

ITEM 4

MEETING	SCHOOLS' BUDGET FORUM
DATE	04.02.13
TITLE	Schools' Budget 2013/14
PURPOSE	Distribute the research paper that was the basis of the Council's assessment of the current investment made in schools.
RECOMMENDATION	None - for information
AUTHOR	Dilwyn Williams, Corporate Director

Gwynedd's comparative expenditure on Schools 2012/13

The Council's Research Unit has undertaken an analysis of the comparative position in terms of expenditure on schools in order to input the financial process.

The full paper can be seen as an appendix to this report.

The following is a summary of what is in the paper.

General (section 2 of the paper)

- In total and bearing in mind all the expenditure on schools be that devolved or otherwise, Gwynedd's funding level is the third highest in Wales.

Primary (section 3)

- Funding per primary pupil in Gwynedd is the third highest in Wales, if you look at the gross or net figures (the difference between gross and net is that the first includes the expenditure funded from specific grants, and the second does not).
- The pupil: teacher ratio in Gwynedd in this sector is the fourth 'best' (i.e. the lowest) in Wales.
- Within Gwynedd the picture varies significantly between individual schools and it is estimated that if the number and sizes of schools in Gwynedd were changed to be similar to those in Pembrokeshire then approximately £1.5m funding would be released that could be distributed across all county schools, which equates to over £160 per pupil.

Secondary (section 4)

- On a gross basis the funding per secondary pupil in Gwynedd is the fourth highest throughout Wales. By changing to a net basis (which is a fairer comparison, because of the different pattern post-16 impact on the gross figures) Gwynedd's position falls to be 8th highest in Wales.
- However, the pupil : teacher ratio is the second 'best' (least) in Wales.

Special (section 5)

- There are significant differences in the nature /scale of provision and therefore the way expenditure is recorded by councils which makes it more difficult to come to specific conclusions regarding this sector.
- Funding per pupil is the third highest in Wales on a gross basis and the eighth highest on a net basis. This gives a quite different picture to Welsh Government statistics which only look at the devolved budget and compares on the basis of the number of places rather than the actual pupil numbers.
- The pupil : teacher ratio in Gwynedd is the third lowest in Wales
- However, it would be unwise to base decisions on this data as it is so inconsistent from authority to authority and it should be seen what will come from the report commissioned by the service.

Comparisons between Wales and England (section 6)

- The latest data (2009/10) indicates a difference of £605 per pupil between expenditure on education in England and Wales.
- Despite this, it is evident that the levels of expenditure are significantly higher (for whatever reason) in the largest cities in England and by taking these from the comparison, around two thirds of the difference is taken away.
- There is a question mark (at least) regarding how much of the difference is relevant to schools, rather than the wider education field.
- Due to changes in England such as the establishment of academies, it was not possible to produce more recent comparisons and there is doubt if it will be possible to publish them in the future.

Conclusions

- It appears that there are two factors which mean that expenditure per head across Wales varies – namely density of population (the fact the providing schools in a less populated area will cost more) and deprivation (namely that

more has to be spent on children from underprivileged backgrounds if the same result is sought).

- In terms of density of population, Gwynedd is the area with the third lowest population density in Wales.
- Regarding deprivation, based on the recognised indicators Gwynedd is 18th and therefore we would expect expenditure per head in Gwynedd to be between the third and 18th position in Wales.
- Therefore, based on this our expenditure per head in the primary sector does not look out of place.
- In terms of the Secondary sector, although it is not possible to say what position exactly we should be and although the pupil: teacher ratio appears to be good, we should keep a close eye on the situation especially bearing in mind the projection of a significant reduction in demography from 2014/15 onwards.
- For 2013/14 a sum of £300,000 'inclusion' finance has been placed in the budget, however, it will be necessary to keep an eye on the situation when we see the statistics for next year and come to further conclusions at that time regarding the comparative investment.

Gwynedd's comparative expenditure on Schools 2012/13

1 Background and terminology

- 1.1 This paper mentions three budget categories that are defined statutorily, namely:
- **Devolved budget** – finance devolved to individual schools;
 - **School budget** – which includes the devolved budget and also other specific budgets kept centrally but dealing directly with supporting schools (e.g. elements of Special Needs Education, school meals, instrumental lessons etc.) How much and which elements of the total are devolved will vary according to the policies of individual councils;
 - **Education Budget relevant to Schools** – this includes the Schools' Budget but also other education authority functions dealing with schools (less obvious/direct). For example, transport, school improvement, access and planning places, strategic management of school services.
- 1.2 This paper **does not** look at a fourth category i.e. the **Education Budget** which also includes elements beyond schools e.g. administration of student grants, transport to colleges and the youth service.
- 1.3 There is also mention of **gross** and **net** budgets. The only difference between the two is that gross figures include the expenditure funded from specific grants, whilst the net figures do not include the expenditure funded via a grant.
- 1.4 There is no 'correct' answer regarding should net or gross be compared, gross figures give a fuller picture of the resource for every pupil whilst the net figures focus on the contribution of the local authority towards that total.

2 General

- 2.1 The Welsh Government publish an annual bulletin of statistics on comparative expenditure on Schools. There is a tendency for this to focus on the gross position rather than the net and compares a selection from the different budget categories noted above (although it is not always clear what category exactly or if that category is the most meaningful for comparison).
- 2.2 The latest bulletin (July 2012) includes a comparison of the **Education budget relevant to Schools** – **gross** per pupil across all sectors. This showed that the gross expenditure per pupil in Gwynedd was the third highest in Wales and nearly 7% higher than the Wales average. Detailed figures are shown for Gwynedd and other rural councils below.

Table 1
Education Budget relevant to Schools - gross

	£ per pupil	Position (in Wales)
Ceredigion	6,354	1
Conwy	5,907	2
Gwynedd	5,901	3
Powys	5,858	5
Anglesey	5,854	6
Pembrokeshire	5,796	7
Monmouthshire	5,662	8
Denbighshire	5,620	9
Carmarthenshire	5,543	11
Wales Average	5,520	

- 2.3 Gwynedd's position would not change if the same information was published on a net basis – see below. However, comparing on a net basis is a little problematic due to the impact of 6th form grant – this is mentioned further in section 4 below.

Table 2
Education Budget relevant to schools - net

	£ per pupil	Position (in Wales)
Ceredigion	5,269	2
Gwynedd	5,072	3
Powys	4,999	4
Anglesey	4,982	5
Conwy	4,964	6
Denbighshire	4,803	8
Carmarthenshire	4,796	9
Pembrokeshire	4,794	10
Monmouthshire	4,757	12
Wales Average	4,685	

- 2.4 In total therefore, expenditure per pupil in Gwynedd is amongst the highest in Wales. However, it should be borne in mind that this budget category includes transport costs and therefore it is not totally unexpected that the most rural areas in Wales, and Gwynedd amongst the, are near the top of the table.
- 2.5 The government's document proceeds to compare the **devolved gross budget** per pupil, in total and the three individual sectors. The figures below are shown for information, although different devolved policies influence these sums and therefore the comparison is not actually very meaningful.

Table 3
Devolved budget per pupil - gross

	Primary	Position	Secondary	Position	Special	Position	Total	Position
Gwynedd	£4,517	3	£4,800	2	£16,211	18	£4,746	4
Wales	£4,114		£4,589		£19,174		£4,472	

3 Primary Sector

- 3.1 As noted above, the tables published by the Government look at devolved budgets only. Also, where some authorities have specific schools for nursery aged children they deal with those as a separate sector.
- 3.2 A more complete picture of the situation can be had by looking at the **Schools Budget**, and combining the expenditure data and pupils in the primary and nursery sectors. The following table shows the figures on the basis of gross and net.

Table 4
Schools Budget – primary sector (and nursery)

	Gross		Net	
	£ per pupil	Position (in Wales)	£ per pupil	Position (in Wales)
Anglesey	5,282	1	4,529	1
Conwy	5,198	2	4,399	2
Gwynedd	5,129	3	4,343	3
Powys	4,873	7	4,259	4
Ceredigion	4,980	6	4,212	5
Pembrokeshire	4,991	5	4,209	6
Carmarthenshire	4,699	9	4,049	8
Monmouthshire	4,793	8	3,988	9
Denbighshire	4,588	11	3,829	16
Wales average	4,600		3,936	

- 3.3 Coupling this with Table 3, the comparative position of Gwynedd is therefore quite clear – the 3rd highest in Wales for every measure, spending approximately 10 -11% more than the average per pupil. Although we could expect to be around this level, bearing in mind the rural nature of the county, it is worth noting that the two more rural authorities than Gwynedd (Powys and Ceredigion) spend less.

Pupil : teacher ration (PTR)

- 3.4 In terms of PTR for every authority¹ it is seen in (Appendix 3) that Gwynedd's ration is 4th lowest in Wales namely 19.6, compared to the Wales total of 20.6. (Of course, it is the average position across every authority that is seen here and not necessarily the situation in every school or part of a school).

¹Please note that the latest PTR data reflect the position in January 2012 i.e. 2011/12 financial year, therefore, there is some timing difference between them and the financial data.

- 3.5 Although the Gwynedd PTR (4th lowest) corresponds to our expenditure position (3rd highest) the general lack of a link between both is striking. For example, the three authorities with a 'better' PTR than Gwynedd (Ceredigion, Powys and Carmarthenshire) spend less per pupil, whilst the two councils who spend more (Anglesey and Conwy) have 'worse' PTR. Unfortunately, there are different devolved policies etc and the effect on how expenditure is reported means that it is very difficult to find the root and reason for this. One would expect that it would be partly to do with the extent of how councils have re-organised the schools (i.e. more of the total going on staffing rather than building maintenance if there are less empty spaces) however, the figures do not indicate this decisively.

School sizes and differences within Gwynedd

- 3.6 Another important consideration is the way that county averages can hide significant differences between schools. Although £4,339 is the funding figure per pupil for the whole of Gwynedd (devolved funding), if you group schools according to their size there is a variety (on average) from £6,433 per pupil in schools with less than 40 pupils to £3,927 in schools with over 200 pupils.
- 3.7 **Appendix 2** gives details of a piece of work that attempts to compare the pattern of Gwynedd primary schools (i.e. in numbers and size) with Pembrokeshire and Powys and the effect on the resources available for the bulk of pupils.
- 3.8 The main messages from this are:
- Although Powys and Pembrokeshire are rural areas, with around 700-800 more pupils than Gwynedd, they have a smaller number of schools (significantly less in the case of Pembrokeshire; the pattern in Powys is a little closer to ours, however, they still have fewer schools).
 - If the school pattern in both counties was replicated in Gwynedd, then we would have around 57 schools rather than 102 (following the pattern of Pembrokeshire) or 91 (following the Powys pattern).
 - This would mean that our schools would be bigger on average – therefore less money would have to go towards maintaining higher funding per pupil as in our smaller schools.
 - Even by taking out the likely sum required for higher transport costs, the total sum 'left' (that could then be shared per pupil across all the schools) would be approximately £1.5m based on the Pembrokeshire pattern, or £0.5m based on Powys.
 - By excluding those pupils remaining in the smaller schools where the 'safety net' would still be relevant, this sum would correspond to £166 per pupil based on the Pembrokeshire pattern or £64 per pupil based on the Powys pattern.

4 Secondary Sector

- 4.1 Once again, we can have a more complete picture of the situation by looking at the **Schools Budget**; the gross figures are shown below.

Table 5
Schools Budget – secondary sector

	Gross	
	£ per pupil	Position (in Wales)
Ceredigion	5,717	1
Gwynedd	5,147	4
Pembrokeshire	5,126	5
Anglesey	5,113	6
Conwy	5,027	7
Carmarthenshire	5,014	8
Monmouthshire	4,880	15
Denbighshire	4,865	16
Powys	4,852	17
Wales average	4,949	

- 4.2 Since the above table is based on gross figures the expenditure and the number of pupils include post 16 as authorities vary in how much post 16 provision is available in our schools in the first place (tertiary situation in Dwyfor/Meirionnydd areas of Gwynedd specifically) it cannot be said that these figures are a true comparison of like with like.
- 4.3 To overcome this, below are the net figures which therefore do not include the expenditure funded by the 6th form grant and comparing with the number of pupils without including years 12 and 13².

Table 6
Schools Budget – secondary sector
excluding Yr 12 and 13 from the pupil numbers

	Net	
	£ per pupil	Position (in Wales)
Ceredigion	5,585	1
Anglesey	5,128	4
Conwy	5,084	5
Denbighshire	5,056	6
Gwynedd	5,033	8
Carmarthenshire	4,853	10
Monmouthshire	4,789	14
Pembrokeshire	4,735	15
Powys	4,637	17
Wales average	4,755	

²The actual numbers in January 2012 is the only available data which enables taking out post 16 pupils; unfortunately this means some timing difference between the financial data and the no. of pupils but this is the best that can be done to compare like with like.

- 4.4 In terms of pupil : teacher ratio, as the official figures include post 16 they would not give a balanced picture. However, there is data on the **average size of classes** – which is similar but not exactly the same – for year 7 to 11 and those figures are shown **in Appendix 3**. It is seen that Gwynedd has the 2nd smallest classes through Wales and very close to being the smallest.
- 4.5 This feature – namely that the size of classes in Gwynedd are small although expenditure is not amongst the highest has been noted in the past. A more detailed analysis suggests that Gwynedd spends less than similar councils on central headings such as SEN budgets and access to schools, and it is this rather than lower expenditure on teaching staff that causes the total funding per pupil to be lower. However, data limitations and the impact of different devolved policies makes it difficult to come to a specific conclusion on this.

5 Special Sector

- 5.1 Once again, we will look at the gross and net **School Budget** but this time we need to adjust the fact that the funding of special education is a responsibility for the authority where the pupils reside, rather than the education authority. As the Schools Budget includes payments to and income from other authorities for out of county pupils this element need to be taken out to be able to compare fairly with the number of pupils in the schools.
- 5.2 In addition, the actual number of pupils is used (January 2012) rather than the number of places used by the Government for this sector. Gwynedd’s data is adjusted for the impact of closing Ysgol Coed Menai during the middle of the year.

Table 7
Schools Budget not including out of county transfers – special sector

	Gross		Net	
	£ per pupil	Position (in Wales)	£ per pupil	Position (in Wales)
Monmouthshire	51,823	1	50,154	1
Carmarthenshire	27,372	6	23,418	3
Gwynedd	28,140	3	20,576	8
Denbighshire	24,031	10	20,575	9
Anglesey	18,912	18	18,624	11
Conwy	26,182	7	18,406	12
Powys	22,023	15	17,586	14
Pembrokeshire	23,257	13	15,431	19
Ceredigion	No special schools in Ceredigion			
	23,536		19,313	

- 5.3 It is more difficult to come to conclusions regarding this sector due to the differences in nature/extent of provision (e.e. it appears that the expenditure in Monmouthshire is so much higher as there is one special school there and it is residential for one specialist group of pupils). The situation in Ceredigion is also worth noting as there are no special schools there and therefore those pupils would either be out of county or attending mainstream schools (which partly explains the high expenditure level in Ceredigion particularly in the secondary sector).
- 5.4 All in all however, the data suggests the funding level in Gwynedd is higher than the average, contrary to the Government's statistics which is based on spaces rather than numbers and includes the devolved budget only.
- 5.5 The **pupil: teacher ratio** in special schools in Gwynedd is 3rd lowest through Wales (see **Appendix 4**). Once again it is likely that there are differences in the nature of the provision that influences these figures to an extent.

6 England and Wales Comparisons

- 6.1 One other question that comes up frequently in this context is the difference in education funding levels between Wales and England. The last set of data regarding this was published in January 2011, and indicated that education expenditure was £605 higher per pupil in England, based on actual expenditure 2009/10.
- 6.2 In the context of definitions in section 1 above it should be noted that this is based on **gross** and refers to the total **Education Budget**. Therefore, although the difference is expressed in terms of 'per pupil' some elements of the expenditure in question (college transport, student grants etc) do not concern school pupils at all.
- 6.3 Neither would it be correct to claim that the difference stems from 'less of the total is devolved to schools in Wales' or 'that too many resources go on the administration of education in Wales' as all the education expenditure, including administration and other central elements, are part of the total that is compared.
- 6.4 Previous work on this established that expenditure per pupil is generally higher in London and in the large English cities than in the remainder of England (higher wage rates would be part of the reason in London; it is not clear if it is a higher level of deprivation or other reasons for this in the other cities). Taking out those authorities (namely the former 'metropolitan' areas mainly) from the comparison then the difference would fall to £201 per pupil.
- 6.5 Furthermore, it appears that the difference of £201 falls within the categories of 'education except for schools' and that the expenditure on schools per pupil is actually higher in Wales than England outside the main cities. (Having said that, Welsh Government officers have noted that it is misleading to analyse the difference below the total in this way; it is therefore likely that care is required

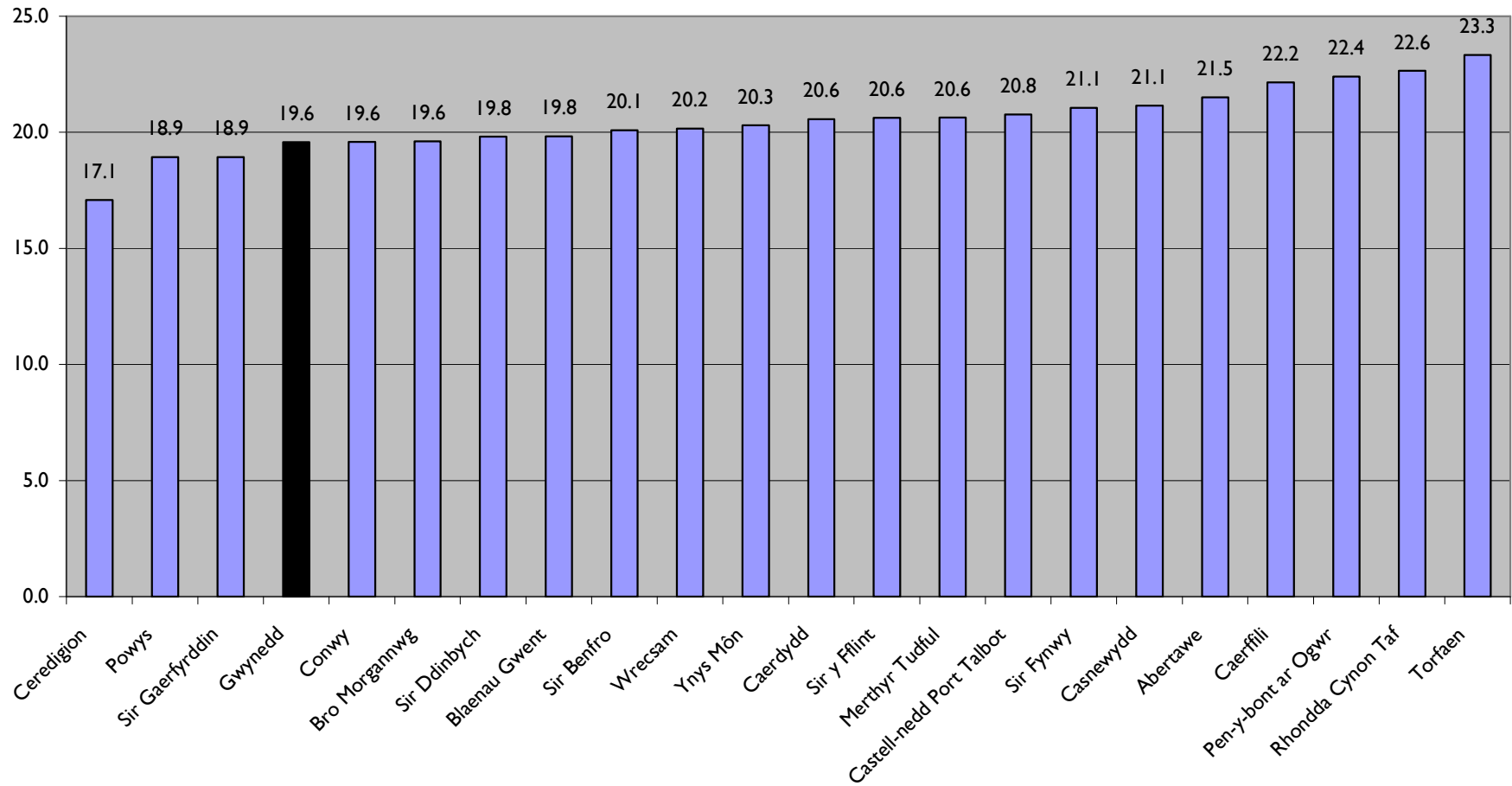
when interpreting this, although we still cannot see anything fundamentally wrong with the comparison).

- 6.6 In conclusion, whilst there is no doubt that expenditure in England is generally higher per pupil it can be questioned how meaningful the whole comparison is in a situation where the distribution of population in both countries is so different and where it appears that there are exceptional factors in the cities of England that require substantially higher expenditure. There is also a question mark (at least) regarding how much of the difference is relevant to schools, rather than the wider education field.
- 6.7 An article on statistics published by the Welsh Government (January 2012) explains that it is not possible now to compare Education expenditure between two countries. This is because a significant number of schools in England (over a third in the secondary sector) are about to be transferred into academies outside the management of local authorities. The financial data of academies is not currently collected consistently and even if it were available, it would be difficult to avoid 'double counting' with the local authorities information as the situation is so changeable.
- 6.8 Updates on this will not therefore be published in the near future, although the Welsh Government is committed to 'continuing to investigate options' in order to resurrect the comparison in future as they are 'aware of the high demand from users' for this data.

Appendix 1 Pupil : Teacher Ratio in Welsh Councils 2012 : Primary Sector (and nursery)

Welsh Councils Pupil:Teacher Ratio 2012: Primary Sector (&nursery)

Cymhareb disgybl:athro cynghorau Cymru 2012: Sector cynradd (a meithrin)



Appendix 2

Compare the impact of the Gwynedd primary school pattern with Pembrokeshire and Powys

Baseline – Gwynedd's actual position 2012/13

School Size (No. of pupils)	No. of Pupils	No. of Schools	Funding per pupil (£)
1 – 40	862	31	6,433
41 – 60	1,003	20	4,693
61 – 80	890	13	4,138
81 - 100	546	6	4,148
101 – 120	790	7	4,013
121 – 140	396	3	4,262
141 – 160	597	4	4,089
161 – 180	865	5	3,983
181 – 200	774	4	4,133
201 +	2,351	9	3,927
Total	9,074	102	4,339

Compare this with Pembrokeshire and Powys

Position 2012/13	Pembrokeshire			Powys		
	School Size (No. of pupils)	No. of Pupils	No. of Schools	School Size (No. of pupils)	No. of Pupils	No. of Schools
	1 – 40	85	3	1 – 40	555	20
	41 – 60	109	2	41 – 60	657	14
	61 – 80	635	9	61 – 80	696	10
	81 - 100	277	3	81 - 100	1,352	15
	101 – 120	976	9	101 – 120	664	6
	121 – 140	1,435	11	121 – 140	1,035	8
	141 – 160	299	2	141 – 160	1,364	9
	161 – 180	514	3	161 – 180	864	5
	181 – 200	392	2	181 – 200	760	4
	201 +	5,095	17	201 +	1,921	8
	Total	9,817	61	Total	9,868	99
	Average funding per pupil = £4,192			Average funding per pupil = £3,907		
Therefore:	<ul style="list-style-type: none"> Pembrokeshire has around 750 more pupils than Gwynedd However, they have over 40 schools less. 			<ul style="list-style-type: none"> The school pattern is more similar to Gwynedd However, they continue to teach a similar number of pupils to Pembrokeshire, in fewer schools than Gwynedd 		
If the pattern of Gwynedd schools corresponded						
	School Size (No. of pupils)	No. of Pupils	No. of Schools	School Size (No. of pupils)	No. of Pupils	No. of Schools
	1 – 40	79	3	1 – 40	510	18

Appendix 2

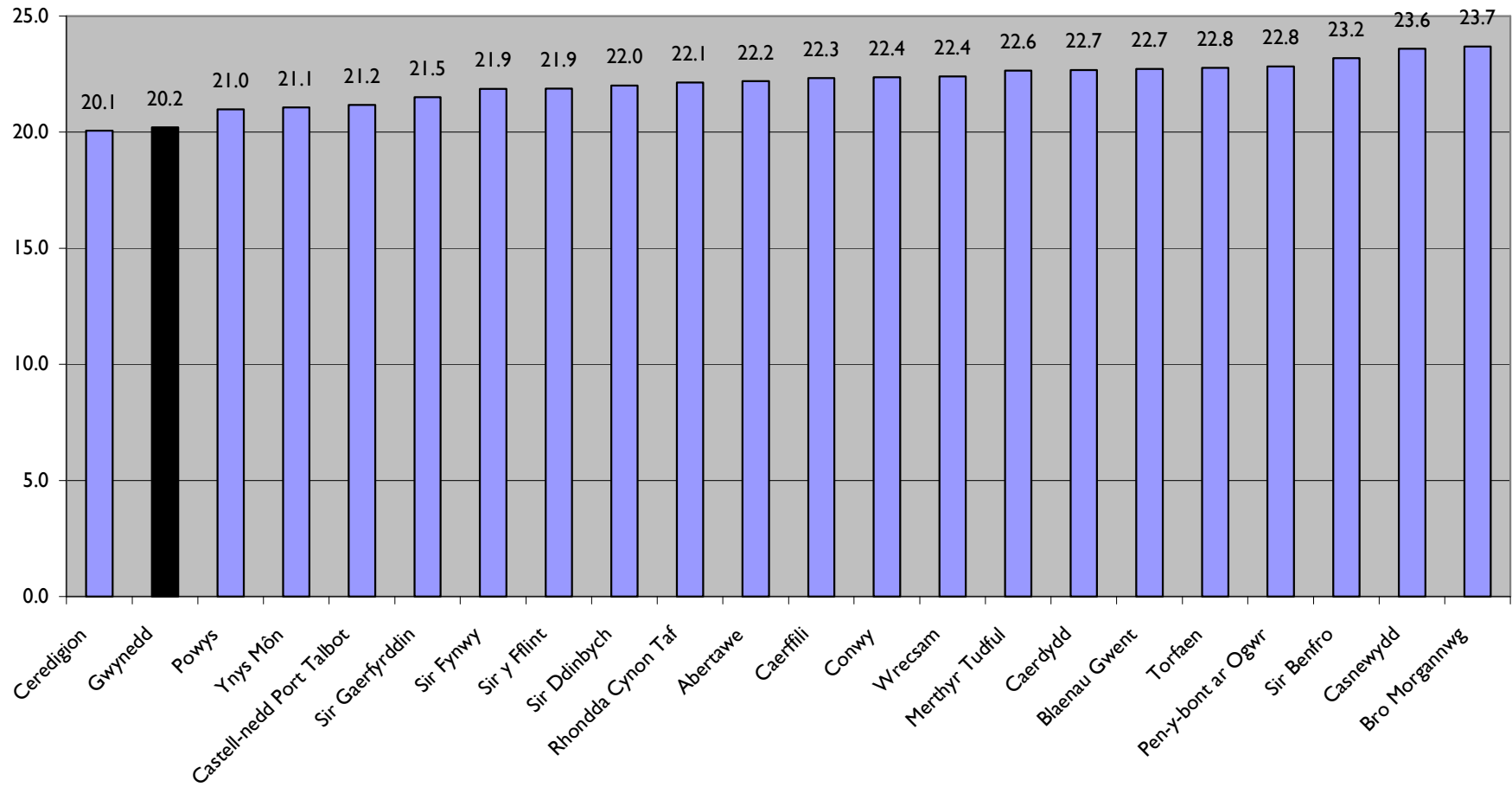
	Pembrokeshire			Powys		
to the pattern of this county , this would be the situation in Gwynedd	41 – 60	101	2	41 – 60	604	13
	61 – 80	587	8	61 – 80	640	9
	81 - 100	256	3	81 - 100	1,243	14
	101 – 120	902	8	101 – 120	611	6
	121 – 140	1,327	10	121 – 140	952	7
	141 – 160	276	2	141 – 160	1,254	8
	161 – 180	475	3	161 – 180	795	5
	181 – 200	362	2	181 – 200	699	4
	201 +	4,709	16	201 +	1,766	7
	Total	9,074	57	Total	9,074	91
Therefore:	<ul style="list-style-type: none"> We would have 45 less schools than we currently have On the whole those schools would be much more e.g. only 3 schools with under 40 pupils compared with the 31 now; 2 schools between 41-60 pupils compared with 20 now. 			<ul style="list-style-type: none"> It could perhaps be argued that Powys is more suitable for comparison purposes than Pembrokeshire, due to the more rural/scattered nature of the county. Even then, there would be 11 fewer schools and over a third less in the smallest size category 		
If the funding per Gwynedd pupil for every 'size band' remained consistent, what would be the financial impact of this?	<p>Current £39.373m Then £36.757m</p> <p>Difference £2.616m Less estimate of additional cost for transport £1.125m</p> <p>Therefore, around £1.5m would be 'released' by changing our school pattern to correspond to the one in Pembrokeshire.</p> <p>If this sum is then re-invested across all the schools, it would correspond to an additional £164 per pupil.</p> <p>(or £166 per pupil if pupils in schools with less than 40 pupils were excluded, who already have the 'safety net' addition).</p>			<p>Current £39.373m Then £380.548m</p> <p>Difference £825k Less estimate of additional transport costs £275k</p> <p>Therefore, around £0.55m would be 'released' by changing our school pattern to correspond to the one in Powys.</p> <p>If this sum is then re-invested across all the schools, it would correspond to an additional £61 per pupil.</p> <p>(or £64 per pupil if pupils in schools with less than 40 pupils were excluded).</p>		

Appendix 2 **Average size of classrooms in Welsh Councils 2012 : Secondary Sector (year 7-11)**

Appendix 3 **Pupil : Teacher Ratio Welsh Councils 2012: Special Sector**

Welsh Councils Average Class Sizes 2012: Secondary Sector (year 7-11)

Cyfartaledd maint dosbarthiadau cyngorau Cymru 2012: Sector uwchradd (blwyddyn 7-11)



Welsh Councils Pupil:Teacher Ratio 2012: Special Sector

Cymhareb disgybl:athro cynghorau Cymru 2012: Sector arbennig

