

# Statistical Release

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Department for Education  
Sanctuary Buildings  
Great Smith Street  
London SW1P 3BT

**Telephone:**  
**Press Office**  
020 7925 6789  
**Public Enquiries**  
0370 000 2288

**Statistician**  
Ryan Murray &  
Dave Golding

**Email**  
[info@education.gsi.gov.uk](mailto:info@education.gsi.gov.uk)

**Internet**  
<http://www.education.gov.uk/rsgateway/index.shtml>

## **2012-13 PLANNED EXPENDITURE ON SCHOOLS, EDUCATION, CHILDREN AND YOUNG PEOPLE'S SERVICES AND SOCIAL CARE 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 and social care for the financial year April 2012 – March 2013.

The figures presented here 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.

This is the first statistical release to cover data on LAs' planned expenditure returned to DfE through the Section Budget 251 Return. It has been produced as a response to the greater interest in this data source. In previous years data from this source were published as a set of tables on the DfE website alongside other products e.g. the 'LA Benchmarking Tables of Planned Expenditure' (outlined below) which are still being made available alongside this release.

The Section 251 Budget Return includes information on the funding of LA maintained schools but not on the increasing number of Academy schools which are funded directly from the Education Funding Agency (EFA) within DfE. As the number of Academy schools increases the total school budget managed by LAs decreases. **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 22 of the Technical Notes.

The education element of this data only covers LA maintained schools. Data about Academy school funding is due to be made available by EFA on 2<sup>nd</sup> October 2012. 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. For more details see paragraph 20 of the Technical Notes.

### **CONTEXT**

In 2012-13 DfE plans to spend £57.1 billion in total (excluding Annually Managed Expenditure). Of this, £4.6bn 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 £52.1bn is planned for spending on a combination of schools (£41.4bn), support for 16-19 year olds (£7.8bn) and Children and Families (£2.8bn).

Of the £41.4bn earmarked for education, a small proportion is allocated for centrally funded items e.g. Initial Teacher Training, Private Finance Initiatives and allocation of Pupil Premium, but the overwhelming majority (£38.4bn) is earmarked for the schools budget.

All of the £38.4bn finds its ways to the schools budget through the following routes:

- a. The Dedicated Schools Grant – funding to LAs to support maintained schools in their area.
- b. Grants paid direct to Academy schools. This comprises the School Budget Share, and the Local Authority Central Spend Equivalent Grant (LACSEG), and a small proportion of money is allocated as Start Up Grants for new Academy schools.

In addition to the money made available for the schools budget the Department has also made available £1.25 billion<sup>1</sup> this year for the Pupil Premium. The Pupil Premium targets additional money at pupils from the most deprived background.

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 and social care 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 and young people's services and social care by LAs.

However, as Academy schools receive their funding directly from the EFA within DfE (rather than through the LA) their funding is not reflected in the LA's Section 251 Budget Return. Therefore the advent of Academy schools has complicated the Section 251 Budget Return reducing its coverage on planned expenditure on schools and education. The number of Academy schools in England has increased rapidly over the last two years. There were 203 Academy schools in April 2010, 631 by April 2011 and 1776 by April 2012; meaning that as of April 2012 almost nine per cent of all publicly funded schools were Academy schools. It is also worth noting that the majority of Academy schools at present are secondary schools whose expenditure is generally greater than other schools.

The implication of more LA maintained schools converting to Academy status is that each year the planned expenditure on the schools element of the Section 251 Budget Return from LAs is covering a diminishing proportion of the education sector. **Consequently, for many of the data areas 'year on year' comparisons of absolute amounts are inappropriate.** The planned expenditure may well have gone down in a particular LA over the last year, but you would expect it to do so if there has been an increase in the number of Academy schools in the LA who receive their funding directly from the EFA in DfE.

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<sup>1</sup> See written Ministerial statement on the pupil premium: <http://www.education.gov.uk/a00200465/schools-funding-settlement-2012-13>

In order to report on LA budgets responsibly, 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 one of two population sources, depending on the sub-category of the planned expenditure being looked at. For funding lines which are only targeted at pupils in LA maintained schools, the funding has been divided by the number of pupils in those schools taken from the Department's School Census information. 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 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.

The ONS population estimates are taken from the latest available 2010 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%3A77-246448>

## KEY POINTS

Table 1 and 2 of this release provides a detailed breakdown of all the LA planned expenditure – showing the planned expenditure for all the individual funding lines. Table 1 focuses on the changes between 2011-12 and 2012-13 financial years. Table 2 focuses on the school phase breakdown and/or gross, income and net breakdown for the individual funding lines. The LA level planned spending on the higher level funding categories are contained in Tables 3 through 6 – which also includes per pupil and/or per capita funding where appropriate.

In 2012-13 the aggregate planned expenditure for all LAs in England was £45.7 billion (gross) and £43.0 billion (net). This is the total of their planned expenditure for education, children and young people's services and social care taken from the Section 251 Budget 2012-13 Return.

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 authority's own schools to avoid double counting. Both expenditure and income should be excluded where LA maintained schools are buying services.

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.

Net figures are calculated automatically by subtracting any income from the gross figures.

The total amount of planned expenditure by LAs is lower in 2012-13 than in 2011-12. In 2011-12, LA planned expenditure was £48.6bn (gross) and £45.3bn (net). This represents a reduction between 2011-12 and 2012-13 of seven per cent and five per cent respectively. **These figures should be taken in context with the funding reform impacts described above.**

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 and Young People's Services including Social Care'. 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 the following table.

## Year on Year Comparison of the Local Authority Planned Expenditure for the LAs' main funding responsibilities (Gross/Net)

		2011-12	2012-13	Change between 2011-12 and 2012-13 (£s)	Change between 2011-12 and 2012-13 (%)
Total Schools Budget	Gross	£36.4bn	£33.8bn	a fall of £2.5bn	a fall of 7.0%
	Net	£35.5bn	£32.7bn	a fall of £2.9bn	a fall of 8.1%
Total Other Education and Community Budget	Gross	£3.8bn	£3.3bn	a fall of £0.5bn	a fall of 13.0%
	Net	£2.7bn	£2.4bn	a fall of £0.3bn	a fall of 11.3%
Total Children and Young People's Services and Social Care	Gross	£8.5bn	£8.6bn	a rise of £0.1bn	a rise of 1.3%
	Net	£7.0bn	£7.9bn	a rise of £0.9bn	a rise of 12.6%
<b>Total Planned Expenditure</b>	<b>Gross</b>	<b>£48.6bn</b>	<b>£45.7bn</b>	<b>a fall of £2.9bn</b>	<b>a fall of 6.0%</b>
	<b>Net</b>	<b>£45.3bn</b>	<b>£43.0bn</b>	<b>a fall of £2.3bn</b>	<b>a fall of 5.1%</b>

### Total Schools Budget

One of the main reasons for the reduction in the total funding planned by LAs for 2012-13 (compared with 2011-12) is the decrease in the Total Schools Budget. The Total School Budget which LAs are allocating has decreased since the previous year – a reduction of £2.5bn (or seven per cent) of gross planned expenditure and a reduction of £2.9bn (or eight per cent) of net planned expenditure. This reduction is due to the increased number of schools converting to Academy status that are no longer within LA control. The amounts of funding received by Academy schools (direct from the EFA within the DfE) is not included in the Section 251 Budget Return therefore, as the numbers of Academy schools increases each year, the budget return covers a smaller proportion of the planned spend on education.

The Total School Budget is dominated by the Individual Schools Budget (ISB) which makes up close to 90% of the Total School Budget (86% of gross and 89% of net planned expenditure). Table 4 of the statistical release shows the funding (based on the ISB) per pupil for each LA, and England, for 2011-12 and 2012-13. In 2011-12 the funding per pupil was £4,497 and in 2012-13 the funding per pupil was £4,594. So, even though the total LA planned spend has decreased because of Academy conversion, we can see that the funding per pupil in LA maintained schools has remained relatively static between 2011-12 and 2012-13.

### Total Other Education and Community Budget

There has been a small but significant 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 £0.5bn (gross) from £3.8bn to £3.3bn – a 13.0 per cent reduction - between 2011-12 and 2012-13.

### Total Children and Young People's Services and Social Care

Between 2011-12 and 2012-13 there have been a number of changes in the categories included in the Section 251 Budget data for children 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 23 of the Technical Notes.

The total planned expenditure (gross) on children and young people's services and social care has increased by £106 million from £8.5bn to £8.6bn between 2011-12 and 2012-13. The following table shows the changes over the latest period for the main children and young people's services and social care planned expenditure. Where the 2012-13 categories are known to have changed the comparison provided is with the re-based version of the 2011-12 figures (rather than the published figures) to provide the most accurate year on year comparison.

Also LAs have recorded certain items differently. In 2011-12 some LAs recorded Sure Start Children's Centre money as income generated rather than as part of their gross total, this changed for the 2012-13 collection where the guidance asked LAs to record Sure Start Children's Centre money in their gross column. Although this improvement in data consistency is welcome, it renders sub-analysis of the gross / net figures somewhat limited.

### Year on Year Comparison of the Local Authority Planned Expenditure (gross) on Children and Young People's Services and Social Care

	2011-12	2012-13	Change between 2011-12 and 2012-13	Change between 2011-12 and 2012-13 (%)
Total Early Years Budget	£398.2 million	£412.4 million	an increase of £14.2 million	a rise of 3.6%
Total Sure Start and Children's Centres	£1.0 billion	£0.95 billion	a decrease of £46.0 million	a fall of 4.6%
Total Children Looked After	£2.88 billion	£2.90 billion	an increase of £20.0 million	a rise of 0.7%
Total Children and Young People's Safety	£1.64 billion	£1.67bn	an increase of £35.0 million	a rise of 2.1%
Total Family Support Services		£913.3 million		
Total Other Children and Family Services	£355 million	£383 million	an increase of £28.0 million	a rise of 7.9%
Total Services for Young People	£883 million	£791 million	a decrease of £92.1 million	a fall of 10.4%
Total Children's Services Strategy		£224 million		
Total Youth Justice	£362 million	£336 million	a decrease of £25.9 million	a fall of 7.2%
<b>Total Children and Young People's Services and Social Care</b>	<b>£8.5 billion</b>	<b>£8.6 billion</b>	<b>an increase of £106 million*</b>	<b>a rise of 1.3%</b>

\*Certain categories cannot be replicated for both financial years due to the restructuring of the Children and Young People's Services and Social Care subcategories. Consequently the sum of the year on year changes will not equal the £106 million increase. This increase is calculated by monitoring the change at the higher / total expenditure level, which is consistent across years.

### 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 2012-13 in detail for all individual LAs. The tables also provide information on the percentage change in LAs' planned expenditure on education from 2011-12 to 2012-

13 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>

## OTHER FINANCE PUBLICATIONS

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:

### LA 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 2013 and the actual expenditure statistics will relate to the 2011-12 financial year. Statistics relating to the actual expenditure by local authorities in 2012-13 will be collected in the summer of 2013 (after the end of the financial year) and published in January 2014. 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:

<http://www.education.gov.uk/researchandstatistics/statistics/allstatistics/a00201303/dfe-local-authority-and-school-expenditure-on-education-childrens-services-and-social-care-for-2010-11-including-school-revenue-balances>

- **Consistent Financial Reporting.** 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 2012 and it will relate to financial year 2011-12. 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:

<http://www.education.gov.uk/researchandstatistics/statistics/allstatistics/a00200455/dfe-income-and-expenditure-in-local-authority-maintained-schools-2010-11>

### Academy School Data

- Academy school budgets are administered by the Education Funding Agency (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. It is proposed that budgets for Academy schools will be made available by EFA on 2nd October, 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 LA maintained schools (which are funded on a financial year basis). They also receive a Local Authority

Central Spend Equivalent Grant (LACSEG) - LACSEG is 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 by taking relevant central expenditure data from the LA S251 Budget Statement, and dividing it by the relevant number of pupils to obtain a per-pupil figure. Timescales and the scope of funding purposes are amongst the issues which 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 20 of the Technical Notes.

- **Abbreviated Accounts Return** 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/schools/performance/academies.html>

Whilst Consistent Financial Reporting (CFR) returns from LA maintained schools and Abbreviated Accounts Returns (AAR) from Academy schools cover the same kind of issues, the different reporting years (financial versus academic) and inconsistent categories within the returns means that currently the combination and aggregation of the two data sources is not a robust exercise. Within DfE, CFR and AAR are viewed as the most robust and informative series on school level finances, and work is in hand to seek greater alignment of the returns in time for 2014-15.

## UNDERLYING DATASETS

As part of a Government drive for data transparency in official publications, and to make data more accessible, supporting underlying data for this publication will be published at the same time as the publication and available in the 'Publication's Underlying Data' section from the link above. The underlying data will consist of the individual 152 Local Authority Section 251 Budget Returns for 2012-13.

## LIST OF 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 2012-13 are deemed to be final results.

Table 1: Overview of planned expenditure by local authorities. (This includes the gross, income, net and per capita planned spend data by detailed education, children and young people's services and social care categories by all local authorities in England in 2011-12 and 2012-13 financial years.)

Table 2: School budget by sector. (This includes the planned expenditure (gross, income and net) data by school phase and detailed education, children and young people's services and social care categories in England for the 2012-13 financial year.)

Table 3: Planned expenditure by local authority. (This includes the planned expenditure by broad education, children and young people's services and social care categories for each local authority in England in 2012-13.)

Table 4: Planned spend of net expenditure of individual schools budget per local authority. (This includes the planned expenditure, and per capita planned spend, on education for each local authority in England in 2012-13.)

Table 5: Planned spend of net expenditure on other education and community budgets per local authority. (This includes the planned expenditure on central local authority expenditure for each local authority in England and the change between the 2011-12 and 2012-13 financial years.)

Table 6: Planned net expenditure on children's and young people's services per local authority. (This includes the planned expenditure, including per capita, on children and young people's services and social care categories for each local authority in England in 2012-13.)

All of the tables above are available in Excel format under the "Additional Information" section on the Department's website at: <http://www.education.gov.uk/rsgateway/DB/STR/d001085/index.shtml>

## TECHNICAL NOTES

### Data sources and coverage

1. 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%20plan%202012%202015.pdf> and in the main estimate to Treasury, available here:

[http://www.hm-treasury.gov.uk/d/df\\_e\\_mainsupplyestimates\\_201213.pdf](http://www.hm-treasury.gov.uk/d/df_e_mainsupplyestimates_201213.pdf)

2. The statistics contained in this statistical release have been derived from the annual Section 251 Budget Return. This exercise is a statutory data collection which (in its current format) came into force in 2000. 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>

3. Section 251 Budget data on 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>

4. The Section 251 Budget data supplied by LAs is used in a number of ways:
  - a. Providing the baselines for any new funding arrangements from 2013-2014.
  - b. Providing the basis for funding convertor Academy schools.
  - c. Providing estimates to support the process that allows the Department to recoup Academy school funding from LAs in respect of both budgets and, until 2013-14, the elements of the Local Authority Central Spend Equivalent Grant (LACSEG) payment to Academy schools that fall within the Dedicated Schools Grant.
  - d. As the authoritative source for comparisons of LAs and how they plan their expenditure and fund their schools.
  - e. Enhancing the evidence base used to support the decision making within the Departmental Spending Review process.
  - f. As the authoritative source for responding to Parliamentary Questions, Freedom of Information requests and requests for information other organisations and from the general public.

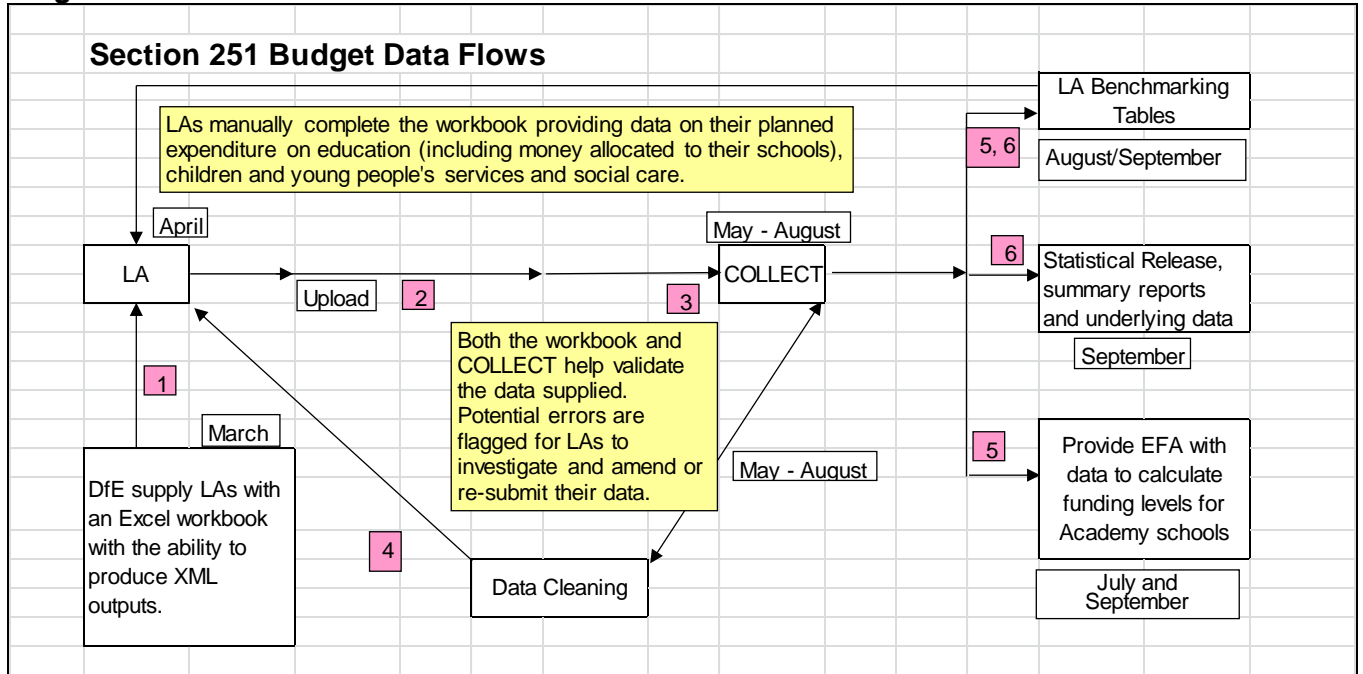
5. At the start of the 2012-13 financial year LAs determine the full extent of their funding (e.g. by



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 and young people's services and social care responsibilities. This information was then provided to the Department by LAs between April and June 2012. All statistics in this statistical release for 2012-13 are based on the Section 251 Budget Return for 2012-13.

6. 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). However it does include full-year budgets for schools which were LA maintained as at 31<sup>st</sup> March 2012, irrespective of whether some of these schools were known to be converting to Academy status during the course of the year. This statistical release does not include data on the funding/allocations to Academy schools as at 31<sup>st</sup> March 2012 which are located within the LA geographical area. Academy school finance data is published separately by the Education Funding Agency within the Department for Education:
7. Diagram 1 is a process map that shows the flow of Section 251 Budget data from LAs to the Department. It highlights the six steps which the data goes through (and where the LA is involved) to ensure the data is of high quality. The six steps are all internal processes and result in the data being signed-off by LAs and the Department. The Section 251 Budget data is not used publicly until it is part of the statistical outputs described in Step 6.
8. **Step 1:** The Section 251 Budget data required from LAs is determined in advance of the start of each financial year. For the 2012-13 collection a proposed data requirement was issued to LAs as part of a consultation exercise. LAs provided feedback between November and January on the proposals helping the DfE to refine the data requirement which was then signed-off by Ministers in early 2013. This data requirement was then used to update the Section 251 Budget collection tool – which is an excel workbook. The workbook allows LAs to record their planned expenditure alongside every education, children and young people's services and social care category and run some basic validation. The workbook contains the functionality to produce a XML file that can be uploaded to the Department's collection tool known as COLLECT. XML files are an industry standard way of extracting data from management information systems and sharing with other collection systems. The workbook is issued to LAs in March prior to start of the new financial year.
9. The workbook contains validation on data entry that include checks on ensuring figures are present and in an acceptable format, cross table figures align, figures are within an expected range, and for school level information there are checks on the details of each school and ensuring the relevant phase is accurately recorded. Once the information is loaded into the DfE data collection tool, COLLECT, the validation is repeated and expanded upon to include range checks across years and manipulation into tables to check the data on the Central Expenditure Limit (CEL).
10. **Step 2:** In April, as the financial year starts, LAs determine how they are going to plan their spending for the forthcoming year. They record their decisions – the amounts of money they are allocating to each of the Section 251 Budget lines - within the workbook. On completion of this process the workbook is then uploaded (using the built-in XML functionality) to the Department's data collection system – COLLECT. The data should represent the position as at the 31<sup>st</sup> March 2012 and should be provided as soon as possible after that date. It also needs to match exactly the format and content specified by the Department.

Diagram 1



11. The following link contains an example of the Section 251 Budget 2012-13 workbook which was used during the consultation with LAs alongside further information regarding the collection and publication of the data e.g. guidance on how to complete the workbook.

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

12. **Step 3:** As soon as the Section 251 Budget data has been uploaded to COLLECT a set of validation checks are run against the data. The validation checks may flag up errors and warnings in the data (depending on the quality of the data return) which LAs can inspect and review in real time. The COLLECT system includes a number of validation rules which are simple formatting and arithmetic checks that will flag up where the data has failed to meet published quality criteria. For example, the COLLECT system will produce errors and queries based on checks such as: unusual year on year differences, breaches of the CEL, and it flags unusual information taken from internal analysis such as outliers. Anecdotal information and known LA issues from previous years are recorded in lessons learnt documents and are also incorporated into assessing the quality of the data provided LAs.

13. **Step 4:** Once the LAs have cleared any errors and warnings that exist within their original submission they can flag their data return as being 'submitted' within the COLLECT system. At this point the Department starts to inspect the data (making a series of common sense checks) to ensure the data provided is of a high quality - in line with anticipated patterns. This process leads to conversations with LAs who are prompted to look at any data issues raised and then correct the data or explain why the data is correct.

14. Given the increased user base for the Section 251 Budget 2012-13 data, and its use in the process for determining Academy school budgets, the data cleaning process was extended this year. The 2012-13 exercise benefitted from extended validation around key areas such as Early Years provision, Children and Young People's Services and the Unit Value costs attributed to an LA's funding formula. Departmental analysts with responsibility for all the areas covered by the Budget return were engaged (following the official statistics rules on early access) to inspect the data and suggest where LAs should reconsider their data. Local Authorities were provided with a list of data

lines to be checked which contained the budget for both years and an explanation of why were wanted the line to be checked. This helped the lead data cleaning team focus their discussions with LAs on data quality issues.

15. **Step 5:** During the later stages of the data cleaning phases a cut of the Section 251 Budget data is taken and provided to DfE analysts who use the information to construct a provisional set of the Local Authority Benchmarking Tables of Planned Expenditure. These tables contain a range of information, including per certain budget lines as per pupil or per capita measures. The data are provided back to LAs to do a further check of their data and, if required, LAs can make further revisions to their original data submission.
16. Also at this stage provisional data is provided to analysts working in the Education Funding Agency within the Department who are responsible for calculating Academy school budgets for the 2012/13 academic year.
17. **Step 6:** Once all the data has been collected, checked and signed-off by LAs and the Department it is prepared for publication. In previous years the headline statistics, summary statistics and individual LA Budget statements were published on the Department's website at the following link:  
  
<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefundin g/section251/archive/b0068383/section-251-data-archive/budget-data---summary-level>
18. The 2012-13 Section 251 Budget is the first budget collection to be published in the form of a statistical release. The statistical release contains information how LA's have planned their 2012-13 expenditure on education (including how they have funded their schools) children and young people's services and social care. The underlying data used in this publication is also released in the form of the 152 individual LA Section 251 Budget statements.

### **General notes and definitions**

19. The definitions of all the Section 251 Budget categories are available on the Department's website at the following link. Specifically there is a 2012-13 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>
20. The LA planned expenditure on education/school funding data contained within the Section 251 Budget is for LA maintained schools. There are fundamental differences between the scope of what funding for LA maintained schools covers compared with what Academy schools' budgets cover (available from 2<sup>nd</sup> October 2012), 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 a Local Authority Central Spend Equivalent Grant (LACSEG) 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 Insurance and rates are paid for on receipt by EFA and so the position at the time of reporting the data is not always fully developed.

21. Table 1 shows the planned expenditure (gross, income, net and per capita) data by detailed education, children and young people's services and social care categories by all local authorities in England; 2011-12 to 2012-13. 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 2011-12 financial year was published in September 2011 and can be found in the relevant summary report at the following link:

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

22. 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 relevant per capita measure is dependent on whether LAs' expenditure on a particular line shown on the Section 251 Budget clearly relates to its maintained schools only, or is in relation to both the LA maintained schools and Academy schools located in its area. For example, Admissions uses all pupils as the divisor for calculating the per capita figures, because this is a statutory function of the LA towards both LA maintained and Academy schools. By contrast, for example, Schools Budget Insurance uses pupils at LA maintained schools only as the divisor, because LAs do not have responsibility for this function for Academy schools, which directly receive funding for this as part of their allocations from the EFA. Therefore, no single per capita measure for total school budget planned expenditure or total other education and community planned expenditure can be readily calculated in Tables 1, 4 and 5, and so per capita amounts for these subtotals in 2012-13 are shown separated into the two categories. Some items of LA expenditure in the columns of the per capita table may relate to any children aged 0-17 resident in the local authority area, not just those of school age. Population estimates are therefore used as the divisor when calculating the per capita figures in these columns, rather than pupil number counts.

23. In addition to the changing number of Academy schools there were also a small number of changes made to the Section 251 Budget return between 2011-12 and 2012-13 in the categories for children and young people's services. These changes will affect direct comparisons between years for some sections of the data. The changes are as follows:

- Children and Young People's Services - Children Looked After. The individual lines on 'secure accommodation (welfare)' and 'advocacy services for looked after children' have been removed from the collection and the planned spending in these areas is now included in the line 'other children looked after services'.
- Children and Young People's Services - Children and Young People's Safety. The separate line on 'LA functions in relation to child protection' is now included in the line 'commissioning and social work'.
- The section 'Children and Young People's Services – Family Support Services' has seen a number of changes, making comparisons with the previous year difficult. Individual lines on 'home care services' and 'equipment and adaptations' have been removed. Spending on these areas should now be included in other lines within this section, although a comparison of the figures between years suggests that local authorities have moved this

spending to different lines within this section than those recommended by the guidance. The individual line on 'contribution to health care of individual children' has also been removed and is now included in 'other targeted family support'. A new line on 'universal family support' has been added to this section.

- Children and Young People's Services – Services for Young People. The individual lines on 'discretionary awards' and 'student support' have been removed and planned spending in these areas should now be included in 'other services for young people'.
- The individual lines have been removed from two sections leaving just the total for that section – Youth Justice and Children's Services Strategy.

24. Table 2 of the statistical release shows the detailed LA planned expenditure for the 2012-13 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. There is one new data item and that is the 'Provision for LACSEG' where LACSEG is the Local Authority Central Spend Equivalent Grant. LAs have identified the planned expenditure on several individual budget lines which form this grant. The grant has been identified because it plays an important role in the funding of Academy schools. When LA maintained schools convert to Academy status they take on some of the central roles (i.e. those that make up the LACSEG category) previously carried out by the LA. The new data on LACSEG is used within the Academy school funding calculation to ensure they are funded appropriately to carry out all their responsibilities.
25. Table 3 shows the LA planned expenditure on the aggregate education, children and young people's services and social care categories for the 2012-13 financial year for each local authority in England.
26. Table 4 shows the LA planned net expenditure on the schools' budget, including the planned spend per pupil, for the 2011-12 and 2012-13 financial years for each local authority in England.
27. Table 5 shows the LA planned net expenditure on their 'Other Education and Community' funding lines for the 2011-12 and 2012-13 financial years for each local authority in England.
28. Table 6 shows the LA planned expenditure on the aggregate children and young people's services and social care categories between 2011-12 and 2012-13 financial years for each local authority in England. It also shows the change in planned spend per capita – which has been calculated in the same way as in Table 1 and the LA Benchmarking Tables of Planned Expenditure.

### **Rounding and symbols used**

29. All figures in the four 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)

### **Data quality**

30. All 152 LAs provided a complete Section 251 Budget Return for the 2012-13 financial year. This is

the second year that the current budget workbook and method of uploading to the Department's COLLECT system has been in operation. As the process has become more familiar LAs were able to load their data quicker than the previous year and the total number of error and warning flags was much lower.

31. As discussed in paragraphs 7 through 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 (including the allocation of funding to over 21 thousand schools) 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.
32. The Section 251 Budget data is checked on data entry within the workbook and again when it is loaded into the COLLECT system. The workbook runs a more simplistic set of checks such as format of data being entered, and then the system repeats these checks and adds in further checks such as year on year validation. Both products run a pre-agreed series of validation checks on the data to aid the submission of accurate data. The Budget 2012-13 data was signed-off for use in statistical outputs with 1,685 errors after the million plus data items on the budget return have gone through the data cleaning procedures. The remaining errors and warnings (which were spread across the education, children and young people' services and social care data) 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.

## Queries

Enquiries about the figures contained in this press release should be addressed to:

Department for Education  
Level 5  
2 St Paul's Place  
125 Norfolk Street  
Sheffield  
S1 2FJ  
Telephone Number: 01142742190  
Email: neil.ross@education.gsi.gov.uk

Press enquiries should be made to the Department's Press Office at:

Press Office News Desk  
Department for Education  
Sanctuary Buildings  
Great Smith Street  
LONDON  
SW1P 3BT  
Telephone Number: 020 7925 6789