

***Distribution Sub-Group (2018) Paper 06 – Financial benchmarking data investigation***

**This discussion paper has been written by officials of the Welsh Government. Ministers have not had an opportunity to comment on the contents. Exemplifications of changes are provided simply to inform discussion by DSG members. They are not Welsh Government proposals or statements of Government policy for or against changes.**

**Summary**

1. This paper provides an initial overview to the schools benchmarking data provided to Welsh Government by Data Unit Wales.

**Views Sought**

2. DSG members are asked to:
  - note the progress made analysing the schools benchmarking data;
  - consider the analysis presented here;
  - consider the validity of this in developing the schools element of the funding formula;
  - consider what further analysis the group would find helpful;

**Related Papers**

3. Distribution Sub-Group (2017) – School financial benchmarking

**Background**

4. The school financial benchmarking data were provided to Welsh Government officials through Data Unit Wales. Due to the sensitivity of the data we have been asked by the data unit not to share all the data we originally received.
5. The data comprises of information provided in the section 52 budget outturn data collection, PLASC and Secondary schools financial benchmarking.
6. The data are currently used by schools and/or Local Authorities (LA) to benchmark their financial information between schools and/or LAs.
7. The data provided gives contextual information about each school banding and the expenditure of certain financial elements of the school. Unit costs are then calculated from elements of expenditure divided by the contextual information (i.e. Teacher spend per pupil). Annex A provides a list of fields currently available.

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### **Analysis**

#### Contextual information

8. The dataset currently covers 138 secondary schools in Wales, around 70.8% of all secondary schools for 2016.
9. Table 1 demonstrates the distribution of the size of schools, by pupil numbers, within the sampled data.

**Table 1: Distribution of School size in sample**

Pupil Numbers Banding	Percentage of Schools
0-500	9%
501-750	26%
751-1000	32%
1001-1500	22%
Over 1500	10%
Total	100%

10. There were an estimated 127,201 full time equivalent pupils in 2016/17, in the sample, compared to a total 174,812 pupils in the whole of Wales<sup>1</sup>.
11. Data Unit Wales were not able to provide Welsh Government officials the local authority of each school, due to anonymity of the data.
12. In the sample data, the total school budget at the start of the year for 2016-17 equates to £575 million, 70.8% of all secondary school budgeted expenditure for 2016/17<sup>2</sup>.

#### Expenditure Information

13. The income/expenditure data provided are broken down into 18 fields (See Annex A).
14. Table 2 provides the percentage share of expenditure by type from 2013-14.
15. The highest gross expenditure types, across all four years, were on *teachers*. This accounted for 66.2% of the total gross expenditure for 2016-17, in the data provided to Welsh Government. This was followed by *support staff* and *teaching assistants*.

<sup>1</sup> <https://statswales.gov.wales/Catalogue/Education-and-Skills/Schools-and-Teachers/Schools-Census/Pupil-Level-Annual-School-Census/Pupils/pupils-by-localauthorityregion-agegroup>

<sup>2</sup> <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Revenue/Delegated-School-Budgets/delegatedschoolbudgets-by-school>

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**Table 2: Percentage share of expenditure type**

<b>Expenditure Type</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
Gross expenditure on teachers (£)	66.7%	66.0%	66.4%	66.2%
Gross expenditure on support staff (£)	9.5%	9.7%	9.9%	9.7%
Gross expenditure on teaching assistants (£)	5.6%	5.9%	6.1%	6.3%
Gross expenditure on capitation, resources and reprographics (£)	5.0%	5.0%	4.7%	4.6%
Gross expenditure on supply cover (£)	2.1%	2.3%	2.2%	2.6%
Examination feeds paid to examination bodies (£)	2.4%	2.4%	2.5%	2.6%
Gross expenditure on cleaning (£)	2.1%	2.1%	2.1%	2.2%
Gross expenditure on building maintenance (£)	1.9%	2.0%	1.5%	1.5%
Gross expenditure on caretakers (£)	1.2%	1.3%	1.3%	1.3%
Gross expenditure on electricity (£)	1.1%	1.1%	1.1%	1.0%
Gross expenditure on supply insurance (£)	0.6%	0.6%	0.6%	0.6%
Gross expenditure on gas (£)	0.8%	0.8%	0.6%	0.5%
Gross expenditure on midday supervisors (£)	0.4%	0.3%	0.3%	0.3%
Gross expenditure on water (£)	0.3%	0.3%	0.3%	0.3%
Gross expenditure on grounds maintenance (£)	0.3%	0.3%	0.3%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

16. Schools can also generate their own income, for 2016-17 this equated to £5.1m (0.9 per cent of all gross expenditure captured in the sample).

### Unit costs

17. As between 82.0 and 82.8 per cent of outgoing expenditure are spent on staff<sup>3</sup>, this section investigates the costing of these staff per pupil.
18. Table 3 shows the average (mean) expenditure for staff per FTE pupils. The latest available data show that £3,897 (standard deviation (SD) = ± £470.71) was spent on staff expenditure per pupil.
19. This value ranged from £3,689 (SD = ± £272) in schools with over 1500 pupils to an average of £4,415 (SD = ± £879) in schools with between 0-500 pupils.
20. No regional information are available for comparisons for spend between local authorities.

**Table 3 - Gross expenditure on staff per FTE pupil (standard deviation in brackets)**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
0-500	£3,952.97 (£565.85)	£4,166.61 (£777.78)	£4,260.79 (£783.55)	£4,415.25 (£879.07)
501-750	£3,674.77 (£375.42)	£3,759.40 (£285.25)	£3,928.26 (£361.82)	£4,109.26 (£405.97)
751-1000	£3,582.24 (£800.25)	£3,743.13 (£634.80)	£3,773.28 (£277.24)	£3,898.65 (£317.38)
1001-1500	£3,526.95 (£930.27)	£3,599.63 (£739.45)	£3,710.36 (£751.07)	£3,824.40 (£366.10)
Over 1500	£3,356.78 (£174.18)	£3,449.69 (£219.46)	£3,539.89 (£241.79)	£3,688.61 (£272.34)
<b>All size bands</b>	<b>£3,561.69 (£370.06)</b>	<b>£3,670.83 (£421.18)</b>	<b>£3,761.59 (£440.56)</b>	<b>£3,897.06 (£470.71)</b>

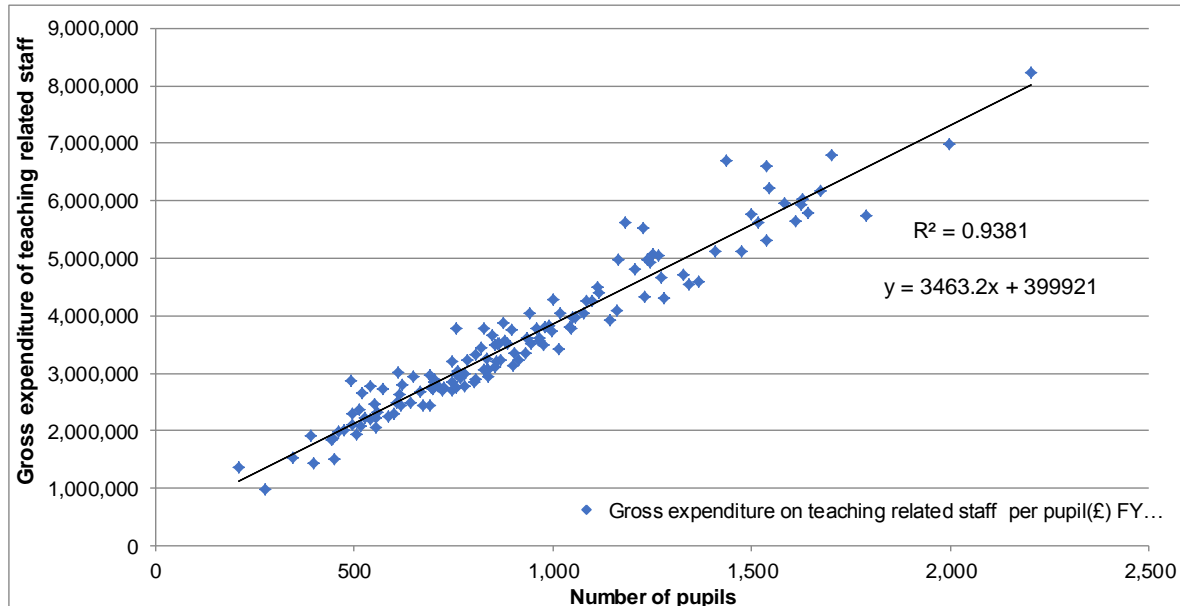
21. Chart 1 presents a visual representation of the expenditure on teaching staff per pupil.

<sup>3</sup> The staff expenditure includes teachers, teaching assistants, support staff and midday supervisors.

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22. The model below explains 93.8% of the variability ( $R^2$ ).

**Chart 1 – Number of pupils by total gross expenditure on teaching staff, for 2016-17**



### **Conclusion**

23. The DSG are asked to consider the information in this paper and to discuss the potential of this dataset in developing the education element of the settlement either as part of DSG or with an education sub-group.
24. Are there any information that would be relevant that is currently not captured?
25. The impact of non-teaching staff (head teachers/ SLT) on the staff expenditure costs.

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### **Annex A – Data fields**

<b>Context</b>
Number of FTE pupils
Percentage of pupils eligible for free school meals
Percentage of pupils with SEN
Number of FTE pupils educated in the Special Needs Resource Base (SNRB)
Number of FTE teachers
Number of FTE teaching assistants
Number of FTE support staff
Internal floor area in m2
Does the school have sixth form provision?
Does the school have a swimming pool?
<b>Income/Expenditure</b>
Gross expenditure on teachers (£)
Gross expenditure on teaching assistants (£)
Gross expenditure on support staff (£)
Gross expenditure on midday supervisors (£)
Gross expenditure on caretakers (£)
Gross expenditure on supply cover (£)
Gross expenditure on gas (£)
Gross expenditure on electricity (£)
Gross expenditure on water (£)
Gross expenditure on supply insurance (£)
Income received from supply insurance compensation (£)
Gross expenditure on building maintenance (£)
Gross expenditure on grounds maintenance (£)
Gross expenditure on cleaning (£)
Gross expenditure on capitation, resources and reprographics (£)
Examination fees paid to examination bodies (£)
Income received from lettings (£)
Balance at year end (£)
<b>Unit Cost</b>
Gross expenditure on teachers per FTE (£)
Gross expenditure on teaching assistants per FTE pupil (£)
Gross expenditure on support staff per FTE pupil (£)
Gross expenditure on midday supervisors per FTE pupil (£)
Gross expenditure on caretakers per m2 internal floor area (£)
Gross expenditure on gas per m2 internal floor area (£)
Gross expenditure on electricity per m2 internal floor area (£)
Gross expenditure on water per FTE pupil (£)
Gross expenditure on supply insurance per FTE pupil (£)
Gross expenditure on building maintenance per m2 internal floor area (£)
Gross expenditure on cleaning per m2 internal floor area (£)
Gross expenditure on capitation, resources and reprographics per FTE pupil (£)
Balance at year end as a percentage of the school budget (%)