

## **STATISTICAL ANALYSIS OF LOCAL AUTHORITY BUDGETS FOR SCHOOL SERVICES IN WALES**

### **Purpose**

1. To provide an analysis of budgets for schools set by local education authorities for 2002-03, including comparative information for England.

### **Summary**

2. The key points to note from this analysis are :
  - Average budgeted per pupil spend in Wales in 2002-03 was £3,377 compared with £3,134 in the previous year (table 1 and chart 1). The overall budget per pupil for England was £3,377; £3,288 excluding London (table 2);
  - The range was from £3,051 in the Vale of Glamorgan to £3,981 in Ceredigion, a very similar range to the previous year (table 1 and chart 1);
  - Between 1990-91 and 2001-02 spending (including provision for under fives) per pupil in Wales has increased in real terms by 27% compared with 24% in England; (table 3 and chart 3).
  - Cross border comparisons show per pupil budgets higher in mid and South East Wales than the neighbouring English authorities (table 4).
  - Average primary school size in Wales is 164 pupils compared with 229 pupils in England. Average secondary school size in Wales is 934 pupils compared with 944 pupils in England. Pupil/teacher ratio in Wales is slightly lower in the primary sector compared with England, and slightly higher in both the secondary and special sectors (tables 5 and 6).

### **Introduction**

3. This paper analyses the resources that local authorities budgeted to make available for school services in 2002-03. The paper makes comparisons between Welsh local education authorities and between the Wales average and the regional averages in England. There is also brief consideration of the historical trend.
4. The figures for Wales are sourced from the same data that was used to produce the report on the Welsh local authorities education budgets for 2002/03. That report was presented to the Education and Lifelong Learning Committee as part of the Minister's report on 10 July 2002 ([paper ELL 14-02](#)).

### **Data sources**

5. The main source of financial information for 2002-03 is the budget returns made by local education authorities under Section 52 of the School Standards and Framework Act, 1998 (section 52 returns). The format and coverage of this return is similar in Wales and England. There are differences in the detail.

6. This return gives the basic details of each local authority education budget. The key components are the budgets delegated to individual schools; a breakdown of the funding for those services for schools which are not delegated; the total budget for schools services; and the budget for non-schools education.
7. Numbers of schools, pupils, teachers and free school meals are taken from the annual schools census. The census returns used in Wales and England are similar, but there are differences in detail.

### **Description of the analysis of 2002-03 budgets**

8. The analysis of 2002-03 budgets is in two parts:
  - Individual education authorities within Wales (table 1 and chart 1).
  - Wales average and English regional averages (table 2 and chart 2).
9. The English regions used for the comparison are sub-divisions of the 9 standard regions. For the purposes of this work, London has been split to show inner and outer London separately. Other regions have been split into metropolitan and non-metropolitan components. Thus the north west region is divided into the metropolitan area – Liverpool and Manchester – and the non-metropolitan area – Cumbria, Lancashire, Cheshire etc.
10. For the different areas, tables 1 and 2 show the following information:
  - Overall budget per pupil. This shows the budget for all school services. It includes funding for those services delegated to schools and for those provided centrally by the LEA. It includes funding from specific government grants (such as GEST and the Standards Fund).
  - Delegated budget per pupil. This shows the budget delegated to individual schools. The figures are net of specific grants since in Wales delegated budgets are recorded net of any specific grants. However because in England some of the delegated funding is in the form of specific grants, LEAs in Wales appear to delegate a higher proportion of their overall school budget than their English counterparts. This is explained in more detail in the technical annex.
  - Authority budget per person. This is the overall budget per person for all local authority services. In order to make a valid comparison between Wales and England, adjustments have been made to the English figures so as to cover a similar range of functions as provided by the Welsh authorities. This is described in the technical annex.
11. These variables are shown as an amount and as a difference from the Wales average.
12. Charts 1 and 2 summarise the overall budget per pupil within Wales and for Wales and the English regions. The solid line on each chart represents the Wales average.
13. Tables 5 and 6 contain the following information:
  - Number of LEAs in the area
  - Full time equivalent pupil numbers. Total number for nursery, primary, secondary and special schools. Nursery classes in primary schools are included. Pupil referral units are excluded.

- Average school size. Average school size for nursery, primary, secondary and special schools using full time equivalent pupils. Nursery classes in primary schools are included. Pupil referral units are excluded.
  - Pupil teacher ratio. Total full time equivalent pupils divided by total full time equivalent teachers for nursery, primary, secondary and special schools. Nursery classes in primary schools are included. Pupil referral units are excluded.
  - Share of pupils entitled to free school meals. This is for nursery, primary, secondary and special schools. Nursery classes in primary schools are included. Excludes pupil referral units. This variable is included as a proxy for the level of deprivation.
14. These variables are shown as an amount and as a difference from the Wales average.

### **Historical trend in spend on school services**

15. Table 3 shows the trends in spend on schools services, pupil numbers and spend per pupil from 1990-91 to 2001-02. Budget figures are also shown for 2002-03, although differences in the definitions for the budget forms for England and Wales make comparisons less reliable. The figures are based on final outturn expenditure except for 2001-02 for England where budgets have been used. Note that to obtain a consistent run of figures the information for the budgets has been taken from the Revenue Account (RA) budget returns rather than the Section 52 returns. This results in a slight difference between the figures in Table 3 and those in Table 2.
16. The main reason for the difference is that the data in Table 3 include provision for the under fives. The RA data may also include some amounts not included on the section 52 returns, because, for example they are completed after the section 52 returns.
17. During this period there have been several functional changes. It is not always possible to properly adjust the figures to take account of these changes. The major changes to be aware of are:
- Grant Maintained schools. Introduced in 1990-91 and returned to local authority funding in April 1999. The expenditure includes for this period the sums deducted from local authority funds to pay for grant maintained schools.
  - Removal of further and higher education from LEA control. This occurred in 1992-93 and 1993-94. The main effect on schools funding was the removal of sixth form colleges. This involved only two colleges in Wales, but had more impact in England. No attempt has been made to adjust the figures for this change.

### **Comparison between authorities on the Wales-England border**

18. Table 4 provides a breakdown of school expenditure between delegated expenditure and elements of central expenditure for authorities in north east Wales and Cheshire. This allows a comparison of the elements of expenditure across the border. It highlights the different spending patterns between Cheshire and the NE Wales authorities.

### **Description of the background data (tables 5 and 6)**

19. Table 5 looks at the characteristics of LEAs in Wales. Table 6 shows similar information in terms of the averages for Wales and the English regions. This information shows the differences between the various areas and helps to explain the differences in the budget data.

The source of the information is the annual census of schools, taken at January each year. The data presented here are from the January 2002 census and so relate to the 2001-2002 academic year. This gives a mismatch with the budget data, which are based on the 2003-03 financial year. For the purposes of this paper it is reasonable to assume that the two sets of data are consistent at the level of detail being considered.

### **Further information**

20. The information presented in this paper draws on a large amount of information held by the National Assembly about spending on, and activity in, schools. More detailed analyses are available on request.

21. The standard published sources are as follows:

- Welsh Local Government Finance Statistics, 2002
- Schools in Wales: General Statistics 2002

22. Recent National Assembly statistical publications are available on the Assembly web site. These can be found at:

<http://www.wales.gov.uk/keypubstatisticsforwales/index.htm>

23. The Statistics Directorate holds the centrally collected information. Details of what data are available can be obtained from.

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**Analysis of local authority budgets for school services, 2002-03**

**Charts and tables**

Table 1	Local authority budgets for school services in Wales, 2002-03
Table 2	Regional budgets for school services in Wales and England, 2002-03
Table 3	Net current expenditure on school services in Wales and England from 1990-91 to 2002-03
Table 4	Overview of budgets on the Wales England border for 2002-03
Table 5	Background information for Welsh local education authorities, January 2002
Table 6	Background information for Wales and the English regions, January 2002
Chart 1	Local authority budget per pupil in Wales, 2002-03
Chart 2	Regional average budget per pupil in Wales and England, 2002-03
Chart 3a	Historical trend in spend per pupil in Wales and England (amounts at outturn prices)
Chart 3b	Historical trend in spend per pupil in Wales and England (amounts at constant 2001-02 prices)

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