



Official statistics on school funding

This annex accompanies [our letter dated 30 May 2019 to Neil Mclvor](#). It explains some of the key factors which impact analysis of schools funding and sets out the case for the development of official statistics on school funding.

What questions need to be answered?

Good quality clearly explained statistics about expenditure on public services are essential to inform debate about the appropriate use of taxpayers' money. In the context of school funding:

- Teachers, parents and the wider public want to know how funding has changed in their schools, and whether there is sufficient funding to teach local children.
- Ministers and MPs want to know how total school funding compares to historic levels, and how funding in schools in England compares to other countries.
- There is an interest in how school funding is being spent, for example how much is directly spent on teaching, compared to other costs such as administration.

While an official statistics publication may not be able to answer all questions of funding needs, it would help support understanding and illuminate the key issues that users want to address.

What data is available?

Our work in this area has highlighted five frequently used sources of information about school funding:

1. Department for Education (DfE) [Official Statistics and Management Information releases](#) – Includes a wide range of data on school funding, such as annual figures on: [funding to local authorities through the dedicated schools grant](#), [school level revenue funding](#) and [school level capital funding allocations](#).
2. DfE press releases – such as [Justine Greening statement on school funding](#) and [Damian Hinds statements on new funding to support children with Special Educational needs](#) provide high level summaries of changes to funding policy.
3. Institute for Fiscal Studies research reports – most recently the [2018 annual report on education spending in England](#) provides commentary, analysis and data on national education spending from pre-school to higher education.
4. [School Cuts website](#) – an interactive tool which presents changes in per pupil funding between 2015 and 2019 at school and local authority level in England and Wales, using a methodology developed and implemented by the [National Education Union](#).
5. OECD statistics – such as [Education Spending Indicators](#) show how different types of education spending in the UK compares to other countries.

Why is it difficult to form an authoritative view?

Each of these sources present a different analysis of school funding figures.

There are many factors which impact the analysis and interpretation of school funding figures, and which can mean that statistics do not necessarily reflect the lived experience of those in the school system.

There are choices about how to present school funding figures:

- Funding figures can be presented in real or cash terms. A different picture can be presented once figures are adjusted for inflation.
- If adjusting for inflation, it is necessary to make a choice of deflator. In England, different elements of the costs of running a school can go up at different rates. In recent years, some elements have increased in cost faster than inflation, while other elements have gone up slower. This means that even if a school has an inflation-adjusted increase in funds, it may not be able to buy as much as in previous years. It is therefore important for the Department to explain the rate of inflation it chooses to use.
- Funding figures can be presented in total, or per pupil, terms. It is possible for total school funding to increase whilst per pupil funding decreases, and vice versa.
- There are a range of different grants through which schools receive their funding. Different grants are allocated at different times, can be applicable to different types of institution, relate to different groups of pupils, and cover different time periods. The grants landscape can also change from year to year.

The implementation of the National Funding Formula for schools also has an impact:

- The DfE ring-fences money for schools and high needs through the Dedicated Schools Grant. However, there is some flexibility for Local Authorities to move money between functions, which may mean some Local Authorities pass on a different amount of money to mainstream schools than that allocated by DfE.
- The DfE allocates funding to Local Authorities for mainstream schools in their area on the basis of a school level National Funding Formula, however Local Authorities subsequently distribute this money to schools using local formulae. As a result, a Local Authority may give its schools different allocation amounts than they would have received under the national formula arrangements.
- Much of the funding that schools receive is allocated on the basis of their number of pupils. Whilst in recent years school pupil numbers have been increasing, some schools may see year to year falls in their overall pupil numbers for various reasons. For such schools, their per pupil funding may be increasing whilst the total funding is decreasing.

The Department has focussed on protecting revenue funding for school age pupils up the age of 16, but other funding streams may have reduced:

- Schools may feel the impact of reductions in capital funding for schools (e.g. to enable schools to expand).
- Funding for school sixth forms has not been protected, which means that some schools with sixth forms may have experienced reduced overall budgets.

How would an official statistics publication help?

Currently there is no comprehensive source of information which provides:

1. National, local authority and school level funding, both at total and per pupil level, in cash terms, and adjusted for inflation.
2. Historic and present funding for schools.
3. Data limitations and policy changes which should be considered in the analysis of school funding figures.

The [Code of Practice for Statistics](#) sets out that “statistics and data should be presented clearly, explained meaningfully and provide authoritative insight that serves the public good”. The development of an official statistics publication which complies with the Code of Practice for Statistics could help move the debate away from the different ways of measuring funding and enhance confidence in the figures used in debate.

By setting out figures in an accessible way, it would be easier for the Department to refer to a respected and consistent source. It would enable people to be confident that figures used had been subject to quality assurance and would enable them to explore any known quality issues. The development of an official statistics publication through engagement with users would enhance the relevance and value of these statistics.