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EXPENDITURE BY LOCAL AUTHORITIES AND SCHOOLS ON EDUCATION, CHILDREN'S AND YOUNG PEOPLE'S SERVICES 2012-13

INTRODUCTION

This statistical release presents information on both the income and expenditure of local authority (LA) maintained schools in England and the income and expenditure of local authorities on their education, children's and young people's services for the financial year April 2012 – March 2013. In addition, the release also presents information on the latest position on School Revenue Balances.

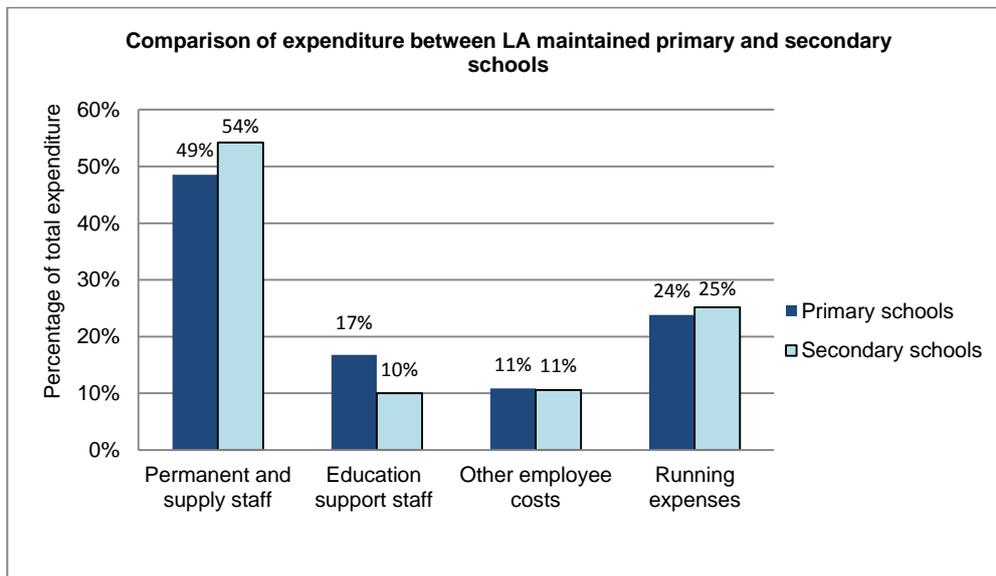
The release does not contain any finance data for academies as they are not maintained by LAs. Due to the increased numbers of schools converting to academy status, total spending by maintained schools has inevitably reduced since last year affecting year on year comparisons.

KEY POINTS

SCHOOL INCOME AND EXPENDITURE STATISTICS (Table 1)

- In the 2012-13 financial year the total school spending, for all LA maintained schools, was £29.5 billion (gross). In the same year, in addition to the funding from government (£28.1 billion), schools generated an income (e.g. through donations and charging for services, facilities, catering etc.) of £1.7 billion resulting in a total current expenditure (net) of £27.8 billion.
- Of the £29.5 billion total school expenditure (gross) £14.6 billion (49.6%) was spent on permanent and supply teaching staff (excluding agency supply teachers and supply teacher insurance costs); £4.6 billion (15.5%) on education support staff; £3.2 billion (10.8%) on other employee costs; and £7.1 billion (24.1%) on running expenses.
- Of the £29.5 billion total school expenditure (gross), £0.3 billion (0.9%) was spent by LA maintained nursery schools; £17.6 billion (59.7%) was spent by primary schools; £9.7 billion (32.8%) was spent by secondary schools and £2.0 billion (6.6%) was spent by special schools.
- Data is only collected for LA maintained nursery schools. It does not include private sector, voluntary and independent nursery providers.
- Of the £17.6 billion spent by primary schools, £8.5 billion (48.5%) was spent on permanent and supply teaching staff (excluding agency supply teachers and supply teacher insurance costs); £3.0 billion (16.8%) was spent on education support staff; £1.9 billion (10.8%) was spent on other employee costs and £4.2 billion (23.8%) was spent on running expenses.

- The pattern of expenditure was slightly different in secondary schools. Of the £9.7 billion secondary schools spent, £5.2 billion (54.2%) was spent on teaching staff; £1.0 billion (10.0%) was spent on education support staff; £1.0 billion (10.6%) was spent on other employee costs and £2.4 billion (25.2%) was spent on running expenses.



- Table 1 provides further detail on school expenditure by phase breaking down the amounts spent against the national figures into their constituent parts.
- Table 2 provides grouped income and expenditure data from table 1 with the addition of per capita spend. At national level, the 'spend per pupil' figures for local authority maintained nursery, primary, secondary and special schools open throughout the 2012-13 financial year increased compared with the previous year. The 'spend per pupil' figure increased by £140 for nursery schools; £94 for primary schools; £194 for secondary schools and £189 for special schools.
- Table 3 provides grouped data from table 1 broken down by local authority.

LOCAL AUTHORITY EXPENDITURE ON EDUCATION AND CENTRAL FUNCTIONS (Table 4)

- In the 2012-13 financial year local authorities spent a total of £9.0 billion (gross) on their central education role. This includes £5.1 billion (57.4%) on education staff and on other support e.g. private/voluntary/independent fees for education for under 5s, education out of school, school meals/milk, etc.; £1.0 billion (11.5%) expenditure on central administration and teacher development; £2.3 billion (26.0%) on support and access (which includes pupil support and home to school transport provision); and £0.5 billion (5.2%) on adult and community support.

LOCAL AUTHORITY EXPENDITURE ON CHILDREN'S AND YOUNG PEOPLE'S SERVICES (Table 5)

Between 2011-12 and 2012-13 there have been a number of changes in the categories included in the section for 'Children's and Young People's Services'. These changes will affect direct comparisons between years for most sections of the data. Further information can be found at paragraph 9 of the Technical Notes.

- Total spending on children's and young people's services in the 2012-13 financial year was £8.9 billion. Comparing spending with the 2011-12 financial year on a like-for-like basis, LAs have reported an increase in spending of £0.2 billion (2.8%)

The following section provides a breakdown of LA expenditure on different services:

- LAs spent a total of £1.2 billion (gross) on Sure Start children's centres and early years. This is an increase of £96.4million (8.8%) compared with 2011-12.
- LAs spent a total of £3.5 billion (gross) on children looked after.
- LAs spent a total of £110.5 million (gross) on other children's and families services.
- LAs spent a total of £2.0 billion (gross) on safeguarding children and young people's services.
- LAs spent a total of £973.1 million (gross) on family support services.
- LAs spent a total of £815.9 million (gross) on services for young people.
- LAs spent a total of £321.2 million (gross) on youth justice, which is a reduction of £17.6 million (5.2%) compared with 2011-12.
- Table 6 provides expenditure statistics for all local authority education and children's services by local authority.

SCHOOL REVENUE BALANCES (Tables 7 and 8)

- In 2012-13 the total revenue balance across all LA maintained schools was £2.2 billion, a decrease of £0.1 billion (5.0%) over the 2011-12 revenue balance figure of £2.3 billion. This equates to an average surplus in each school of just over £113,000.
- The total revenue balance of £2.2 billion is 7.5% of the total revenue income across all LA maintained schools. This is an increase of 0.4 percentage points compared with the 2011-12 figure of 7.1%.
- There were 18,318 schools with a surplus revenue balance. The total surplus across all LA maintained schools that had a surplus was £2.3 billion, a decrease of £0.1 billion (5.2%) over the 2011-12 total surplus revenue balance figure of £2.4 billion. This equates to an average surplus in each school with a surplus of just under £126,000.
- There were 1,111 schools with a revenue balance deficit. The total deficit across all LA maintained schools that had a deficit was £81.2 million, a decrease of £28.7 million (26.1%) over the 2011-12 total revenue balance deficit figure of £109.9 million. This equates to an average deficit in each school with a deficit of just over £73,000.
- The total revenue balance across all primary schools was £1.4 billion (an average of just under £86,000 per primary school). There were 15,409 primary schools with a surplus revenue balance totalling £1.4 billion, an average surplus of around £93,000 per primary school with a surplus. In addition there were 787 primary schools with a revenue balance deficit of £22.0 million, an average deficit of just under £28,000 per primary school with a deficit.
- The total revenue balance across all secondary schools was £610.7 million, an average of under £310,000 per secondary school. There were 1,641 secondary schools with a surplus revenue balance totalling £665 million, an average surplus of £405,000 per secondary school with a surplus. In addition there were 253 secondary schools with a revenue balance deficit of £54.3 million, an average deficit of just under £215,000 per secondary school with a deficit.

- Tables 7 and 8 provide further detail on school revenue balances including a longer time series of data going back to 1999-2000, the total revenue balance as a percentage of total revenue income and a breakdown of the balances showing the amounts committed and uncommitted.

LIST OF TABLES

Table 1: Detailed school income and expenditure statistics for local authority maintained schools in England by phase of education, 2011-12 and 2012-13.

Table 2: School income and expenditure and per capita statistics for local authority maintained schools in England by phase of education, 2011-12 and 2012-13.

Table 3: School income and expenditure statistics for local authority maintained schools in England by phase of education by local authority and region, 2012-13.

Table 4: Total school spending and expenditure statistics by local authorities on education and central functions in England 2012-13.

Table 5: Detailed income and expenditure statistics for local authority spending on children's and young people's services in England, 2011-12 and 2012-13.

Table 6: Expenditure statistics for all local authority education and children's services by local authority and region, 2012-13.

Table 7: School revenue balances statistics by phase of education, 2006-07 to 2012-13.

Table 8: Detailed school revenue balances statistics by phase of education, 1999-2000 to 2012-13.

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

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

TECHNICAL NOTES

Data sources and coverage

1. The school income and expenditure data in this release is submitted to the Department by LA maintained schools as part of the annual Consistent Financial Reporting (CFR) collection. The local authority income and expenditure data are submitted by local authorities (LAs) as part of the annual Section 251 Outturn collection. Data are loaded directly into the Department for Education's (DfE) bespoke data collection system; COLLECT (Collections On-Line for Learning, Education, Children and Teachers).

Further information on the collections can be found at the following links:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/consistentreporting/b00205260/consistent-financial-reporting-online-guide>

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/section251/a00191786/outturn-guidance>

2. The CFR exercise is a statutory data collection - Consistent Financial Reporting (England) Regulations 2003 (SI 2003 No. 373) – which came into force on 1 April 2003. A CFR return is required for all schools maintained by the local authority at the end of each financial year. This is to ensure schools provide financial data in a consistent manner that can support comparisons and benchmarking with other schools. The following schools, institutions and providers are excluded from CFR: private, voluntary and independent (PVI) providers and general hospital schools. Returns are *optional* for pupil referral units (PRUs).
3. The Section 251 Outturn exercise is a statutory data collection which has collected information on the expenditure of LAs and their schools since the 1999-2000 financial year.
4. In the 2012-13 financial year, LAs continued to work with their maintained nursery, primary, secondary and special schools to supply their CFR data to the Department. This school level income and expenditure data was then incorporated into the Section 251 Outturn collection (rather than the Department collecting the same data from LAs).
5. In previous years the Department published a release on the income and expenditure of LA maintained schools in England in December. This was then followed by a release in January which included information on the income and expenditure of local authorities in England, and updated the previously published information on the income and expenditure of LA maintained schools, as well as reporting on the latest school revenue balances. This year we have rationalised the reporting arrangements by combining these two releases, publishing data on both the income and expenditure of LAs and schools in this release.

General notes and definitions

6. The data contained in Tables 1, 2, 3, 7 and 8 is based on the CFR Framework and the detailed framework can be found at the following link:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/consistentreporting/b009979/consistent-financial-reporting-cfr-online-guide-2012-13>

7. The data contained in Tables 4, 5 and 6 is based on Section 251 Outturn. The definitions of all the Section 251 Outturn income and expenditure categories are available on the Department's website at the following link:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/section251/a00191786/outturn-guidance>

8. The following information provides an explanation of how the school revenue balances are calculated.

- The final total end balance for each school is calculated by adding together variables B01, B02 and B06 as defined in the CFR framework. A deficit within a school is simply identified from a negative end balance, and a surplus from any positive end balance. Traditionally we have also supplied the schools with surplus above a certain percentage of that school's total income. These figures are again available in Tables 7 and 8 using thresholds of surpluses exceeding 5% of total income for secondary schools, and 8% for all other school phases.

9. Between 2011-12 and 2012-13 there were a number of changes in the categories included in the outturn data collection for children's and young people's services. These changes mean that it is not possible to make direct comparisons between some of the categories and some of the sub-totals in this and previous years. The changes are as follows:

- Sure Start Children's Centres and Early Years - the 'other early years funding' category did not appear in the 2011-12 return. Therefore, the sub-total for 2012-13 cannot be compared with the subtotal in 2011-12.
- Children Looked After - the sub-totals for 2011-12 and 2012-13 are not directly comparable. The two categories 'special guardianship support' and 'adoption services' are included in this section for 2012-13 but in 2011-12 these two categories appeared under the 'Other Children's and Families Services' section.
- Other Children's and Families Services - the sub-totals for 2011-12 and 2012-13 are not directly comparable. The two categories 'special guardianship support' and 'adoption services' were included in this section in 2011-12 but in 2012-13 these two categories appear under the 'Children Looked After' section.
- Safeguarding Children and Young People's Services - the sub-totals for 2011-12 and 2012-13 are not directly comparable. The reasons for this are: a category called 'child death review processes' appeared in 2011-12 but did not appear in the 2012-13 return; a category 'commissioning and children's services strategy' appears under this section in 2012-13. The most similar category 'children's services strategy' was a separate line in 2011-12; the category 'social work (includes LA functions in relation to child protection)' appears in 2012-13. This category was called 'commissioning and social work (includes LA functions in relation to child protection)' in 2011-12 and the definitions of what to include differ across the years.
- Family Support Services - the sub-totals for 2011-12 and 2012-13 are not directly comparable. The category 'intensive family interventions' appeared in 2011-12 but do not appear in the 2012-13 return.

- Services for Young People - the sub-totals for 2011-12 and 2012-13 are not directly comparable. The following three categories 'substances misuse services (Drugs, alcohol and volatile substances)', 'teenage pregnancy services,' and 'other Services for young people' appeared in 2011-12 but not in 2012-13. Two of these categories 'substances misuse services (drugs, alcohol and volatile substances)' and 'teenage pregnancy services' appear as Memorandum Items in the 2012-13 return.

Data quality

10. Both the Section 251 Outturn and CFR data pass through several phases of checking and data cleaning. Extensive guidance and support is provided to schools and LAs to help them ensure the data they provide is as accurate as possible. The guidance aims to reduce the impact of any local variations by collecting data in as consistent a format possible, and having extensive phases of checking and sign off.
11. The Section 251 Outturn school level data are taken directly from the CFR data, the rest of the outturn data are loaded directly into the COLLECT system. The CFR and Outturn data that are loaded into COLLECT are subject to a pre-agreed series of validation checks on the data to aid the submission of accurate data.

Rounding and symbols used

12. All figures in the eight 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
 - negligible (less than £500)
 - x number suppressed to prevent disclosure of staff salaries.

Revisions

13. 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

14. 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.
15. 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.