LOCAL AUTHORITY AND SCHOOL EXPENDITURE ON EDUCATION, CHILDREN’S SERVICES AND SOCIAL CARE FOR 2011-12, INCLUDING SCHOOL REVENUE BALANCES

INTRODUCTION

This statistical release presents information on both the expenditure of local authority (LA) maintained schools in England and the expenditure of local authorities on their education, children and young people’s services and social care functions. In addition, the release also presents information on the latest position on School Revenue Balances.

The data published are collected by the Department for Education from LAs as part of the Section 251 Outturn annual collection. The data relate to the 2011-12 financial year. The 152 LAs in England are required to provide a return under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009. The Section 251 Outturn statement includes information on both LA expenditure on education, children and young people’s services and social care and on LA maintained schools’ expenditure on education.

The release does not contain any finance data for Academies as they are not maintained by LAs. The Department will publish Academies’ finance data in spring 2013. As a growing number of schools convert to Academy status the total school expenditure in the LA maintained sector will fall and this will have an effect on the year on year comparisons.

This statistical release covers three main expenditure areas. Table 1 presents statistics for England showing the income and expenditure across all the main functions carried out by LA maintained schools in each school phase, for example, the costs of teachers, education support staff and other school staff plus the costs associated with the running of a school (e.g. learning resources, catering, insurance, energy bills and rates).

Tables 2, 3 and 4 present statistics for England (Table 6 provides some data for each individual LA) showing the central LA expenditure on education, and on children and young people’s services and social care. For example, it shows expenditure on youth justice, youth work, children looked after, children and young people’s safety, family support and other children’s and family services, children’s services strategy and child trust fund top-ups. Between 2010-11 and 2011-12 there have been several changes to the information collected in this area. Due to these changes it has not been possible to provide year on year comparisons for all of the children and young people’s services data. This is because some of the categories and sub-totals are not directly comparable, either because individual categories have been dropped completely from the collection (between 2010-11 and 2011-12) or because categories have moved between expenditure groups. Table 4 provides some year on year changes by rebasing the 2010-11 data, where possible, to aid comparisons with the new 2011-12 categories. The changes are described in more detail in the Technical Notes.

Tables 5 and 7 present statistics for England showing the latest position on
school revenue balances showing the numbers of LA maintained schools in surplus or in deficit and the total size of those surpluses and deficits.

A full description of the Section 251 Outturn collection, including the data flows and quality assurance processes, is included in the Technical Notes. Further information on the collection can be found at the following link:

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

KEY POINTS

SCHOOL INCOME AND EXPENDITURE STATISTICS (Table 1)

- In the 2011-12 financial year the total school spending, for all LA maintained schools, was £32.3 billion (gross). In the same year, in addition to the funding from Government, schools generated an income (e.g. through donations and charging for services, facilities, catering etc.) of £1.9 billion resulting in a total current expenditure (net) of £30.4 billion.

- Of the £32.3 billion total school expenditure (gross) £16.6 billion (51.4%) was spent on permanent and supply teaching staff (excluding agency supply teachers and supply teacher insurance costs); £4.8 billion (14.7%) on education support staff; £3.5 billion (10.8%) on other school staff; and £7.4 billion (23.0%) on running expenses.

- Of the £32.3 billion total school expenditure (gross) £0.3 billion (0.8%) was spent by LA maintained nursery schools; £17.4 billion (53.9%) was spent by primary schools (which included a number of primary schools with nursery classes); £12.7 billion (39.2%) was spent by secondary schools and £2.0 billion (6.1%) was spent by special schools.

- The data on nursery schools does not encompass all nursery provision as it is not mandatory for all nursery schools to provide Consistent Financial Reporting (CFR) data. Furthermore the CFR collection does not include any data on the nursery provision provided by the private, voluntary and independent sectors.

- Of the £17.4 billion spent by primary schools £8.7 billion (50.0%) was spent on permanent and supply teaching staff (excluding agency supply teachers and supply teacher insurance costs); £2.9 billion (16.4%) was spent on education support staff; £1.9 billion (10.8%) was spent on other school staff and £4.0 billion (22.8%) was spent on running expenses.

- The pattern of expenditure was slightly different in secondary schools. Of the £12.7 billion secondary schools spent £7.0 billion (55.7%) was spent on teaching staff; £1.2 billion (9.8%) was spent on education support staff; £1.4 billion (10.7%) was spent on other school staff and £3.0 billion (23.7%) was spent on running expenses.

- Table 1 provides further detail on school expenditure by phase breaking down the amounts spent against the national figures into their constituent parts.

LOCAL AUTHORITY EXPENDITURE ON EDUCATION AND CENTRAL FUNCTIONS (Table 2)

- In the 2011-12 financial year, in addition to school expenditure on education, LAs spent (central spend from the schools' budget) a further £5.4 billion (gross) on education staff and on other support e.g. private/voluntary/independent fees for education for under 5s, education out of school, school meals/milk etc.
In the 2011-12 financial year LAs spent a total of £9.2 billion on their central education role. This includes £1.1 billion (gross) expenditure on central administration and teacher development; £2.5 billion (gross) on support and access (which includes pupil support and home to school/post-16 transport provision); and £0.5 billion (gross) on adult and community support.

Table 2 provides further detail on LA expenditure by area of expenditure and shows the amounts spent against the underlying expenditure categories that make up the national figures.

LOCAL AUTHORITY EXPENDITURE ON CHILDREN AND YOUNG PEOPLE’S SERVICES AND SOCIAL CARE (Tables 3, 4 and 6)

Total spending on children and young people’s services in the 2011-12 financial year was £8.6 billion. Total reported spending in the 2010-11 financial year was £9.3 billion, although these two figures are not directly comparable because a number of changes have been made to the categories included in the data collection between years. Looking at spending across areas that have remained consistent between years, spending has fallen from £8.2 billion to £7.8 billion, a decrease of 4.7%.[1]

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

- LAs spent a total of £338.8 million (gross) on youth justice, which is a reduction of £73.6 million (17.8%) compared with 2010-11.
- LAs spent a total of £1.1 billion (gross) on Sure Start Children’s Centres. Looking at comparable figures between years, this is a reduction of £114.7m (9.5%) compared to 2010-11.
- LAs spent a total of £3.1 billion (gross) on Children Looked After, an increase of £94.9 million (3.2%) compared with the equivalent figure for 2010-11.
- LAs spent a total of £1.7 billion (gross) on Children and Young People’s Safety (including spending on commissioning and social work), which represents an decrease of £0.8 million (0.4%) compared with the equivalent figure for 2010-11.
- LAs spent a total of £870.6 million (gross) on Family Support Services.
- LAs spent a total of £401.8 million (gross) on Other Children’s and Families Services, which includes spending on adoption services and special guardianship support. This compares with the equivalent figure for 2010-11 of £396.4 million (an increase of £5.4 million, 1.4%) in 2010-11.
- LAs spent a total of £216.3 million (gross) on Children’s Services Strategy, which represents an increase of £30.7 million (16.5%) on the equivalent amount spent in 2010-11 of £185.6 million.
- LAs spent a total of £876.6 million (gross) on services for young people, a reduction of £307.5 million (26.0%) compared to 2010-11.

Tables 3 and 4 provide more detail on the underlying categories that contribute towards the expenditure of LAs on children and young people’s services and social care. Table 6 also provides a LA breakdown of the data in Table 3.

[1] For 2011-12, this comparison excludes reported spending on Family Support Services. The categories excluded from the 2010-11 figure are Family Support Services, local authority management costs relating to Sure Start Children’s Centres, secure accommodation (welfare) and advocacy services for children looked after, and child trust fund top ups.
SCHOOL REVENUE BALANCES (Tables 5 and 7)

- In 2011-12 the total revenue balance across all LA maintained schools was £2.3 billion, an increase of £0.4 billion (18.8%) over the 2010-11 revenue balance figure of £2.0 billion. This equates to an average surplus in each school of almost £111,000.

- The total revenue balance of £2.3 billion is 7.1% of the total revenue income across all LA maintained schools. This is an increase of 1.7 percentage points compared with the 2010-11 figure of 5.4%.

- There were 19,679 schools with a surplus revenue balance. The total surplus across all LA maintained schools that had a surplus was £2.4 billion, an increase of £0.3 billion (15.9%) over the 2010-11 total surplus revenue balance figure of £2.1 billion. This equates to an average surplus in each school with a surplus of just under £124,000.

- There were 1,081 schools with a revenue balance deficit. The total deficit across all LA maintained schools that had a deficit was £109.9 million, a decrease of £33.5 million (23.3%) over the 2010-11 total revenue balance deficit figure of £143.5 million. This equates to an average deficit in each school with a deficit of just under £102,000.

- The total revenue balance across all primary schools was £1.4 billion (an average of over £83,000 per primary school). There were 16,075 primary schools with a surplus revenue balance totalling £1.4 billion, an average surplus of just over £88,000 per primary school with a surplus. In addition there were 673 primary schools with a revenue balance deficit of £21.4 million, an average deficit of just under £32,000 per primary school with a deficit.

- The total revenue balance across all secondary schools was £723.9 million, an average of under £261,000 per secondary school. There were 2,285 secondary schools with a surplus revenue balance totalling £808.0 million, an average surplus of £353,000 per secondary school with a surplus. In addition there were 344 secondary schools with a revenue balance deficit of £84.1 million, an average deficit of just under £245,000 per secondary school with a deficit.

- Tables 5 and 7 provide further detail on school revenue balances including a longer time series of data going back to 1999-2000, the total revenue balance as a percentage of total revenue income and a breakdown of the balances showing the amounts that committed and uncommitted.

RELATIONSHIP WITH OTHER FINANCE DATA SOURCES: Consistent Financial Reporting

This is the second time that information on school revenue balances and LA expenditure on education, children’s services and social care have been presented in the form of a statistical release. The content of this release is similar to the data that has been previously published on the Department’s website as part of the Section 251 Outturn official statistics.

The data on school income and expenditure contained within Table 1 of this release updates the information which was published as Table 2 in the statistical release “Income and expenditure in local authority maintained schools - 2011-12” on December 13th 2012. The income and expenditure data used in the December 2012 publication was based on 2011-12 Consistent Financial Reporting (CFR) data provided to the Department by all LA maintained schools.

As part of the Section 251 Outturn return the CFR data provided by LA maintained schools is provided to their LAs at an aggregate level so they can inspect the data for their own schools and ensure it is accurate. The Section 251 Outturn collection provides an opportunity for LAs and schools to discuss the CFR data provided and agree and make any amendments that are required. Any amendments then
automatically feed into the 2011-12 Outturn system from CFR. In most cases the CFR data and the Section 251 Outturn data for school’s budget are identical. However, there are occasions when the data are changed after intervention by the LA. This additional process of allowing LAs to check the school expenditure data of their schools and make changes (where appropriate) produces very small changes in the data. In terms of the total net expenditure within schools for all phases this difference causes a change of only 0.02% in the England figure.

TECHNICAL NOTES

Data sources and coverage

1. The statistics contained in this statistical release have been derived from the annual Section 251 Outturn exercise. This exercise is a statutory data collection – which came into force in 1999 in its current format. A Section 251 Outturn return is required for all LAs at the end 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 can be found at the following link:

   [http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/section251/a0071154/administrative-directions](http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/section251/a0071154/administrative-directions)

2. In the 2011-12 financial year, LAs continued to work with their maintained nursery, primary, secondary and special schools to supply their CFR data to the Department so that it can be incorporated into the Section 251 Outturn format and help build up the complete picture of education expenditure within the control of the LA. Where a school covers both nursery and primary provision the finance data provided will be contained within the primary school’s figures. The data was provided to the Department by LAs between June and October 2012. All statistics in the release for 2011-12 are based on the Section 251 Outturn returns.

3. The data in Table 1 of this release, which focuses on expenditure of schools, does not encompass all nursery provision. The data does include all expenditure by LA maintained nursery schools but it does not include data on the nursery provision provided directly by the private, voluntary and independent sectors. However, the data in Table 2 which focuses on LA expenditure does include the spend on nursery provision by the private, voluntary and independent sectors. In addition, as Academies are not maintained by LAs their finance data is not part of this release. Academies finance data will be published separately by the Department in spring 2013.

4. Section 251 Outturn data on the expenditure of LAs and their schools has been collected since the 1999-2000 financial year. Statistics from the collections have been published, each year, at national and LA level via the Department’s website at the following link:


5. Diagram 1 is a process map that shows the flow of data from LAs (and their schools) to the Department. It highlights the six steps which the data goes through (and where the LA is involved) to try to ensure that it is of a high quality. The six steps are all internal processes and the Section 251 data is not used publicly until it is part of the statistical outputs described in Step 6.
Section 251 Outturn Data Flows

6. The data required from LAs is determined in advance of the start of each financial year in such a way that they (with the help of their management information software suppliers if required) have sufficient time to incorporate any new data items (or changes to existing data items) into their local systems. Throughout the financial year LAs will record their expenditure locally in such a way that it can be aggregated to the codes and categories required for the Section 251 Outturn return.

7. The following six steps describe the methodology by which Section 251 Outturn data is submitted to the Department and the way it is checked and signed-off by the Department, schools and LAs.

8. **Step 1:** At the end of each financial year schools provide the Department with detailed data on their income and expenditure as part of the CFR collection. This data is provided in the form of an XML file (an industry standard file type that allows data extracted from local MIS to be shared with data collection systems) which is uploaded to the Department’s data collection system – known as COLLECT. The data should be provided by the third Friday in July and needs to match exactly the format and content specified by the Department. The school income and expenditure data from CFR is then provided to LAs to help them construct their Section 251 Outturn return. LAs are only provided with the data for the schools they manage. The CFR data for 2011-12 was published in its own right in the statistical release “Income and Expenditure in Local Authority Maintained Schools: 2011-12” which can be found at the following link. The link also contains further information regarding the collection and publication of CFR data.

9. **Step 2**: LAs use their schools’ CFR data to complete the Section 251 Outturn which they then uploaded to COLLECT. LAs can inspect and review their data on the COLLECT system; the system has a number of 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 check that the final balance provided by the school matches the total expenditure minus total income throughout the financial year.

10. Information on further validation checks and guidance on completing a Section 251 Outturn return can be found at the following link:

http://www.education.gov.uk/childrenandyoungpeople/strategy/financeandfunding/section251/a00191786/outturn-guidance

11. **Step 3**: For the data on LA spend on education, children’s services and social care LAs will check the data errors and warnings that are flagged by the COLLECT system against the information they hold locally. They can then either re-supply the data or edit the data online - if amendments are required. Once the LAs have cleared any errors and warnings within their original submission they can flag their data return as being 'submitted' within the COLLECT system. At this point the Department makes a series of common sense checks to ensure the data provided is in line with anticipated patterns. This process can lead to conversations with the LAs who will look at the data issues and correct the data or explain why the data is correct.

12. **Step 4**: For the data on school expenditure within the LA, the LA will check the data errors and warnings that are flagged by the COLLECT system against the income and expenditure data within their schools’ CFR returns. The LA will discuss with the schools any changes to the school data that they are recommending. Where agreement is reached the changes should be made to both the Section 251 Outturn return and the school’s CFR return (so that both institutions have the same agreed data). These changes can then be resubmitted to the Department by uploading the amended data to COLLECT.

13. It is possible but unlikely that a school and LA could fail to come to an agreement on the figures included in their final Section 251 Outturn submission. The ultimate responsibility for sign off of the data lies with the LA, and the Department will only accept that level of sign off in the collection system, COLLECT. School level changes to data within the Section 251 Outturn collection are flagged regardless of the scale of change using validation to compare against the original CFR data sent out to LAs in their workbook. An explanation is required during data cleaning for each of these occurrences. As the level of change is not significant, and the likelihood of disagreement is also small, the risk to the data quality in this regard is minimal.

14. **Step 5**: Once all errors and queries and further checking by the Department has been completed the final version of the Section 251 Outturn return on COLLECT can be 'authorised'. This allows the Department’s statisticians to prepare the data for publication.

15. **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 Outturn statements were published on the Department’s website at the following link:


16. This is the second time the Section 251 Outturn is being published in the form of a statistical release. The statistical release contains information on both schools and LA expenditure on education, LA expenditure on children and young people’s services and social care and school revenue balances.
The underlying data used in this publication is also released in the form of the 152 LA Section 251 Outturn statements.

General notes and definitions

17. The definitions of all the Section 251 Outturn income and expenditure categories are available on the Department’s website at the following link:

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

18. The data contained in Table 1 is also based on the CFR Framework and the detailed framework can be found at the following link:


19. Table 1 is similar to the data published in Table 2 of the statistical release “Income and Expenditure in Local Authority Maintained Schools: 2011-12”. Both tables show the income and expenditure of LA maintained schools in England. The key difference between the two tables is that the data in Table 1 of this release has been seen and checked by LAs who may have suggested changes to the data provided by schools and published in Table 2 of the “Income and Expenditure in Local Authority Maintained Schools: 2011-12” statistical release. Not all LAs asked for changes to the school data and the headline expenditure figures changed very little. The additional checking by LAs, as part of the Section 251 Outturn process, generates very small differences.

20. Table 2 of the statistical release shows a summary of the total expenditure by all LAs on their education functions and responsibilities (i.e. excluding the expenditure of their schools through delegated or devolved funding). The table shows a breakdown of this expenditure by school phase and general category of expenditure. Table 2 also shows the total expenditure of LAs on their central administration, their support and access roles (e.g. home to school transport) and adult and community services.

21. Table 3 of the statistical release shows a high level summary of the expenditure by LAs on education and their various children’s and young people’s services and social care functions: such as youth justice, sure start children’s centres, children looked after, children and young people’s safety, family support and other children’s and family services, children’s services strategy and child trust fund top-ups. Table 4 provides a more detailed version of Table 3 that shows the underlying expenditure categories that make up the high level summary totals for the children’s and young people’s services and social care functions. Table 6 provides a LA breakdown of the data in Table 3.

22. Between 2010-11 and 2011-12 there were a number of changes in the categories included in the outturn data collection for children and young people's services. These changes mean that it is not possible to make direct comparisons between total spending in the 2011-12 financial year and earlier years, or between some of the sub-totals in this and previous years. The changes are as follows:

- The three categories within Youth Justice (Secure accommodation (youth justice), youth offender teams and other youth justice service) have been removed from the collection between 2010-11 and 2011-12 and are all part of a single Youth Justice category.

- The sub-total for Children Looked After is not directly comparable because two categories (secure accommodation (welfare) and advocacy services for children looked after) were included here in 2010-11 but have been removed in 2011-12.
• The sub-total for Family Support Services is not directly comparable because four categories (home care services, equipment and adaptations, other family support services and contribution to health care of individual children) included here in 2010-11 but have been moved or amalgamated in 2011-12.

• The commissioning and social work section has been removed with the commissioning and social work line moving to Children and Young People’s Safety and the Child trust fund top ups being removed.

23. With these changes in mind the 2010-11 data provided in Table 4 has been re-based so that the year on year comparisons are more meaningful. The consequence of making these changes to the 2010-11 data is that it is no longer comparable with the 2010-11 data published in the outturn official statistics last year – however the original 2010-11 data are still publically available on the Department’s website.

24. Table 5 presents the latest information on School Revenue Balances. It provides data for the last five years showing the following information for all schools and for schools in each phase:

• The total School Revenue Balance.

• The number of schools and the average revenue balance per school.

• The number of schools with a surplus balance and the total surplus balance they contribute towards.

• The number of schools with a balance deficit and the total balance deficit they contribute towards.

25. Table 7 provides extra detail on school revenue balances and a longer time series of balances data going back to 1999-2000.

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

a. The final total end balance for each school is calculated by adding together variables B01, B02 and B06 as defined in the CFR framework and repeated as school level variables within the Section 251 Outturn system. A deficit within a school is simply identified from a negative end balance, and a surplus from any positive end balance. Traditionally we have also supplied the schools with surplus above a certain percentage of that school's total income. These figures are again available in Table 7 using thresholds of surpluses exceeding 8% of total income for secondary schools, and 5% for all other school phases.

b. The total income is derived by adding all income fields collected in the Outturn (I01 to I17). This differs from figures shown in Table 1 of the CFR release “Income and Expenditure in Local Authority Maintained Schools: 2011-12” which defined income by excluding the funding related codes (I01 to I06, plus I15 and I16). Total expenditure, if required, can be calculated in the same way as the CFR release by combining E01 through to E29, and then adding in E31 and E32, however, this statistic is not given within the balance tables and is only supplied in Table 1 explicitly.

c. The number of schools is calculated using only those supplied within the Section 251 Outturn collection by each LA. The final figures also exclude any school with no activity (spend or income) throughout the financial year which would imply they are closed. As a result, the number of schools may differ slightly to underlying data sources.
Rounding and symbols used

27. All figures in the six tables have been rounded to the nearest one thousand pounds worth of income or expenditure. The totals in the text and in the tables may not always equal the sum of their component parts because of this rounding regime. Similarly, differences quoted in the text may not always be the same as the differences shown in the tables because of rounding. Symbols are used in the tables as follows:

- not applicable
- negligible (less than £500)

Data quality

28. At the end of the 2011-12 financial year all 152 LAs and around 21,000 LA maintained schools provided expenditure data through Section 251 Outturn (and CFR) to contribute to this statistical release.

29. As discussed in paragraphs 5 through 15 the Section 251 Outturn 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 expenditure (and their 21,000 schools) across a wide range of expenditure categories the potential for variation in local accounting practices is high. The Section 251 Outturn and CFR 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.

30. The Section 251 Outturn school level data is taken directly from the CFR data, the rest of the outturn data is loaded directly into the COLLECT system. The outturn data that is loaded into COLLECT is subject to a pre-agreed series of validation checks on the data to aid the submission of accurate data. Manual checking of the Children and Young People’s Services and Social Care data was carried out resulting in over 1,000 queries with local authorities. The Outturn 2011-12 data was signed-off for use in statistical outputs with 267 errors and 1167 queries remaining after all the two million plus data items on the outturn return have gone through the data cleaning procedures. Each of these remaining errors and warnings (which were spread across the education, children and young people’s services and social care data) was discussed with the relevant LA contact and either deemed to be acceptable and moved to the “OK error” grouping (491 validation flags were resolved in this way) or, where appropriate the data was accepted as an unusual expenditure pattern.

LIST OF TABLES

Table 1 Detailed School Income and Expenditure Statistics for Local Authority Maintained Schools in England by Phase of Education: England 2010-11 to 2011-12.

Table 2 Expenditure by Local Authorities on Education and Central Functions: England 2010-11 to 2011-12.

Table 3 Expenditure by Local Authorities on Education, Children's Services and Social Care: England 2010-11 to 2011-12.

Table 4 Detailed Income and Expenditure Statistics for Local Authority Spending on Children's


Additional Tables

Table 6  Expenditure Statistics for all Local Authority Education, Children's Services and Social Care Functions: Local Authority and Region 2011-12.


Queries

Enquiries about the figures contained in this Statistical First Release should be addressed to:

Department for Education
Mowden Hall
Staindrop Road
Darlington
DL3 9BG
Telephone Number: 01325735479
Email: dave.golding@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