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INCOME AND EXPENDITURE IN LOCAL AUTHORITY MAINTAINED SCHOOLS IN ENGLAND: 2011-12

INTRODUCTION

This Statistical First Release (SFR) presents information on the income and expenditure of local authority (LA) maintained schools in England. The data was collected from 20,995 local authority maintained schools; including all free standing LA maintained nursery, primary (including those with nursery classes), secondary and special schools. The data was provided by schools (or local authorities on their behalf) to the Department for Education as part of the annual Consistent Financial Reporting (CFR) collection.

The data on nursery schools does not encompass all nursery provision. A CFR return was received for each LA maintained nursery school (even though it is not mandatory for them to provide CFR data), however the CFR collection does not include any data on the nursery provision provided by the private, voluntary and independent sectors.

In addition, the SFR does not include expenditure of academy schools. These schools are not required to provide finance data in the form of CFR. Their data is provided, in a different format, to the Education Funding Agency (EFA) within the Department for Education (DfE) and published separately. Statistics on the expenditure of academy schools for the 2011/12 academic year will be published in summer 2013.

The SFR presents statistics for England and for each local authority showing income and expenditure across all the main functions carried out by schools for each school phase e.g. the cost of teachers, education support staff and other school staff plus the costs associated with the running of a school (e.g. buildings maintenance, learning resources, catering, insurance, energy bills and rates).

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

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/consistentreporting>

EXPENDITURE OF LA MAINTAINED SCHOOLS: THE CONTEXT OF FUNDING REFORM

Traditionally LAs in England received money from the DfE to cover all maintained schools in their area. 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. The CFR exercise would then collect data on how schools had spent the money provided by the LA.

However, as LA maintained schools convert to become academy schools they are

no longer required to provide details of their income and expenditure via the CFR collection. Academy schools receive their funding directly from the EFA within DfE (rather than through the LA) and report on their expenditure via the Academies Accounts Return (AAR) direct to EFA rather than through CFR. Therefore the advent of academy schools has complicated the CFR collection, by reducing its coverage of actual expenditure by schools. 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 total expenditure by LA maintained schools, as reported by CFR, is covering a diminishing proportion of the school sector. **Consequently, for many of the data areas 'year on year' comparisons of absolute amounts are inappropriate.** The actual expenditure may well have gone down in a particular phase or 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 that phase or LA who receive their funding directly from the EFA in DfE.

In order to report on school spending responsibly, the data presented within this Statistical First Release includes a number of 'per pupil' measures. In essence, these represent the amount of actual spending by schools divided by the number of pupils it is earmarked for. The 'per pupil' figures are derived by using CFR income and expenditure data with the pupil numbers in LA maintained schools reported by Department's School Census. The 'per pupil' measures use the pupil numbers from the January School Census within the relevant financial year (e.g. we have combined 2011-12 financial year data with the pupil count from the January 2012 School Census).

Statistics on the income and expenditure of individual schools for the 2011-12 financial year are also being published in the Primary School Performance Tables. These statistics take the form of 'spend per pupil' tables. Statistics for secondary and other schools will be included in the Secondary School and College Performance Tables in January 2013.

The SFR and the 'spend per pupil' statistics within the performance tables have slightly different purposes and focus. This national release presents the statistics on how much has been spent by schools, on which expenditure categories, and what this looks like as an average expenditure by school type. The statistics in the performance tables are to help schools and others to compare their expenditure with other schools (e.g. by benchmarking against nearest neighbours or schools with similar characteristics etc.). To make the best school comparisons the median 'spend per pupil' is shown – essentially the amount of money a typical school spends on each of its pupils.

The expenditure data is also represented in two ways at specific points within the SFR. The 'total gross expenditure' for a school (or within an LA or for the whole of England) is the sum of all the spending by schools (or the LAs, or all LAs in England) on their Teaching Staff, Education Support Staff, Other Employees and their Running Expenses. Schools can generate their own income, over and above that provided from central Government (directly or via their LA). The 'income generated by schools' can be deducted from the 'total gross expenditure' to create a 'total net expenditure'. For a full description of how 'total gross expenditure', 'income generated by schools' and 'total net expenditure' are calculated please see Paragraph 19 of the Technical Notes which provides the full detail.

KEY POINTS

SCHOOL INCOME AND EXPENDITURE STATISTICS

- In the 2011-12 financial year the total school expenditure, for all local authority 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 £7.5 billion, 23.1%, on running expenses.
- Of the £32.3 billion total school expenditure (gross) 0.9% (£276.4 million) was spent by nursery schools; 53.9% (£17.4 billion) was spent by primary schools (which included a number of primary schools with nursery classes); 39.2% (£12.7 billion) was spent by secondary schools and 6.1% (£2.0 billion) was spent by special schools.
- The total school expenditure (gross) for 2011-12 shows a fall when compared with the previous year. In 2010-11 total school expenditure (gross) was £35.8 billion. This fall is due to the number of schools converting to academy status. Academy schools do not supply their finance data in the CFR format. The majority of schools converting to academy status are secondary schools and as a result the total expenditure by secondary schools (and across all schools) is lower in 2011-12.
- 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 £7.1 billion, 55.7%, was spent on teaching staff; £1.3 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.
- The definitions of the categories “permanent and supply teaching staff”, “education support staff”, “other school staff” and “running costs” are the same as those used when presenting school income and expenditure data in previous statistical releases that have used the annual CFR collections (either as standalone publications or published as part of the school expenditure portion of the Section 251 Outturn statistics). See paragraph 19 of the Technical Notes for all definitions used.

CHANGE IN SCHOOL SPENDING BETWEEN 2010-11 and 2011-12

Whilst the aggregate expenditure across all local authority maintained schools has reduced, due the academy conversion process, the ‘spend per pupil’ statistics for maintained schools have changed very little between 2010-11 and 2011-12. The data in Chart 1 provides a comparison of the income and expenditure by maintained schools by phase and includes a mean ‘spend per pupil’ for the latest two years.

- For all maintained schools across all phases that were open for the entire financial year the mean ‘spend per pupil’ (gross) was £5,072 in 2010-11 and £5,059 in 2011-12; a reduction of £12 per pupil. The mean income generated by these schools per pupil was £320 in 2010-11 and £298 in 2011-12; a reduction of £22 per pupil. Combining these results generates a mean ‘spend per pupil’ (net) of £4,752 in 2010-11 and £4,761 in 2011-12; an increase of £10 per pupil. These overall ‘spend per

pupil' totals are influenced by the proportion of children in each phase, with academy roll-out increasing the proportion of primary pupils who receive less than their secondary school pupil counterparts. Consequently, comparisons over time are more robust at phase level.

- For those maintained primary schools that were open for the entire financial year there has been a small increase in the both the mean net and gross 'spend per pupil'. Net 'spend per pupil' has increased by £72 and gross 'spend per pupil' has increased by £67 between 2010-11 and 2011-12.
- Similarly, for those maintained secondary schools that were open for the entire financial year there has also been a small increase in the both the mean net and gross 'spend per pupil'. Net 'spend per pupil' has increased by £110 and gross 'spend per pupil' has increased by £71 between 2010-11 and 2011-12.

Chart 1: The income and expenditure per pupil for LA maintained schools open for the full financial year.

SPEND PER PUPIL (£s)	Nursery schools		Primary Schools		Secondary Schools		Special Schools		TOTAL SCHOOL SPENDING	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
Permanent and supply staff	3,189	3,344	2,179	2,176	3,124	3,167	8,842	8,780	2,652	2,591
Education support staff	2,945	3,047	701	715	546	564	6,384	6,530	716	761
Other employees	1,535	1,577	460	469	647	608	2,502	2,467	566	546
Running expenses	3,788	3,899	946	993	1,291	1,340	4,222	4,189	1,138	1,161
Total expenditure	11,455	11,868	4,286	4,353	5,607	5,678	21,949	21,966	5,072	5,059
Income (generated by schools)	2,068	2,217	259	255	365	326	1,214	1,155	320	298
Net current expenditure (Total expenditure less income)	9,388	9,651	4,027	4,099	5,242	5,353	20,736	20,811	4,752	4,761

- Within the school data, published as part of the performance tables, the median 'spend per pupil' is used as the best way of comparing schools. The median 'spend per pupil' is the middle school once 'spend per pupil' is calculated for all schools and the schools are then ranked in order. As is typical for financial data which is constrained by a zero at one end of the distribution, the mean is slightly higher than the median. The distribution of 'spend per pupil' is slightly positively skewed, with a few small schools with a low number of pupils that have high 'spend per pupil' figures.
- The median 'spend per pupil' figure for all primary schools open throughout the 2011-12 financial year is £4,207. The equivalent figures for secondary schools are; £4,498 for those with no Key Stage 4 results and £5,502 for those with Key Stage 4 results. Similarly, the equivalent median 'spend per pupil' figure for all special schools is £21,730. Further detail on the differences between the data presented in this SFR and the school level data published in the performance tables can be found on page 7.

NURSERY SCHOOL INCOME AND EXPENDITURE STATISTICS

The data on nursery schools does not encompass all nursery provision. The data does cover all expenditure by LA maintained nursery schools (even though it is not mandatory for nursery schools to provide CFR data), however it does not include any data on the nursery provision provided by the private, voluntary and independent sectors.

In the 2011-12 financial year the 435 LA maintained nursery schools that provided CFR data collectively spent £276.4 million pounds (gross). The main features of nursery school income and expenditure are as follows:

- Of the £276.4 million pound (gross) expenditure £77.9 million (28.2%) was spent on permanent and supply teaching staff (excluding agency workers and insurance costs). A further £71.0 million (25.7%) was spent on education support staff and £36.8 million (13.3%) on other employees.
- A total of £90.8 million (32.9% of the total gross expenditure) was spent on running expenses with the four largest items of expenditure being community focused extended school staff at £30.9 million, community focused extended school costs (£8.3 million), building maintenance and improvement (£7.4 million) and learning resources (non ICT) - £7.2 million.
- Nursery schools received £230.6 million in funding from Government with the majority being funding direct from the local authorities - £189.3 million.
- Nursery schools generated £51.6 million of income from charging for facilities, services, catering and donations as well as through receipts from insurance e.g. supply teacher insurance.
- The total net expenditure for these 435 nursery schools was £224.8 million.
- For those nursery schools that were open for the full financial year the (gross) expenditure data equates to a 'spend per pupil' of £11,868 in 2011-12. This represents an increase of £412 per pupil compared with the 2010-11 position (£11,455). Similarly the (net) expenditure data shows an increase of £263 per pupil from £9,388 in 2010-11 to £9,651 in 2011-12.

PRIMARY SCHOOL INCOME AND EXPENDITURE STATISTICS

In the 2011-12 financial year the 16,811 LA maintained primary schools collectively spent £17.4 billion pounds (gross). The main features of primary school income and expenditure are as follows:

- Of the £17.4 billion pound (gross) expenditure £8.7 billion (50.0%) was spent on teaching staff (excluding agency workers and insurance costs). A further £2.9 billion (16.4%) was spent on education support staff and £1.9 billion (10.8%) on other employees.
- A total of £4.0 billion (22.8% of the total gross expenditure) was spent on running expenses with the four largest items of expenditure being learning resources (non ICT) at £690.1 million, catering supplies (£450.7 million), building maintenance and improvement (£395.1 million) and bought in professional services (£365.9 million).
- Primary schools received £16.8 billion in funding from Government with the majority being funding direct from the local authorities - £14.6 billion.
- Primary schools generated £1.0 billion of income from charging for facilities, services, catering and donations as well as through receipts from insurance e.g. supply teacher insurance.
- The total net expenditure for these 16,811 LA maintained primary schools was £16.4 billion.
- For those primary schools that were open for the full financial year the (gross) expenditure data equates to a 'spend per pupil' of £4,353 in 2011-12. This represents an increase of £67 per pupil compared with the 2010-11 position (£4,286). Similarly the (net) expenditure data shows an increase of £72 per pupil from £4,027 in 2010-11 to £4,099 in 2011-12.

SECONDARY SCHOOL INCOME AND EXPENDITURE STATISTICS

In the 2011-12 financial year the 2,775 LA maintained secondary schools spent collectively £12.7 billion pounds (gross). The main features of secondary school income and expenditure are as follows:

- Of the £12.7 billion pound (gross) expenditure £7.1 billion (55.7%) was spent on teaching staff (excluding agency workers and insurance costs). A further £1.2 billion (9.8%) was spent on education support staff and £1.4 billion (10.7%) on other employees.
- A total of £3.0 billion (23.7% of the total gross expenditure) was spent on running expenses with the four largest items of expenditure being learning resources (non ICT) at £558.9 million, exam fees (£246.9 million), building maintenance and improvement (£244.9 million) and bought-in professional services (£217.8 million).
- Secondary schools received £12.1 billion in funding from Government with the majority being funding direct from the local authorities - £9.5 billion.
- Secondary schools generated £753.6 million of income from charging for facilities, services, catering and donations as well as through receipts from insurance e.g. supply teacher insurance.
- The total net expenditure for these 2,775 LA maintained secondary schools was £11.9 billion.
- For those secondary schools that were open for the full financial year the (gross) expenditure data equates to a 'spend per pupil' of £5,678 in 2011-12. This represents an increase of £71 per pupil compared with the 2010-11 position (£5,607). Similarly the (net) expenditure data shows an increase of £110 per pupil from £5,242 in 2010-11 to £5,353 in 2011-12.

SPECIAL SCHOOL INCOME AND EXPENDITURE STATISTICS

In the 2011-12 financial year the 974 LA maintained special schools collectively spent £2.0 billion pounds (gross). The main features of special school income and expenditure are as follows:

- Of the £2.0 billion pound (gross) expenditure £789.3 million (40.2%) was spent on teaching staff (excluding agency workers and insurance costs). A further £577.9 million (29.4%) was spent on education support staff and £220.6 million (11.2%) on other employees.
- A total of £375.1 million (19.1% of the total gross expenditure) was spent on running expenses with the four largest items of expenditure being learning resources (non ICT) at £70.0 million, building maintenance and improvement (£47.0 million), bought in professional services – other (£36.5 million) and bought in professional services – curriculum £35.0 million.
- Special schools received £1.9 billion in funding from Government with the majority being funding direct from the local authorities - £1.7 billion.
- Special schools generated £103.2 million of income from charging for facilities, services, catering and donations as well as through receipts from insurance e.g. supply teacher insurance.
- The total net expenditure for these 974 LA maintained special schools was £1.9 billion.
- For those special schools that were open for the full financial year the (gross) expenditure data equates to a 'spend per pupil' of £21,966 in 2011-12. This represents an increase of £17 per pupil compared with the 2010-11 position (£21,949). Similarly the (net) expenditure data shows an increase of £75 per pupil from £20,736 in 2010-11 to £20,811 in 2011-12.

COMPARISON WITH OTHER SOURCES – Section 251 Outturn

This is the second time that national level school income and expenditure data has been presented in the

form of a SFR. The data for the 2010-11 financial year 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>

This SFR has the same data content as last year – except where we have added statistics on the ‘spend per pupil’ – and is a natural extension of the school expenditure data (collected through CFR) previously published on the Department’s website as part of the Section 251 Outturn official statistics (which includes data on both school and LA expenditure on education and children’s services).

Releasing the CFR data in this way supports our intentions to be transparent and provide early access to data. It should be noted though that as CFR data is processed by LAs into their Section 251 Outturn figures, a small level of change can occur where a school and LA disagree over a figure(s) which cannot be resolved. However, typically, these changes are very small and in the previous year the CFR to Section 251 Outturn process changed the national level expenditure figure by approximately 0.1 per cent.

COMPARISON WITH OTHER SOURCES - SCHOOL FINANCE DATA WITHIN PERFORMANCE TABLES

Statistics on the income and expenditure of individual schools for the 2011-12 financial year are also being published in the form of ‘spend per pupil’ tables as part of the Primary School Performance Tables and the Secondary School and College Performance Tables.

The CFR 2011-12 data for each primary school (that was open for the full financial year) has been grouped together into a number of income and expenditure categories and published, on a per pupil basis, alongside a headline Key Stage 2 attainment indicator. This school level finance data has been incorporated into 2012 Primary School Performance Tables: www.education.gov.uk/schools/performance

A similar exercise will take place in January 2013 where the CFR 2011-12 income and expenditure data for secondary and special schools will be published as part of 2012 School and College Performance Tables.

The national data within this SFR and the school level data published in ‘spend per pupil’ tables as part of 2012 performance tables have three differences.

- 1) The SFR national income and expenditure totals include all income and expenditure data received during the CFR 2011-12 collection. This is to ensure that all the money allocated to LA maintained schools is recorded and accounted for. The statistics published within the Performance Tables start from the same dataset used for the SFR but strip out all schools that opened or closed part way through the 2011-12 financial year. This is to ensure that all comparisons between schools and their expenditure data are valid. For example, it would not be appropriate for comparisons to be drawn between schools that have only been open for part of the year and those that were open for the full year. This is because their spending is likely to be lower for every expenditure category which could look like a saving when compared with similar schools that have been functioning for the whole financial year.

As the data for schools that opened or closed part way through the year are included in the national and LA totals of school expenditure in the tables within this SFR it does mean that attempts to create national aggregates of income and expenditure data from the Performance Tables will not replicate the national figures published here.

2) The SFR includes data for all local authority maintained nursery schools as well as all local authority maintained primary, secondary and special schools. In 2011-12 435 LA maintained nursery schools provided CFR data (collectively spending £276.4 million pounds). These nursery schools do not appear in the Performance Tables – as there is no attainment data for these schools.

3) Within the SFR national statistics rules have been followed which require the separation of pay and non-pay when accounting for expenditure. Schools provide detailed data that shows income in 17 different categories and expenditure in 32 different categories. The SFR presents this information in two ways. In Table 1 the income and expenditure data is presented for each individual category by school phase. In Table 2 the data is aggregated to show the income, expenditure and expenditure per pupil data by the main headings the data collected was structured e.g. expenditure on staff (showing separately figures for teaching staff, support staff and other school staff), running expenses, total gross expenditure, income generated by the school and total net expenditure. This allows users to form time series of expenditure data when using the current data alongside the school expenditure data published since 2003-2004.

However, to present school level data in a way that enables users to easily compare schools' spending, it is more appropriate to use categories that account for a school's total spend on a specific area, which involves grouping pay and non-pay costs together. For example, some schools employ catering staff directly whereas others use service contract staff. If someone is interested in comparing schools' catering costs, for a meaningful comparison, they need to look at their expenditure both on catering staff (to cover directly employed staff) and catering supplies (to cover staff employed through a service contract). Otherwise, it will just look like one school has no catering staff costs. For the same reason, spend per pupil tables include agency supply staff and supply teacher insurance costs as supply teaching staff costs, whereas the SFR (and previous CFR and Outturn publications) has traditionally categorised them as running expenses and other employee costs respectively.

For this publication we have presented groupings identical to those used in the CFR and Section 251 Outturn 2010-11 statistical releases (and their past publications), but have relabelled headings to make the components of higher level groupings clear to users. Users wishing to exactly replicate the teaching staff costs within the Performance Tables will need to use the underlying data.

TECHNICAL NOTES

Data sources and coverage

1. The statistics contained in this SFR have been derived from the annual Consistent Financial Reporting (CFR) exercise. The CFR exercise is a statutory data collection - Consistent Financial Reporting (England) Regulations 2003 (SI 2003 No. 373) – which came into force on 1 April 2003. A CFR return is required for all schools maintained by the local authority at the end of each financial year. This is to ensure schools provide financial data in a consistent manner that can support comparisons and benchmarking with other schools. The following schools, institutions and providers are excluded from CFR: Private, Voluntary and Independent (PVI) providers and General Hospital schools. Returns are *optional* for Pupil Referral Units (PRUs), City Technology Colleges (CTCs) and Academies in England.
2. In the 2011-12 financial year 20,995 local authority maintained nursery, primary, secondary and special schools provided data in the CFR format. 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 schools (or by their local authority on their behalf) between May and September 2012. All

statistics in the SFR for 2011-12 are based on the 2011-12 CFR returns.

- CFR data on the expenditure of local authority maintained schools has been collected since the 2003-04 financial year. The data collected is, each year, incorporated into the Section 251 Outturn finance collection – this has taken place in each year between 2003-04 and 2011-12. The Section 251 Outturn captures data on both the expenditure of schools and the expenditure of local authorities. The local authority data it captures includes expenditure on education, children and young people’s services and social care. School expenditure data from CFR is, each year, published at national and local authority level in the Section 251 Outturn’s statistical outputs; published each year on the Department’s website (at the link below):

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/section251/archive/b0068383/section-251-data-archive/outturn-data---detailed-level-2008-09-onwards>

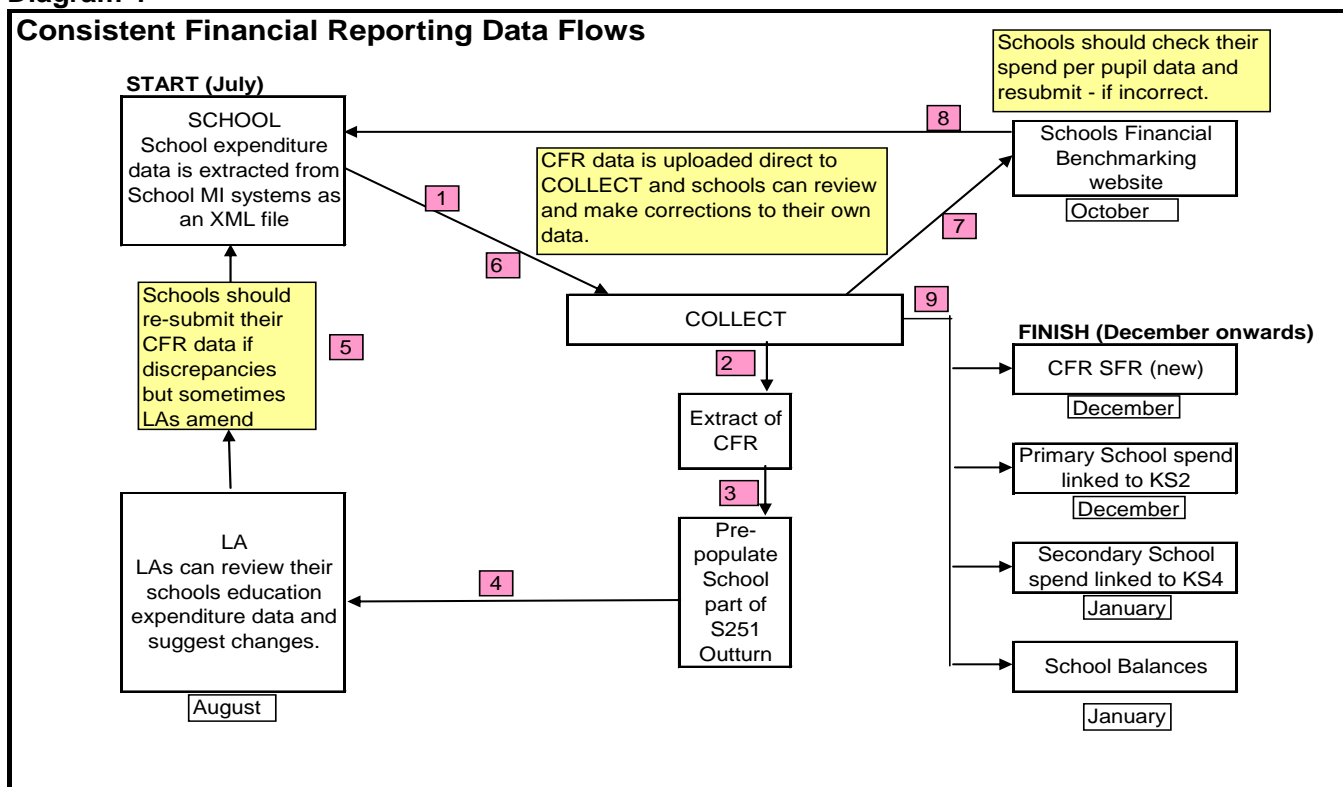
- The ‘spend per pupil’ figures have been calculated by dividing expenditure data from CFR by the relevant number of full-time equivalent (FTE) school pupils e.g. the 2011-12 ‘spend per pupil’ in primary schools uses the total expenditure by primary schools in 2011-12 from CFR and the number of FTE pupils in primary schools in January 2012 – as recorded by the January 2012 School Census.
- Diagram 1 is a process map that shows the flow of data from schools to Department. It highlights the nine steps which schools go through (and where the local authority is involved) to try to ensure their data is of a high quality. The nine steps are all internal processes and the CFR data is not used publicly until it is part of the statistical outputs described in Step 9.
- The data required from schools is determined in advance of the start of each financial year in such a way that schools with their software suppliers (of their management information software) have sufficient time to incorporate any new data items (or changes to existing data items) into their local systems. Throughout the financial year schools will record their expenditure locally in such a way that it can be aggregated to the codes set out in the CFR framework.
- The following nine steps describe the methodology by which CFR data is submitted to the Department and the way it is checked and signed-off by the Department, schools and LAs.
- Step 1: At the end of each financial year schools provide the Department with the data required by the CFR collection 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.
- Step 2: Once the schools’ CFR data has been successfully loaded onto COLLECT schools can inspect and review their data. The COLLECT 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 expenditure on teaching staff within a school is at least £1000 (essentially saying that each school must have at least one teacher). A full list of the validation checks can be found in the CFR Technical Specification at the following web address:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/consistentreporting/a009985/s-submitting-consistent-financial-report-cfr-data>

- Schools will check the data errors and warnings that are flagged by the COLLECT system. They can then either re-supply the data or edit the data online - if amendments are required. Once schools (or

LAs on their behalf) have cleared any errors and warnings within their original CFR 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 local authorities who, acting on behalf of the Department, will look at the data issues and raise them with their schools.

Diagram 1



11. Step 3: The CFR data is brigaded by the local authority and used to pre-populate the Section 251 Outturn return. Like schools, local authorities must also provide data to the Department on its own expenditure. The Section 251 Outturn return includes the spending on education by the schools in the local authority, the local authority's expenditure on education and their expenditure on children and young people's services and social care. The information contained within with the Section 251 Outturn return is normally published in the following January.
12. Step 4: Local authorities use the CFR data to check and agree with their schools the final version of their schools' expenditure data.
13. Step 5: Schools and local authorities will discuss any expenditure data items flagged for checking or deemed to be incorrect by the local authority. If there are any changes required after this conversation the school can resubmit their CFR return (Step 6).
14. Step 6: All CFR resubmissions provided by schools (after their own checking is complete and/or after any changes have been agreed in discussion with the local authority) will be uploaded to COLLECT which will identify whether errors and warnings still persist. Although at this stage of the process these data issues should have been dealt with.
15. Step 7: The school expenditure data is combined with pupil count data to generate spend per pupil data by various expenditure categories. This information is provided to schools via the Schools Financial Benchmarking website and offers schools a final opportunity to review their data and make any changes before the data is published.
16. Step 8: If schools feel there are still changes required with their data, after inspecting their entries on the Schools Financial Benchmarking website then corrections can be made via resubmissions.

17. Step 9: When the CFR data has been through all eight steps and signed-off by schools it is ready to use in publicly available statistical outputs. The first statistical output is this SFR which uses the CFR data to show the national and LA level patterns of expenditure across local authority maintained schools. There are three other statistical outputs which use the CFR data. The primary school level data is matched with school characteristics data and a headline Key Stage 2 attainment indicator. This dataset is published as part of the 2012 Primary School Performance Tables in December. Similarly, the secondary school level data will be published as part of 2012 Secondary School and College Performance tables in January 2013. The final statistical output is the Section 251 Outturn official statistics, where the CFR data will be used to calculate the final position on the school revenue balances for the 2011-12 financial year. This will be published in January 2013.

General notes and definitions

18. The detailed definition of every CFR income and expenditure category is available on the Department's website at the following link:

<http://www.education.gov.uk/researchandstatistics/stats/consistentreporting/b0075968/consistent-financial-reporting-cfr-online-guide-2011-12/>

19. The CFR Framework includes 17 income codes and the 32 expenditure codes and within the SFR these codes have been summarised as set out below. This is to aid comparisons with income and expenditure statistics published in previous years' statistical releases and in the Performance Tables.

- a. **Permanent and Supply Staff:** Expenditure on these teaching staff is the sum of CFR codes E01 (Teaching Staff) and E02 (Supply Staff). This category does not include expenditure on Agency Supply Teaching Staff (CFR code E26) or Supply Teacher Insurance (CFR code E10). The former is included in the "Other Employees" category and the latter is included in the "Running Expenses" category.
- b. **Education Support Staff:** Expenditure on education support staff is CFR code E03 (Support Staff).
- c. **Other Employees:** Expenditure on Other Employees covers both the cost of other school staff and some indirect costs and is the sum of CFR codes E04 to E11; which includes Premises Staff, Admin Staff, Other Staff, Indirect Employee costs, Staff Development, Supply Teacher Insurance and Staff Insurance.
- d. **Running expenses:** Expenditure on running expenses includes the following CFR codes E12 to E29, E31 and E32 which includes, for example, expenditure on School Buildings and Grounds, Cleaning, Caretaking, Water & Sewage, Energy, Rates and Other Occupation Costs. It also includes expenditure on Learning Resources, Exam Fees, Admin Supplies, Catering Supplies, Curriculum Services, Community Focused Staff and their costs.
- e. **Total Expenditure (gross):** This is the sum of the following four categories; Teaching Staff, Education Support Staff, Other Employees and Running Expenses (CFR codes E01 to E32 excluding code E30).
- f. **Income:** This is income generated by a school (rather than the funding received through central Government and local authorities) and covers CFR codes I07 to I13 plus I17 which includes, for example, income generated from facilities, services, catering, parental contributions towards school visits and donations. It also includes receipts from insurance

claims.

- g. **Net Current Expenditure:** This is the total expenditure (gross) minus the income generated by schools.
- h. **Funding:** There are several CFR codes which identify school funding streams – the statistics for which are included in Table 1. The funding codes are I01 to I06 plus I14 to I16.
- i. **Capital Expenditure from Revenue:** Capital expenditure (code E30) is excluded from the calculations for schools total expenditure (gross) and the schools net current expenditure.

Rounding and symbols used

20. All figures in the three 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
- nil or negligible

21. In addition, suppression has been applied to the ‘permanent and supply staff’ and ‘education support staff’ figures. This is to prevent the disclosure of individual salaries. Secondary suppression has also been applied to achieve this. The policy is to suppress expenditure figures in the above categories when the expenditure is less than £150,000 on teaching staff or education support staff. Suppressed figures are denoted by ‘x’ and only appear in Table 3 where the expenditure data is broken down by LA and phase.

Data quality

22. At the end of the 2011-12 financial year 20,995 local authority maintained schools provided a CFR return. As discussed in paragraphs 5 through 17 the CFR data schools provided passed through several phases of checking and data cleaning including being provided back to schools to re-check and sign-off. Extensive guidance is provided to schools to help them ensure the data they provide is as accurate as possible. **With nearly 21,000 schools providing detailed data of their expenditure across a wide range of expenditure categories the potential for variation in local accounting practices is high.** The CFR framework and 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 by schools.

23. As described above, the CFR data is checked whilst in school software systems and again when it is loaded into the COLLECT system. Both software systems run a pre-agreed series of validation checks (as set out in the CFR Technical Specification) on the data to aid the submission of accurate data. The CFR 2011-12 data was signed-off for use in statistical outputs with 234 errors and 15 warnings remaining after all the data cleaning work has been completed. Each of these remaining errors and warnings was discussed with the relevant LA contact and where appropriate the data was accepted as an unusual expenditure pattern. Throughout the process all other validation was resolved through LAs

amending/resubmitting data or deemed to be acceptable and moved to the “OK error” grouping (18,494 data items flagged for checking were resolved in this way).

24. The CFR data is also used to populate the Section 251 Outturn collection exercise for the relevant financial year. In 2011-12 the use of CFR data to pre-populate Section 251 Outturn changed. For the first time the CFR information was used to populate an aggregated LA level table only (traditionally the top section of Table A in the Section 251 Outturn exercise). This process simplified the way LAs signed-off their schools’ data and means there is now only one school level data source. Any changes agreed between the LA and a school, to ensure the school data was accurate, had to be done within the CFR exercise. Although this will improve the alignment of the two exercises there was still the opportunity for the LA to amend the *aggregate* information used to populate the Section 251 Outturn system. Further analysis of the scope of change between the exercises will be present in the Section 251 Outturn SFR due to be published in January 2013.

LIST OF TABLES

Table 1	Detailed School Income and Expenditure Statistics for Local Authority Maintained Schools in England by Phase of Education: England 2011-12.
Table 2	School Income and Expenditure Statistics for Local Authority Maintained Schools in England by Phase of Education: England 2011-12. This Table also includes the mean ‘spend per pupil’ by phase.
Table 3	School Income and Expenditure Statistics for all Local Authority Maintained Schools in England by Phase of Education: Local Authority and Region: 2011-12.

In addition Table 3 has been split into four parts (Tables 3a to 3d) to show the four school phases (nursery, primary, secondary and special) separately to make the statistics easier to view and print.

Queries

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