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## 2013-14 PLANNED EXPENDITURE ON SCHOOLS, EDUCATION, CHILDREN AND YOUNG PEOPLE'S SERVICES BY LOCAL AUTHORITIES

### INTRODUCTION

This Statistical Release provides a summary of the planned expenditure by Local Authorities (LAs) on a range of services relating to schools, education, children and young people's services for the financial year April 2013 – March 2014.

The figures in this release include information from all 152 LAs in England. The information on planned expenditure is returned to the Department for Education (DfE) by LAs via the well-established 'Section 251 Budget Return', part of the LA's requirements under the Apprenticeship, Skills, Children and Learning Act 2009.

The main changes from last year's release are:

The Individual Schools Budget category in the 2013-14 Budget Returns includes figures for recoupment academies<sup>1</sup>. Caution is advised when making year on year comparisons.

New tables on planned expenditure on High Needs and Early Years have been added.

### KEY POINTS

- In 2013-14 the aggregate planned expenditure for all LAs in England was £50.5bn (gross) and £48.8bn (net). This is the total of their planned expenditure for education, children and young people's services taken from the Section 251 Budget 2013-14 Return. (Table 1)
- The LA planned expenditure falls into three high level categories: the 'Total Schools Budget', planned expenditure on 'Other Education and Community Budget' and planned expenditure on all 'Children's and Young People's Services'. Each of the three categories represents many different funding lines which are presented in detail in Table 1. The year on year changes for the three high level categories (showing gross first and net second) can be seen in Table A.

<sup>1</sup> Recoupment applies to any academy which opened from 2008 and had an LA maintained predecessor school (with the exception of two academies, one in Bristol and one in Cheshire East).

**Table A: Year on year comparison of the local authority planned expenditure for the LAs' main funding responsibilities (gross/net)**

		2012-13*	2013-14	Change between 2012-13 and 2013-14 (£s)
Total Schools Budget	Gross	.	£39.0bn	.
	Net	.	£38.8bn	.
Total Other Education and Community Budget	Gross	£3.3bn	£3.2bn	a decrease of £0.1bn
	Net	£2.4bn	£2.3bn	a decrease of £0.1bn
Total Children's and Young People's Services	Gross	£8.6bn	£8.4bn	a decrease of £0.2bn
	Net	£7.9bn	£7.7bn	a decrease of £0.2bn
<b>Total Planned Expenditure</b>	<b>Gross</b>	.	£50.5bn	.
	<b>Net</b>	.	£48.8bn	.

\* Figures are as published in the 2012-13 Budget Release.

. Not applicable. Due to changes to the collection information is not comparable.

### **Total Schools Budget**

- The planned expenditure for 2013-14 on Total Schools Budget was £39.0bn (gross). Due to changes in the collection, this should not be compared with previous year's figures. (Table 1)
- Total Schools Budget is dominated by the Individual Schools Budget (ISB) which makes up close to 87% of the Totals Schools Budget (87% of gross and 87% of net planned expenditure). In 2013-14 the funding per pupil was £4,350. (Table 1)

### **Total Other Education and Community Budget**

- There has been a small decrease in the planned spending by LAs on the 'Other Education and Community' category (which includes LAs' central expenditure). Planned expenditure in this area has decreased by £0.1bn (gross) from £3.3bn to £3.2bn – a 3.8 per cent reduction between 2012-13 and 2013-14. (Table 1)

### **Total Children's and Young People's Services**

- Between 2012-13 and 2013-14 there have been a number of changes in the categories included in the Section 251 Budget data for children's and young people's services. These changes will affect direct comparisons between years for some sections of the data. Further information can be found at paragraph 5 of the Technical Notes.
- The planned expenditure for 2013-14 on children's and young people's services was £8.4bn (gross).

Table B shows the changes over the latest period for the main children's and young people's services planned expenditure. Where the 2013-14 categories are known to have changed the comparison provided is with the re-based version of the 2012-13 figures (rather than the published figures) to provide the most accurate year on year comparison.

**Table B: Year on year comparison of the local authority planned expenditure (gross) on children's and young people's services**

	2012-13	2013-14	Change between 2012-13 and 2013-14
Total Sure Start Children's Centres and Early Years	£1,283.3mn	£1,093.2mn	a decrease of £190.0mn
Total Children Looked After	£3,198.0mn	£3,262.0mn	an increase of £64.0mn
Total Other Children and Family Services	£87.2mn	£91.0mn	an increase of £3.8mn
Total Safeguarding Children's and Young People's Services	£1,890.0mn	£1,935.3mn	an increase of £45.2mn
Total Family Support Services	£825.2mn	£938.9mn	an increase of £113.7mn
Total Services for Young People	£727.3mn	£712.6mn	a decrease of £14.7mn
Total Youth Justice	£335.9mn	£319.3mn	a decrease of £16.6mn
Total Children's and Young People's Services	£8,587.2mn*	£8,352.4mn	a decrease of £234.8mn*

\*Certain categories cannot be replicated for both financial years due to the restructuring of the Children's and Young People's Services subcategories. Consequently the sum of the year on year changes will not equal the £234.8mn decrease.

These figures need to be considered in the wider context, which is explained below.

## CONTEXT

In 2013-14 DfE plans to spend £57.3bn in total (excluding Annually Managed Expenditure). Of this, £4.0bn is targeted for capital expenditure (spending on assets with a lasting value, such as buildings and equipment) primarily on schools via LAs. A further £0.4bn is earmarked as administration spending for the running of the central Department for Education. The remaining £52.9bn is planned for spending on a combination of schools (£44.6bn), support for 16-19 year olds (£7.7bn) and Children and Families (£0.6bn).

The majority of the £44.6bn finds its way to the schools budget through the following routes:

- a. The Dedicated Schools Grant – funding to LAs to support maintained schools in their area.
- b. The Education Services Grant – funding for all pupils in all schools, to cover the cost of central services provided by local authorities to maintained schools, or procured separately by academies.
- c. Grants paid direct to academy schools. For example, the School Budget Share, grants for insurance and Start Up grants for new academy schools.
- d. Pupil Premium – funding to raise the attainment of disadvantaged pupils and close the attainment gap between disadvantaged pupils and their peers.

LAs combine the money they receive from DfE, along with other funding streams, to generate their total budgets for the financial year. They then report their budgets for education, children and young people's services to the DfE as required under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009.

## **LOCAL AUTHORITY PLANNED EXPENDITURE: THE CONTEXT OF FUNDING REFORM**

Traditionally LAs in England received money from the DfE for pre-16 education in the form of the Dedicated Schools Grant and the Standards Fund. The LA combined these income streams with money from other sources to allocate budgets to all schools in their area based on locally held funding formulae. As a result, the Section 251 Budget Return covered planned spending on all schools, children's and young people's services by LAs.

Academy schools receive their funding directly from the Education Funding Agency (EFA) within DfE (rather than through the LA) and in previous years their funding has not been reflected in the LA's Section 251 Budget Return. However, the Individual Schools Budget figures in the 2013-14 Budget Returns now include figures for recoupment academies which mean caution is advised when making year on year comparisons.

In order to report on LA budgets in a meaningful way, the data presented within this statistical release includes a number of 'per capita' measures - in essence, the amount of budget allocated divided by the number of people it is earmarked for. This 'per capita' figure is derived using the Section 251 Budget Return data with a number of population sources, depending on the sub-category of the planned expenditure being looked at. For funding lines which are only targeted at pupils, the funding has been divided by the number of pupils in the relevant school types taken from the Department's School Census information. The School Census pupil numbers for each year are taken from the January prior to the start of the relevant financial year for consistency with the LA Benchmarking Tables.

For funding lines which cover all children within the LA (regardless of school attended) we use ONS population estimates for children of school age. The ONS population estimates are taken from the latest available 2011 based population estimates available from the ONS website at the following link:

<http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-274527>

## **LOCAL AUTHORITY BENCHMARKING TABLES OF PLANNED EXPENDITURE**

The LA Benchmarking Tables of Planned Expenditure are drawn from the same Section 251 Budget Returns as the statistics contained in this release. The benchmarking tables give the information in Table 1 on planned expenditure in 2013-14 in detail for all individual LAs. The tables also provide information on the percentage change in LAs' planned expenditure on education from 2012-13 to 2013-14 for selected expenditure categories. The tables are primarily used by School Forums and LAs to compare expenditure levels between LAs.

The LA Benchmarking Tables of Planned Expenditure and their background information, including methodology, can be found in the Benchmarking section of the S251 website at:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/section251>

## TABLES

The tables in this statistical release are listed below. The tables contain a mixture of national and local authority level data. The figures for 2013-14 are deemed to be final results.

Table 1: Overview of planned expenditure by local authorities

Table 2: Schools budget by sector

Table 3: Planned expenditure by local authority

Table 4: Planned spend of net expenditure of individual schools budget per local authority

Table 5: Planned spend of net expenditure on other education and community budgets per local authority

Table 6: Planned spend of net expenditure on children's and young people's services per local authority

Table 7: Planned spend on high needs per local authority

Table 8: Planned spend of on early years education per local authority

The tables can be found in Excel format at: <https://www.gov.uk/government/organisations/department-for-education/series/statistics-local-authority-school-finance-data>

In line with the Government's agenda to make data more accessible, underlying data will be published on the same day at: <http://www.education.gov.uk/section251>

## TECHNICAL NOTES

### General notes and definitions

1. The definitions of all the Section 251 Budget categories are available on the Department's website at the following link. Specifically there is a 2013-14 Budget Tables and Guidance document which provides an example of the return to be made and description of the data required in each budget line:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefundin g/section251/a0067931/budget-guidance>

2. The LA planned expenditure on education/school funding data contained within the Section 251 Budget is for LA maintained schools and in addition for 2013-14 the Individual Schools Budget category includes figures for recoupment academies. There are fundamental differences between the scope of what funding for LA maintained schools covers compared with what academy schools' budgets cover, which make comparison of the data on a like for like basis analytically difficult. Some, but not all, of these issues can be controlled for by working with granular level data and removing certain elements of funding. Examples of the need for caution include:

- Academy schools receive an Education Services Grant (ESG) in recognition of the fact that as independent schools they no longer receive a number of services from LAs and must make appropriate provision for themselves.
- LA maintained school funding covers financial years, whereas academy school funding covers academic years.
- Academies may receive start up grants during their year of opening.
- Post 16 funding needs to be removed from LA maintained schools (or added into academy data) to compare like with like in terms of the pupils covered.
- Early years funding will generally not be included within academy budgets (except for a very small number of cases).
- Academy rates and additional Insurance costs are paid for on receipt by EFA and so the position at the time of reporting the data is not always fully developed.

3. Table 1 shows the planned expenditure (gross, income, net and per capita) data by detailed education, children and young people's services categories by all local authorities in England for the years 2012-13 and 2013-14. The table has been constructed by aggregating the planned expenditure data provided by all 152 LAs into a national summary table. The planned expenditure data for the 2012-13 financial year was published in September 2012 and can be found in the relevant summary report at the following link:

<https://www.gov.uk/government/publications/planned-expenditure-of-local-authorities-on-education-and-childrens-social-care-functions-section-251-data>

4. As more academy schools open it is becoming increasingly important to distinguish pupil numbers between the different items of expenditure on a per capita basis. The 'per capita' figures are derived using the Section 251 Budget Return data with a number of population sources, depending on the sub-category of the planned expenditure being looked at. The population categories are:
  - Total pupils aged 3-19 from maintained schools only
  - Total pupils aged 3-19 from maintained schools and recoupment academies only
  - Total pupils aged 3-19 from maintained schools and all academies
  - Total population aged between 0-17
  - Total population aged between 0-19
  
5. There are a number of changes made to the Section 251 Budget return between 2012-13 and 2013-14 in the categories for children's and young people's services. These changes will affect direct comparisons between years for some sections of the data. The changes are as follows:
  - Sure Start Children's Centres and Early Years - Early Years and Sure Start Children's Centres were represented by two different sections in the 2012-13 collection, which have now been merged in 2013-14. An additional line is now included under this section "Funding on local authority management costs relating to Sure Start Children's Centres", which in previous years, was included in the two Sure Start Children's Centre lines (and was also a memorandum line). A line "Funding paid to early years providers to deliver free early education places for two year olds" has been removed and this is now included in the schools part of the return.
  - Children Looked After - The individual lines on 'Adoption services' and 'Special guardianship support' have been added into this section, which in 2012-13, were under the 'Other Children and Family Services' section.
  - Other Children and Family Services - Only one individual line 'other children and families services' is included here. As mentioned above, individual lines on 'Adoption services' and 'Special guardianship support' have been removed and are now included in the Children Looked After section.
  - Safeguarding Children and Young People's Services - Budgeted spending on 'child death review processes' is now included in the line on Local Safeguarding Children Boards. Also spending on social work (including functions in relation to child protection) has been separated out from commissioning.
  - Family Support Services - Planned expenditure previously captured in this section is continued to be recorded here; split across services for Disabled children and targeted/universal family support and targeted services. The previous line on 'Intensive family Interventions,' which include interventions that support the programme led by the Troubled Families Unit to turn around the lives of troubled families, has been removed. However, this expenditure is now captured under the line 'Targeted family support' within the same section.
  - Services for Young People - Two lines are included in this section: 'Universal services for young people' and 'Targeted services for young people'. While previous planned

expenditure on 'Substance misuse services (Drugs, Alcohol and Volatile substances)' and 'Teenage pregnancy services' have been removed, this expenditure is still captured within the 'Universal services for young people' and 'Targeted services for young people' lines. Spending on Substance misuse and teenage pregnancy services is also included as separate category within the Services for Young People section.

6. Table 2 of the statistical release shows the detailed LA planned expenditure for the 2013-14 financial year by school phase. This is a national aggregate of the data provided by all 152 LAs. The information published is similar to that published in previous years.
7. Gross figures are actual total estimated costs of the activities before allowance for any expected income, but after allowing for any "buyback" income from the local authority's own schools to avoid double counting. Both expenditure and income should be excluded where LA maintained schools are buying services.
8. Income figures are any estimated income the local authority expects to be able to offset against gross expenditure on an activity. This will only include central government grants if they are additional to the Dedicated Schools Grant (DSG) and Early Intervention Grant (EIG), neither of which are considered as income. Income sources could also include private sources, other LAs' fees, charges paid by parents (e.g. meals, music, board/ lodging) and lettings.
9. Net figures are calculated automatically by subtracting any income from the gross figures.

#### Data collection

10. The figures in this release include information from all 152 LAs in England. The information on planned expenditure is returned to the Department for Education (DfE) by LAs via the well-established 'Section 251 Budget Return', part of the LA's requirements under the Apprenticeship, Skills, Children and Learning Act 2009. LAs are required to provide the DfE with a Section 251 Budget Return shortly after the start of each financial year. This is to ensure LAs provide financial data in a consistent manner that can support comparisons and benchmarking with other LAs. The most recent administrative directives (that determine the form, content and responsibilities towards their publication) can be found at the following link:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefundin g/section251/a0071154/administrative-directions>

11. The Section 251 Budget Return includes information on the funding of LA maintained schools and for 2013-14 the Individual Schools Budget figures within the Total Schools Budget also include figures for recoupment academies. **This means that care must be taken to understand the context within which this data sits.** The complex picture on school funding means that for elements of the Section 251 Budget Return it is not possible to produce year on year comparisons. Wherever possible, statistics are provided showing planned spending 'per capita' (by combining the financial return with pupil numbers and/or population estimates) to make comparisons over time more robust although there are still some limitations – which are discussed in paragraph 5 of the Technical Notes.
12. Information on DfE's budget and planned expenditure is available from pages 15 and 16 of the Department's Business Plan, available here:

<http://media.education.gov.uk/assets/files/pdf/d/department%20for%20education%20business%20 plan%202012%202015.pdf>

13. The planned expenditure of LAs has been collected since the 2000-2001 financial year. Statistics from these annual collections have been published, each year, at national and LA level via the DfE website at the following link:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefundin/g/section251/archive/b0068383/section-251-data-archive>

14. The Section 251 Budget data supplied by LAs is used in a number of ways:

- As the authoritative source for comparisons of LAs and how they plan their expenditure and fund their schools.
- Enhancing the evidence base used to support the decision making within the Department.
- As the authoritative source for responding to Parliamentary Questions, Freedom of Information requests and requests for information other organisations and from the general public.

15. At the start of the 2013-14 financial year LAs determine the full extent of their funding (e.g. by combining the funding from Government with their own generated income) and then within the Section 251 Budget Return they set out how they are going to allocate money to their schools and how they plan to allocate money to their children's and young people's services responsibilities. This information was then provided to the Department by LAs between April and June 2013. All statistics in this statistical release for 2013-14 are based on the Section 251 Budget Return for 2013-14.

16. The data in the tables of this release, which focuses on expenditure of schools, does not encompass all schools in England. The Section 251 Budget Return data only includes the planned expenditure on local authority maintained schools (essentially the funding of maintained schools by the LA based on its own local funding formula) as well as Individual Schools Budget figures for recouperment academies. However it does include full-year budgets for schools which were LA maintained as at 31<sup>st</sup> March 2013, irrespective of whether some of these schools were known to be converting to academy status during the course of the year. Academy school finance data is published separately by the EFA.

### Data quality and validation

17. All 152 LAs provided a complete Section 251 Budget Return for the 2013-14 financial year.

18. The Section 251 Budget data passes through several phases of checking and data cleaning. Extensive guidance and support is provided to LAs to help them ensure the data they provide is as accurate as possible. **With 152 LAs providing detailed data of their planned expenditure across a wide range of funding/expenditure categories the potential for variation in local accounting practices is high.** The Section 251 Budget guidance aims to reduce the impact of these local variations by collecting data in as consistent a format possible, and having extensive phases of checking and sign off. Each LA was subject to the aforementioned data collection and cleaning phases and all LAs signed off their data to confirm their data is fit for purpose.

19. The Section 251 Budget data is loaded into the COLLECT system. The system carries out a number of checks, including year on year validation. The 2013-14 Budget data was signed-off for use in statistical outputs with 514 errors on the budget return having gone through the data cleaning procedures. The remaining errors and warnings (which were spread across the education, children and young people's services) were discussed with the relevant LA contact and either deemed to be acceptable (i.e. they were as a result of range checks across years or were

negative values due to recoupment) and moved to the “OK error” grouping or, where appropriate, the data was accepted as an unusual expenditure pattern.

20. This is the first year that information on High Needs and Early Years has been collected in this form and published as official statistics, so comparable information is not available.

### **Rounding and symbols used**

21. All figures in the tables have been rounded to the nearest one thousand pounds worth of income or expenditure. The totals in the text and in the tables may not always equal the sum of their component parts because of this rounding regime. Similarly, differences quoted in the text may not always be the same as the differences shown in the tables because of rounding. Symbols are used in the tables as follows:

- . not applicable
- .. not available
- negligible (less than £500)

### **Related Statistics**

22. We are aware that users look at finance related information from a variety of angles. The presentation of LA planned expenditure data on a per capita basis will continue to be presented in this fashion as part of our commitments to transparency and to support the uses outlined above. There are however other releases on the funding of schools of which users will wish to be aware:

### **Local authority maintained schools**

- **Section 251 Outturn statistics.** Whereas this release focuses on planned expenditure, the outturn statistics focus on actual expenditure by LAs (and their schools). The next release of these data is due in January 2014 and the actual expenditure statistics will relate to the 2012-13 financial year. Statistics relating to the actual expenditure by local authorities in 2013-14 will be collected in the summer of 2014 (after the end of the financial year) and published in January 2015. The latest available data can be found at the following link:

<https://www.gov.uk/government/publications/expenditure-on-education-children-and-young-peoples-services-academic-year-2011-to-2012>

- **Consistent Financial Reporting (CFR).** This is a school level data collection and provides detailed information on a school's income, expenditure and revenue balance for the financial year. The next release of these data is scheduled for December 2013 and it will relate to financial year 2012-13. This information is used to support the collection and dissemination of the Section 251 Outturn statistics. Again, exact publication dates will be firmed up and pre-announced on the 'coming soon' section of our research and statistics gateway website nearer the time. The latest available data can be found at the following link:

<https://www.gov.uk/government/publications/income-and-expenditure-in-local-authority-maintained-schools-in-england-2011-12>

### **Academy School Data**

- Academy school budgets are administered by the EFA within DfE. As the number of academy schools grows, the interest in their budget data is also increasing. In line with that interest, EFA

are committed to making the academy schools' budget data available, accessible via the following link:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement>

- Academy schools are funded on an academic year basis which is different to local authority (LA) maintained schools (which are funded on a financial year basis). They also receive an Education Services Grant paid to academy schools in recognition of the fact that as independent schools they no longer receive a number of services from LAs and must make appropriate provision for themselves. This is calculated at a national rate of £150 per pupil with that rate protected at 90% from 2012/13 or 80% of the 2012/13 rate plus previous cash protection, whichever is the greater. Timescales and the scope of funding purposes mean academy schools funding is not directly comparable with that of LA maintained schools. For a more detailed explanation of these issues please see paragraph 2 of the Technical Notes.
- **Accounts Return (AR)** To support the fulfilment of duties required under the Companies Act, academy schools make a return to the EFA which covers their income and expenditure and financial position. The latest available data can be found at the following link:

<http://www.education.gov.uk/aboutdfe/executiveagencies/efa/h00226709/issue-33/academies-financial-information-publication>

Caution is advised when making any comparisons between CFR returns from LA maintained schools and AR from academy schools. The data is not directly comparable for a number of reasons, including:

- The CFR relates to funding allocated and spent within a standard financial year – April to March. Academies, and the AR, report on a financial and academic year of September to August.
- Academies have responsibilities that maintained schools do not, particularly around service previously provided by the local authority (library services, behavioural support services, audit costs etc.) and maintenance of capital assets. This can affect what the academy spends its funding on, meaning that an academy, by its nature, is likely to have a different pattern of spend than a maintained school.

### **Schools Block funding allocations 2013-14**

The EFA is publishing a report which will present data giving the Schools Block allocations to each individual maintained school for financial year 2013 to 2014, and academy for academic year 2013 to 2014.

### **Revisions**

23. There are no planned revisions to this Statistical Release however, if at a later date we need to make a revision, this will comply with the departmental revisions policy which is published at:

<http://media.education.gov.uk/assets/files/policy%20statement%20on%20revisions.pdf>

## **Queries**

24. Enquiries (non-media) about information contained in this document should be addressed to Marcia Merchant, Department for Education, Mowden Hall, Staindrop Road, Darlington DL3 9BG, Telephone 01325 735613, Email: [marcia.merchant@education.gsi.gov.uk](mailto:marcia.merchant@education.gsi.gov.uk)
25. Media enquiries about information contained in this Statistical Release should be made to the Department's Press Office at DFE, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT or telephone 020 7783 8300