

Local Authority Budgeted Expenditure on Schools 2011-12: Wales and England Comparison¹

Introduction

This statistical article describes the approach taken in attempting to construct a comparison of budgeted expenditure on schools by local authorities in Wales and England for 2011-12 and explains the reasoning for not publishing such a comparison at this time.

We have previously produced annual bulletins comparing education expenditure between Wales and England and last year we informed users of [difficulties encountered in using education data for 2010-11](#) due to the changing functions of local government in England.

To account for these difficulties for the 2011-12 financial year, we intended to produce a bulletin analysing purely schools budgeted expenditure [i.e. excluding elements relating to further education supported by local authorities], but this analysis has been further complicated by the numbers of schools converting to academies in England and therefore moving out of local government control.

Following further consideration of the methodology being proposed to produce the funding comparison this year, we could not be certain of the robustness or fitness for purpose of comparison of budgeted expenditure between Wales and England in 2011-12.

A summary of sources and references to relevant information is attached at the end of this document with links as appropriate throughout the text.

Methodology

In previous years, we have calculated the comparison of education expenditure per pupil by dividing the *total education expenditure by local authorities in England and Wales* with the appropriate *numbers of pupils in maintained schools*.

For total education expenditure, we have used the education categories within [revenue forms submitted by local authorities to the Welsh Government \(WG\)](#) and the [Department for Communities and Local Government \(DCLG\)](#). Both DCLG and WG revenue forms are completed in line with the Chartered Institute of Public Finance and Accountancy's [CIPFA]

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¹ Notes on the use of statistical articles can be found at the end of this document.

Service Reporting Code of Practice [SeRCOP] and therefore provide a comprehensive picture of expenditure on all services by local government.

The Department for Education (DfE) also [publish expenditure data on schools via their Section 251 data collection](#) which includes a national summary of school income and expenditure and detailed national and local authority data showing local authority expenditure on education, children and young people's services and social care.

The DfE Section 251 forms have a different coverage of education expenditure when compared with the revenue forms from DCLG. This results in the Section 251 education expenditure data appearing significantly lower than the DCLG data.

Pupil numbers are obtained from the schools census completed every January in Wales and England. The pupil numbers are published for both [Wales](#) and [England](#).

The comparative funding gap is calculated through subtracting the per-pupil expenditure in one country from the other. **It is therefore critical that the per-pupil figure is calculated in a consistent manner for Wales and England.**

Budgeted Expenditure for 2011-12

Analyses of [budgeted expenditure on schools in Wales for 2011-12](#) have already been published in June 2011 and [budgeted data is available by individual school](#).

England's policy change has resulted in [schools converting to academies throughout the year](#). This has the effect that both primary and secondary local authority budgeted expenditure are significantly lower in 2011-12 compared with the previous year as schools move out of local government control. Academies are funded through the Young People's Learning Agency [YPLA].

Over 1,000 schools in England have converted to academies within the current 2011-12 financial year and about a third of secondary schools are now academies. Historically, neither costs or pupil numbers relating to academies have been part of the statistical bulletin but due to the high numbers of schools now becoming academies it is important that if comparisons are made then they are accounted for appropriately within the changing context.

There is currently no budgeted expenditure data available for analysis on academies. DCLG officials have confirmed that they are unable to be certain how converting academies have been treated in local authorities' budget returns for 2011-12 and therefore it would be inappropriate to compare these returns with the WG local authority revenue returns.

DCLG have indicated that they believe that local authorities in England have removed any academy expenditure from the revenue budget forms, where appropriate, based on their knowledge at the point of completing their returns. However they have also indicated that because of the transient situation regarding schools with academy status it is not possible to know how many academies have been accounted for in the revenue budget returns by education authorities.

If budgeted expenditure data were available for academies and we were to add it to the DCLG budgeted expenditure data, there would also be a risk of double-counting depending on

whether the conversion to academies proceeded as planned when the budgets were set at the start of the financial year.

Pupil Numbers

To produce a robust per-pupil calculation it is critical to ensure that the numerator (expenditure) and denominator (pupil numbers) are being produced on a consistent basis. As stated above, we use pupil numbers from the schools census completed every January in Wales and England. This is a snapshot at a particular point in time.

Whilst DCLG have indicated that they believe that local authorities in England have removed any academy expenditure from the revenue budget forms, they have also indicated that it is not possible to know how many academies have been accounted for in these returns and therefore it is not possible to accurately associate a pupil count to these 2011-12 figures. It is likely that if we used this data in conjunction with the DCLG local authority revenue returns, there would be pupils included in the per pupil calculation with no associated expenditure for all or part of the financial year, which would artificially deflate local authority expenditure per-pupil in England. We could attempt to adjust for this by taking pupils in converting academies out of the numbers we use, but we would still not know how well this matched the funding data provided by local authorities.

England also collect termly data on pupil numbers which could be used but again, this would be a snapshot in time, would not reflect the situation throughout the whole financial year and we would still not know how well it matched the financial data. Wales does not collect termly data so we would also be using pupil numbers from different points in time.

Other Sources of Data

The Treasury use the [DfE Section 251 data on education](#), described above, in its [Public Expenditure Statistical Analysis \[PESA\] publication](#) which is the regular publication of information on government spending. The Section 251 data is far more detailed than the revenue data from DCLG but for reasons of coverage and consistency discussed earlier, it is not appropriate to use it in this context. The Treasury use the Section 251 data as they analyse sub-categories of education expenditure. The latest available PESA data is currently available for the 2010-11 financial year and therefore even if it were based on consistent data sources, would not provide any further information on 2011-12 budgets.

Conclusion and Future Steps

On the basis of the analysis set out above we have concluded that it is not possible, within the published timescale, to be certain of the robustness or fitness for purpose of a comparison of budgeted expenditure between Wales and England in 2011-12.

We are continuing to examine various options for comparing data available from Wales and England on both a budgeted and an outturn basis as we know there is a large user demand for this information.

Sources

Expenditure Data Collection Forms

Wales

Revenue forms – [Outturn](#) - [Budget](#)

England

Revenue forms – [Outturn and Budget](#)

Section 251 forms – [Outturn and Budget](#)

Pupil Numbers

Wales

[Schools Census, 2011: Final Results](#)

England

[DfE: Schools, Pupils and their Characteristics, January 2011](#)

Publications

Welsh Government

[Local Authority Budgeted Expenditure on Schools in Wales, 2011-12](#)

[Budgeted Expenditure in Wales by Individual School](#)

[Previous Statistical Bulletin on Education Expenditure in Wales and England](#)

Department for Communities and Local Government

[Local Authority Revenue and Financing England: 2011-12 Budget](#)

Department for Education

[Local authority and school expenditure on education, children's services and social care for 2010-11, including school revenue balances](#)

[Latest information on Academies in England](#)

HM Treasury

[Public Expenditure Statistical Analysis \(PESA\) publication](#)

Notes on the use of statistical articles

Statistical articles generally relate to one-off analyses for which there are no updates planned, at least in the short-term, and serve to make such analyses available to a wider audience than might otherwise be the case. They are mainly used to publish analyses that are exploratory in some way, for example:

- Introducing a new experimental series of data;
- A partial analysis of an issue which provides a useful starting point for further research but that nevertheless is a useful analysis in its own right;
- Drawing attention to research undertaken by other organisations, either commissioned by the Welsh Government or otherwise, where it is useful to highlight the conclusions, or to build further upon the research;
- An analysis where the results may not be of as high quality as those in our routine statistical releases and bulletins, but where meaningful conclusions can still be drawn from the results.

Where quality is an issue, this may arise in one or more of the following ways:

- being unable to accurately specify the timeframe used (as can be the case when using an administrative source);
- the quality of the data source or data used; or
- other specified reasons.

However, the level of quality will be such that it does not significantly impact upon the conclusions. For example, the exact timeframe may not be central to the conclusions that can be drawn, or it is the order of magnitude of the results, rather than the exact results, that are of interest to the audience.

The analysis presented does not constitute a National Statistic, but may be based on National Statistics outputs and will nevertheless have been subject to careful consideration and detailed checking before publication. An assessment of the strengths and weaknesses in the analysis will be included in the article, for example comparisons with other sources, along with guidance on how the analysis might be used, and a description of the methodology applied.

Articles are subject to the release practices as defined by the release practices protocol, and so, for example, are published on a pre-announced date in the same way as other statistical outputs.