



Department  
for Education

# **Planned expenditure on schools, education and children's services by local authorities in England: 2019 to 2020**

**Methodology document**

**September 2019**

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## About this release

This document provides an overview of the data used in the production of the planned expenditure on schools, education and children's services by local authority's statistical release.

It provides information on the data sources, their coverage and quality and explains the methodology used in producing the data, including how it is validated.

It is based on the Office for National Statistics' [guidelines for measuring statistical quality](#).

## Feedback

We are changing the way our releases look and welcome feedback on any aspect of this document at: [finance.statistics@education.gov.uk](mailto:finance.statistics@education.gov.uk)

# 1. About the output

## Data Collection

Local authorities (LAs) are required to provide the Department for Education (DfE) with a Section 251 Budget Return shortly after the start of each financial year. LAs must report their budgets for schools, education and children's and young people's services to the DfE as required under Section 251 of the [Apprenticeships, Skills, Children and Learning Act 2009](#). This is to ensure LAs provide financial data in a consistent manner that can support comparisons and benchmarking with other LAs. The most recent [LA guidance](#) determines the form and content LAs should use in their return, as well as the responsibilities that LAs have towards their publication.

We publish [academy school finance data](#) separately. Local authorities report their finances using a standard financial year (April to March), while academies report on a financial and academic year of September to August. Since the data relate to different time periods, the two are not directly comparable.

Wherever possible, statistics are provided showing planned spending 'per capita' (planned spend per person), by combining the financial return with pupil numbers and/or population estimates to make comparisons over time more robust. All figures are presented in cash terms and have not been adjusted for inflation.

Past data on the [planned expenditure of LAs since 2000-01](#) financial year are also available.

### Recoupment academies

Recoupment is a method of adjusting a dedicated schools grant to take account of the conversion of a maintained school into an academy. From 2017 to 2018 this also includes new provision academies and free schools from their date of opening. Further information is in the [Academies and dedicated schools grant: recoupment guide](#).

## Punctuality

The proposed month of publication is announced on gov.uk at least twelve months in advance and precise dates are announced in the same place at least four weeks prior to publication. In the unlikely event of a change to the pre-announced release schedule, the change and the reasons for it would be announced on gov.uk.

More than half of LAs submitted their data to the department by the statutory deadline of 30 April 2019 – three times as many as in the previous year. The data were cleaned and processed by the department and queries raised with LAs between May and August 2019.

## Context

The majority of the schools budget comes from DfE 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. For example, the General Annual Grant and Start Up grants for new academy schools.
- c. 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 schools, education, children's and young people's services to the DfE.

## Local Authority Planned Expenditure: The Context of Funding Reform

Traditionally, LAs in England receive money from the DfE for pre-16 education in the form of the Dedicated Schools Grant. The LAs combine 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 covers planned spending on all schools, education, children's and young people's services by LAs.

Academy schools receive their funding directly from the Education and Skills Funding Agency (ESFA) within DfE (rather than through the LA).

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. We derive this 'per capita' figure 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 that are only targeted at pupils, we divide the funding by the number of pupils in the relevant school types taken from the department's School Census information. We take School Census pupil numbers for each year the January prior to the start of the relevant financial year for consistency with the LA Benchmarking Tables.

Funding lines that cover all children within the LA (regardless of school attended) use ONS [population estimates](#) for children of school age.

## 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 2019-20 in detail for all individual LAs. The tables also provide information on the percentage change in LAs' planned expenditure on education from 2018-19 to 2019-20 for selected expenditure categories. The tables are primarily used by School Forums and LAs to compare expenditure levels between LAs. We publish the LA Benchmarking Tables of Planned Expenditure and their background information, including methodology in the Benchmarking section of the [Section 251 website](#).

## Relevance

The Section 251 Budget data supplied by LAs are 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 from other organisations and from the general public.

## 2. Accuracy and reliability

### Data coverage, quality and validation

All 151 LAs provided a complete Section 251 Budget Return for the 2019-20 financial year.

The Section 251 Budget data passes through several phases of checking and data cleaning. We provide extensive [guidance](#) and support to LAs to help them ensure the data they provide are as accurate as possible. With 151 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.

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](#).

### Disclosure control

The Code of Practice for Official Statistics requires us to take reasonable steps to ensure that our published or disseminated statistics protect confidentiality.

We round numbers and because of this, rounding totals in text and in tables may not always equal the sum of their component parts. Similarly, differences quoted in text may not always be the same as differences shown in tables. This is consistent with the [departmental statistical policy](#). We also adopt the following symbols:

- . not applicable
- .. not available

## 3. Accessibility

The text in the release is published in pdf format so that it is accessible to all users irrespective of their choice of software. Care is taken to ensure that the document meets accessibility guidelines. Key figures are highlighted in the release text that draw out the key messages such as changes over time. Small tables or charts illustrating key figures are also included in the text.

Each release is accompanied by formatted Excel tables with clear titles that allow general users to find more detail than can be provided in the release text. Any important limitations or inconsistencies in the data are mentioned in footnotes so that users don't have to refer to the text or this document.

## 4. Further information is available

Previously published figures	Figures for 2018-18 and earlier years are on the <a href="#">departmental statistics website</a> .
Related 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 commitment to transparency and to support the uses outlined above. There are however other releases on the funding of schools of which readers may wish to be aware:
<b>Local authority maintained schools</b>	<ul style="list-style-type: none"><li>• <b>Section 251 Outturn statistics</b> While this release focuses on planned expenditure, the outturn statistics focus on actual expenditure by LAs (and their schools). We published the latest available data in the <a href="#">LA and school expenditure: 2017 to 2018 financial year</a> release. The next release of these data is due in December 2019 and the actual expenditure statistics will relate to the 2018-19 financial year.</li><li>• <b>Consistent Financial Reporting (CFR)</b> This is a school level data collection and provides detailed information on a school's income, expenditure and revenue balance for the financial year. We published the latest available data in the <a href="#">LA and school expenditure: 2017 to 2018 financial year</a> release and the <a href="#">Schools Financial Benchmarking website</a>. We will publish the 2018-19 data on the website in the autumn and in the release in December 2019.</li></ul>
<b>Academy school data</b>	<p>Academy school budgets are administered by the ESFA within DfE. As the number of academy schools grows, the interest in their budget data has increased. ESFA publish <a href="#">academy schools' budget data</a>.</p> <p>Academy schools are funded on an academic year basis, which is different to local authority maintained schools (which are funded on a financial year basis). Timescales and the scope of funding purposes mean academy schools funding is not directly comparable with that of LA maintained schools.</p> <ul style="list-style-type: none"><li>• <b>Accounts Return (AR)</b> To support the fulfilment of duties required under the Companies Act, academy schools make a return to the ESFA that covers their income and expenditure and financial position. Up to 2015/16, we published them in the <a href="#">Income and expenditure in academies in England</a> release. For 2013/14 onwards, we publish data on the <a href="#">Schools Financial Benchmarking website</a>.</li></ul> <p>Note that when making any comparisons between CFR returns from LA maintained schools and AR from academy schools the data are not directly comparable for a number of reasons, including:</p> <ul style="list-style-type: none"><li>• The CFR relates to funding allocated and spent within a standard financial year of April to March. Academies, and the AR, report on a financial and academic year of September to August.</li><li>• Academies have responsibilities that maintained schools do not, particularly around services previously provided by the local</li></ul>

authority (for example library services, behavioural support services and audit costs) 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 and LA Funding 2019 to 20

The ESFA publish information about [funding arrangements for schools in 2019 to 2020](#) that explains how school and LA funding is calculated.

## 5. Got a query? Like to give feedback?

If from the media

Press Office News Desk, Department for Education, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

Tel: 020 7783 8300

If non-media

Data Insight and Statistics Division, Department for Education, Level 2, Bishopsgate House, Darlington, DL1 5QE.

Email: [finance.statistics@education.gov.uk](mailto:finance.statistics@education.gov.uk)

## 6. Glossary and abbreviations

Definitions

The definitions of all the Section 251 Budget categories are available on the department's website at the following link. Specifically, the [2019-20 Budget Guidance](#) document provides an example of the return to be made and description of the data required in each budget line.

Coverage

The LA planned expenditure on education/school funding data contained within the Section 251 Budget is for **LA maintained schools and recoument 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:

- 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.
- Early years funding will generally not be included within academy budgets (except for a very small number of cases).
- Academy rates are paid for on receipt by ESFA and so the position at the time of reporting the data is not always fully developed.

Per Capita	<p>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:</p> <ul style="list-style-type: none"> <li>• Total pupils aged 3-19 from maintained schools only</li> <li>• Total pupils aged 3-19 from maintained schools and recoupment academies only</li> <li>• Total pupils aged 3-19 from maintained schools and all academies</li> <li>• 3-15 Maintained and Academies</li> <li>• Total population aged between 0-17</li> <li>• Total population aged between 0-19</li> <li>• Total population aged between 16-18</li> <li>• Total population aged between 19-25</li> </ul>
School Phase	<p>Table 2 of the statistical release shows the detailed LA planned expenditure for the 2019-20 financial year by school phase. This is a national aggregate of the data provided by all 151 LAs. The information published is similar to that published in previous years.</p>
Gross figures	<p>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.</p>
Income figures	<p>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) that is considered as income. Income sources could also include private sources, other LAs' fees, charges paid by parents (for example meals, music and board/lodging) and lettings.</p>
Net figures	<p>Are calculated automatically by subtracting any income from the gross figures.</p>
Nominal cash figures	<p>Any comparisons of spend over time are made on a nominal cash basis and do not take inflation in to account to estimate 'real terms' changes.</p>





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email [psi@nationalarchives.gov.uk](mailto:psi@nationalarchives.gov.uk)

write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

Reference: Section 251 Budget 2019-20



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