will change from 2013-14 from funding per qualification to funding per student with a basic rate based on an average program of 600 hours for a full-time student. Adjustments will be made for high cost courses such as science and high value courses such as academic A level courses, and providers delivering services in high cost areas of the country. Performance tables will also be published for each college which lists the qualifications that government has stamped as higher value. Ofsted will also inspect lower quality course provision. More information can be found at http://www.education.gov.uk/aboutdfe/executiveagencies/efa/a00210682/funding-formula-review

The design of labour market incentives was difficult. What a person is doing a year after college in terms of percentage in employment and percentage going to university is very useful data but it is currently hard to find and such data was only recently published for the first time. However, the UK Government hopes to eventually tie the funding system to the percentage of students that are able to find relevant jobs but there is insufficient quality data to attempt to do this effectively at this stage.

Higher Education Funding

Higher Education Institutions (HEIs) receive their funding from both public and private sources. They are independent bodies but governed by the government's legal framework under the responsibility of the Department of Business, Innovation and Skills (DBIS). The Government also controls the total number of student places available which is driven by available funding and average costs per student.

There are currently 130 universities in England which are largely run as charities funded directly via a grant for teacher salaries which is currently at £ 2.8 billion but will reduce to £ 1.5 billion with the reforms. There are a small number of for profit universities (who do not receive research grants) and the government would like to see more of these to increase competition. Universities have governing bodies with the Chief Executive responsible for the funding which is received from a mixture of Government grants, student fees (£ 5.8 billion) and private income from donations, sponsorship and overseas students for example. All universities subscribe to a Higher Education Statistics Agency which provides salaries and job destinations for students 6 months to 6 years after study.

Students are able to apply for loans to pay such fees, and do not have to pay these back until they are in employment. Loans are given by the Government for up to 30 years which are paid back through the tax system, on employment. Loans are also given to poor families to cover living costs while studying.

Most public funding for teaching and research is provided through the Higher Education Funding Council for England (HEFCE), which is a 'non-departmental public body'(NDPB). Grants to universities are awarded based on an assessment of the quality of the research and funding is made available to bid for to undertake specific projects. Funding for research is also provided by the UK Research Councils, which are also NDPBs, with an annual budget of approximately £ 1.5 billion.

Before the funding reforms, higher education was paid 60 percent by Government and 40 percent by students. But that has now been reversed with more costs being shifted to the students (ie 60 percent funded by students, 40 percent by Government). The conversion of funds from education grants to student loans provided the largest single savings contribution of £ 3 billion from the DBIS as part of the 2010 Spending Review cuts. In 2011 the maximum fee for any course was £ 3,000 which has been increased to £ 9,000 in 2012. There are currently two million higher education students.

3. LESSONS LEARNT BY PARTICIPANTS

Albania -Education financing in Albania is currently 3 percent of GDP with 10 percent of the total budget going to investment in education (of which 60 percent is from government and 40 percent is from donor loans and grants). There is currently good participation in primary level education but poor participation in secondary and professional vocational levels. The Government wants to improve these participation rates and also improve the quality of higher education. The quality of education is currently higher in the state university system compared to the private system, with private providers feeling disadvantaged. Reforms are aimed to promote competition between universities and facilitate choice for students by shifting from heavily subsidized State Universities to funding on a per student basis. Public private partnerships are also being pursued. In September 2013, the first students financed on a per student basis will be able to choose their university so it will be interesting to see where they go. Universities are also assessed and ranked to provide students more information to support this choice.

Key learnings from UK came from their approach to per student financing and strategies to increase competition and innovation in schools. Their model however, looks very costly but the efforts to reduce state participation; and the institutional approach to allocating research funds are very useful. In Albania it is difficult to monitor the level of research as it is disparately spread across many government ministries, whereby in UK it is more centralized which would make it easier to monitor and manage. Placing the responsibility for higher education into a ministry responsible for business, research and innovation is also a useful approach. Introducing autonomy into schools like UK would be difficult in Albania however, as the school Directors are politicians. It is also difficult to ensure a consistent level of quality as currently Directors have three alternative texts for maths for example which should be standardized but difficult to change given the political nature of schools.

Belarus -Education financing in Belarus is currently 5 percent of GDP, including higher education but the Government wants to increase this as one response to the global financial crisis. Schools are currently funded by economic classification and they must follow a national curriculum. The central government retains strong control based on existing regulations. The objectives of the Government are to change the system of financing to a per pupil basis while also equalizing the quality of education being provided across different schools. This includes providing a coefficient in teacher salaries in rural areas to provide an incentive to attract teachers to these areas. The Government wants to find savings to finance an increase in teacher salaries (which are currently very low) to attract better quality teachers. There are many opportunities to save money with a target of increasing current teacher student ratios to 25 to 1 (from the current 9 to 1 which exists in some rural areas).

The Government would also like students to attain better test results in high value courses such as maths and physics. There are 6,000 secondary schools and from this year, a pilot began whereby 17 of these schools received a lump sum grant based on the per pupil approach. The grant covers all costs except capital and utility costs. Actual costs for pupil meals, water, energy and heating costs are fully financed by the Government. In the context of the on-going pilot, Belarus representative found interesting UK Government approach of funding schools through different types of targeted grants.

The total quantity of higher education students is limited by the budget, unless students fund themselves. Fifty to sixty percent of universities are funded by student fees.

Bosnia and Herzegovina (BiH) -In the Republic of Srpska, which is one of two entities in BiH, there are only 2 million people. There is issue at the moment with the government owning too many school buildings. Primary education is financed 95 percent from the central budget and 5 percent from school own source revenues from building rents for example. Ministry of Education and Culture allocates funds on the basis of recurrent and capital costs of each school, using certain standards to determine these costs. Pre-primary school is mandatory and financed by the local authorities. Secondary education is not mandatory by law and is financed in two ways: firstly the central level pays salaries and capital and the local authorities contribute to recurrent expenditures. Higher education is provided by government and private universities. Government universities are funded from the state central budget and own source revenues (eg student fees) whereas private universities rely on student fees and other revenue sources. Both types of universities have to be licensed by the government, and the curricula approved. The level of enrollments is also decided by Government but there are no links to the needs of the labor market.

The Directors of schools are political appointments so the opportunities to increase autonomy at the school level is limited given these Directors will always follow the policies of the political party. However, UK's use of loans for students was very interesting which could be used in BiH to increase the choice and autonomy for the 5,000 students currently in higher education. There is currently an EU financed study of costs of studying in higher education with a focus on per student costs. UK's attempts at strengthening links to the labor market are also of interest. Currently in BiH, the Ministry of Science and Technology give grants to doctors to undertake further education and the Ministry of Education give grants for to students to undertake courses in qualifications that are in short supply.

Kosovo -Education financing in Kosovo is 4.2 percent of GDP. Kosovo has decentralized education with the municipal level being responsible for provision in line with central Government regulations. However, the central Government has concerns about the management of schools and lack of capacities. Thus, it wants to improve the quality of education which has deteriorated since the days of the former Yugoslavia.

Many of the reforms are being made within the context of the need to improve donor management through improved strategic planning and policy coordination. There are currently 45 strategies within six key sectors, one of which is education. The Government wants to link the higher education system with the labour market, to increase employment opportunities particularly given the government currently remains the largest employer. Professionalization of teachers is currently underway through a system of licensing where teachers are paid based on their educational qualifications (with a masters degree the minimum qualification required).

The UK system is very different from Kosovo. The key learning was the importance of having good communication of reforms to parents, students, teachers and the community as a whole which is lacking in Kosovo.

Russia-Education financing in Russia is 4.2 percent of GDP, or approximately 110 billion USD. Twenty billion comes from the Federal level of Government with the remainder from local level budgets, with the secondary level being partly subsidized by the regional level of Government. The Government wants to improve the quality of education in secondary schools and have raised teacher salaries. There is a current lack of kindergarten places (1.5 million additional places needed) reflecting significant demographic trend changes. The Government has a program of 2 billion USD to increase places with half of those places being delivered by private sectors and other models, increasing the cost of the service to 10 billion USD.

The Federal Government is directly responsible for higher education. In total there are currently 550 higher education institutions and the Government is in the process of merging the less efficient ones with the more successful. From 2005, the Government has encouraged merging into the 8 larger federal universities situated in each federal district.[12] Within these mergers, 29 research universities have been included and there is currently a program to increase the number of such institutions to 51 within the larger universities. New courses delivered in English were also established to attract international students and the number of international students is a key indicator monitored by the Government.

Key lessons drawn from the UK experience is to incorporate labor market incentives into research grants. Russia has grant money for research and it follows formal procedures for assessment to determine their distribution. However, the criteria do not include any factors that would provide incentives linked to the labor market like in the UK.

Turkey-Education financing in Turkey for 2012 was 4.3 percent of GDP or 34 billion USD. (These figures are only central spending. With local administration and private sector spending, education financing in Turkey is approximately 5 percent of GDP). Seventeen percent of the central Government's budget goes

[12]There are currently 8 federal districts divided into regions with a large federal university in each federal district.

to education, comprising 11 billion USD for universities and 23 billion USD for schools. Turkey education financing has increased six fold from year 2002 to 2012. Turkey has built more than 180,000 new classrooms for schools, hired around 360,000 new teachers, and doubled the number of universities in the last decade to ensure quality of education.

Turkey currently has about 20 million students comprising pre-school (1.1 million), primary (5.6 million), lower secondary and secondary school (10.6 million), higher education (2.4 million-distance education not included). There are currently about 40,000 schools and 170 universities (103 university public and 67 university related to foundation-like private). The Government funds public schools and universities only and for schools there is a scholarship program (only lower secondary and secondary school) and for universities there is a scholarship and a loan program. Half of the higher education students have benefited from the scholarship and loan program. Moreover there is a comprehensive tuition fee and scholarship program for other country students that may want to continue their higher education in Turkey.

Turkey started the education reform process by building on raising the access to, and quality of, education last year. The purpose of the reforms is to increase schooling time; more educated people; and facilitate practical education with technological education material. Turkey has also raised compulsory education to 12 years. Turkey is also in the process of equipping every single classroom with fiber optic cable and broadband internet connection and providing touch screens and big whiteboards. Every student from the fourth grade onwards will be given a tablet PC for free within three or four years.

Lessons from the UK experience include the close relation with Ministry of Labour and Social Security and universities for labor market needs; starting new projects in order to be more efficient, effective; and the equal funding formula system reforms for schools.

4. CONCLUSIONS

The UK government has managed to effectively implement significant consolidation of government expenditure while still ensuring strategies are introduced to improve the consistency, access, and quality of education along with reforms to reduce the complexity and disparity caused by the previous education funding system. The participants found useful to learn about different types of grants, the government uses to fund maintained general schools and academies, with the latter being a new school model introduced only a couple of years ago to increase schools autonomy over development and delivery of curricular. Approaches to increase autonomy and competition in schools were of interest although in many of the participating countries a different system of selecting management in education institutions exists. The approach to research through centralized research bodies interested some participants as well as the approach to restructuring of higher education financing through increasing a share of funding coming from student loans. Finally, the participants appreciated lessons from implementing the Spending Review 2010, which were shared by HM Treasury and learning about the model of provision of independent economic and fiscal forecasts, shared by the OBR.