



Department  
for Education

# **Planned expenditure on schools, education and children's services by local authorities in England: 2016 to 2017**

**Methodology document for SR 43/2016**

**September 2016**

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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 authorities 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.gsi.gov.uk](mailto:finance.statistics@education.gsi.gov.uk)

From October 2016 please email [finance.statistics@education.gov.uk](mailto:finance.statistics@education.gov.uk) instead.

# 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.

The data in the tables of this release, which focuses on expenditure of schools, do not encompass all schools in England. The Section 251 Budget Return data only include the planned expenditure on local authority maintained schools (essentially the funding of maintained schools by the LA based on its own local funding formula) as well as Individual Schools Budget figures for recoupment academies. However it does include full-year budgets for schools which were LA maintained as at 31<sup>st</sup> March 2016, irrespective of whether some of these schools were known to be converting to academy status during the course of the year. [Academy school finance data](#) are published separately by the EFA. 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.

The Section 251 Budget Return includes information on the funding of LA maintained schools and from 2013-14 the Individual Schools Budget figures within the Total Schools Budget also include figures for recoupment academies. This means that care must be taken to understand the context within which this data sits. The complex picture on school funding means that for elements of the Section 251 Budget Return it is not possible to produce year-on-year comparisons. Wherever possible, statistics are provided showing planned spending 'per capita' (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.

Information on DfE's budget and planned expenditure is available in the [Single departmental plan: 2015 to 2020](#).

Past data on the [planned expenditure of LAs since 2000-2001](#) 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 2015 to 2016 this also includes new provision academies and free schools from their second year 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.

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

LAs combine the money they receive from DfE, along with other funding streams, to generate their total budgets for the financial year. They then report their budgets for 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 Funding Agency (EFA) within DfE (rather than through the LA). The Individual Schools Budget figures from 2013-14 onwards include figures for recoupment academies which mean caution is advised when making comparisons with earlier years.

In order to report on LA budgets in a meaningful way, the data presented within this statistical release includes a number of 'per capita' measures - in essence, the amount of budget allocated divided by the number of people it is earmarked for. This 'per capita' figure is derived using the Section 251 Budget Return data with a number of population sources, depending on the sub-category of the planned expenditure being looked at.

For funding lines which are only targeted at pupils, the funding has been divided by the number of pupils in the relevant school types taken from the department's School Census information. The School Census pupil numbers for each year are taken from the January prior to the start of the relevant financial year for consistency with the LA Benchmarking Tables.

Funding lines which 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 2016-17 in detail for all individual LAs. The tables also provide information on the percentage change in LAs' planned expenditure on education from 2015-16 to 2016-17 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 [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 152 LAs provided a complete Section 251 Budget Return for the 2016-17 financial year.

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

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 also taken to ensure that the document meets accessibility guidelines. Key figures are highlighted in the release text which draws 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 which 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 2015-16 are on the [departmental statistics website](#).

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 will wish to be aware:

**Local authority maintained schools**

- **Section 251 Outturn statistics** While 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 December 2016 and the actual expenditure statistics will relate to the 2015-16 financial year. Statistics relating to the actual expenditure by local authorities in 2016-17 will be collected in the summer of 2017 (after the end of the financial year) and published in December 2017. The latest available data can be found in the [LA and school expenditure: 2014 to 2015 financial year](#) release.
- **Consistent Financial Reporting (CFR)** This is a school level data collection and provides detailed information on a school's income, expenditure and revenue balance for the financial year. The next release (of the 2015-16 data) is scheduled for December 2016 and is published alongside Outturn data. The latest available data can be found in the [LA and school expenditure: 2014 to 2015 financial year](#) release.

**Academy school data**

Academy school budgets are administered by the EFA within DfE. As the number of academy schools grows, the interest in their budget data has increased. EFA publish [academy schools' budget data](#).

Academy schools are funded on an academic year basis which is different to local authority (LA) maintained schools (which are funded on a financial year basis). They also

receive the education services grant paid to academy schools in recognition of the fact that as independent schools they no longer receive a number of services from LAs and must make appropriate provision for themselves. Timescales and the scope of funding purposes mean academy schools funding is not directly comparable with that of LA maintained schools.

- **Accounts Return (AR)** To support the fulfilment of duties required under the Companies Act, academy schools make a return to the EFA which covers their income and expenditure and financial position.

Caution is advised 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:

- The CFR relates to funding allocated and spent within a standard financial year – April to March. Academies, and the AR, report on a financial and academic year of September to August.
- Academies have responsibilities that maintained schools do not, particularly around services previously provided by the local 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 Block Units of Funding 2016-17**

The EFA publish information about [funding arrangements for schools in 2016 to 2017](#) which explains how school and LA funding is calculated.

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

If from the media

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Please note that from 1 October 2016, our email addresses will no longer contain '.gsi'. From this date please email: [anthony.clarke@education.gov.uk](mailto:anthony.clarke@education.gov.uk) instead.



## 6. Glossary and abbreviations

Definitions	<p>The definitions of all the Section 251 Budget categories are available on the department's website at the following link. Specifically, the <a href="#">2016-17 Budget Tables and Guidance</a> document provides an example of the return to be made and description of the data required in each <a href="#">budget line</a>.</p>
Coverage	<p>The LA planned expenditure on education/school funding data contained within the Section 251 Budget is for <b>LA maintained schools</b>. However, from 2013-14 onwards the Individual Schools Budget category includes figures for recoupment academies. There are fundamental differences between the scope of what funding for LA maintained schools covers compared with what academy schools' budgets cover, which make comparison of the data on a like for like basis analytically difficult. Some, but not all, of these issues can be controlled for by working with granular level data and removing certain elements of funding. Examples of the need for caution include:</p> <ul style="list-style-type: none"><li>• Academy schools receive an Education Services Grant (ESG) in recognition of the fact that as independent schools they no longer receive a number of services from LAs and must make appropriate provision for themselves.</li><li>• LA maintained school funding covers financial years, whereas academy school funding covers academic years.</li><li>• Academies may receive start up grants during their year of opening.</li><li>• 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.</li><li>• Early years funding will generally not be included within academy budgets (except for a very small number of cases).</li><li>• Academy rates and additional Insurance costs are paid for on receipt by EFA and so the position at the time of reporting the data is not always fully developed.</li></ul>
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</li></ul>

academies

- 3-15 Maintained and Academies
- Total population aged between 0-17
- Total population aged between 0-19
- Total population aged between 16-18
- Total population aged between 19-25

School Phase

Table 2 of the statistical release shows the detailed LA planned expenditure for the 2016-17 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.

Gross figures

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.

Income figures

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) which 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.

Net figures

Are calculated automatically by subtracting any income from the gross figures.

Nominal cash figures

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.



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