

Implementation of Recommendations on School Funding – Follow Up Report

Response from Bridgend County Borough Council

1. The funding process

General points

There are many dimensions to the funding process. This, in itself, causes confusion. Locally, it is apparent that many stakeholders do not understand all the various aspects of funding and therefore it must be concluded that the process is not transparent enough.

Issues of concern include:

- 1) The transparency and appropriateness of funding mechanisms from WAG to local authorities. As an authority with above average deprivation which is expected to deliver the same standards as elsewhere, it is difficult for local stakeholders to understand how and why the Council receives almost the lowest per capita funding for education.

Increasing drive to set national standards, e.g. Foundation stage, 14-19 curriculum offer, etc., but funding mechanism doesn't reflect/allow this. Many school related costs are nationally determined, e.g. teachers pay, energy costs and there is little flexibility locally to vary these. Also not recognised in formula.

In the Education IBA formula we understand that the quantum for areas of activity has been based on historical expenditure. This can distort resource allocation and act against the implementation of new priorities, e.g. if funding were to be directed at small schools there would be little incentive for authorities with small schools to change their organisation to something more sustainable.

The Bramley report concluded that the current methodology inadequately addresses deprivation and social disadvantage which are major causes of poor educational outcomes. Low funding locally has inhibited the Council's ability to meet the needs of pupils with additional educational needs.

- 2) We recognise and understand the arguments both for and against hypothecation. However, if the allocation methodology is intended to reflect local needs and national priorities, then expenditure which deviates from this, may result in neither being met.
- 3) WAG responds to this tension by allocating significant levels of resourcing through specific grants. Factors which can prohibit transparency in relation to grants include: late notification; short timescales; uncertainty re year-on-year position.
- 4) It would be useful (as has been done in previous years), if there are issues/funding within the annual settlement that relate to Education, that the Department within the Assembly notifies directors of Education directly of these issues and the funding associated with them so that mechanisms can be put in place to ensure these are realised.
- 5) At local level the timing of national budget announcements in relation to Christmas/school holidays can restrict consultation with stakeholders.
- 6) Lack of consistency in financial reporting.
- 7) Need for more benchmarking information but it isn't possible to look at school funding in isolation – need also to consider non-delegated. Not easy to know whether comparisons are legitimate, e.g. taking account of capital related expenditure set against revenue budgets, such as PFI unitary charges which can distort overall figures and only apply in a few cases.
- 8) Need for re-statement and up-dating of principles of local management of schools. In many authorities, there appears to have been little change in arrangements since the School Standing and Framework Act in 1998. However, there have been changes in people; the context and national aspirations/expectations in relation to education, children and young people, and across all areas of local authority responsibility, including 14-19, post 16, partnerships, well-being, community focused schools, etc.
- 9) Problems arising from different funding streams pre and post-16. Different methods of funding, different information requirements and methodologies, leading to lack of clarity and confusion.

2. Access to information including the provision of information on the web

The quality of comparative information at school or authority level is poor. There are many reasons for this:

- 1) apparently huge inconsistencies in financial reporting (at school and LEA level)
- 2) inadequate supporting/benchmark information to ensure comparisons are 'like for like'/legitimate.
- 3) Wales is perhaps too small to provide genuine 'statistical' neighbours at school or LEA level.
- 4) simplification of Section 52 returns took away detailed information from which it was possible to gather useful information.
- 5) the need to find ways of making allowances for differing patterns of delegation.
- 6) Greater range of meaningful comparative statistics including more analysis from ROs which don't seem to be used at all for comparative information.
- 7) Manoeuvring around the WAG website not straightforward and often difficult to find information. Governors feel that it is even more confusing for them and this should be borne in mind when making information available.

3. Additional funding

- 1) Often late notification, either of grant or associated processes and no consistency from one grant to another.
- 2) 'bureaucracy' may be out of proportion to size of grant – many grants are relatively small and needs to be acknowledgement of extra workload for schools and councils through funding mechanism.
- 3) concerns about criteria for distributing grant – often no rationale; no inflation year on year; no clear exit strategy (Councils and schools cannot just keep absorbing additional responsibilities).

- 4) too many late allocations to use up funding at year end – good to have funding but doesn't facilitate best use of resources.
- 5) more longer-term funding packaged into sensible amounts with greater flexibility, including ability to carry forward (especially capacity).

4. Investment in school buildings

Investment in school buildings is improving, but there is still a way to go.

The Council itself recognises the need to put more financial information on its website, including the capital programme and the condition of school buildings which would, in itself, give reasons for investment in specific school buildings.

Schools aren't aware of the various sources of funding for school buildings, and a website (WAG) dedicated to this, explaining the sources etc would improve school's knowledge of this. Could include various grants (SBIG), capital receipts, prudential borrowing, and direct schools to their own capital programme. Would fill a huge knowledge gap.

5. School budget fora

School budget fora operating well locally, a lot more meaningful than in previous years under other arrangements. A lot of information is provided

Review of terms of reference and / or membership could be reviewed. With the current 1:4 ratio of non-school to school members, there is not sufficient scope for non-school members without making the quantum of school members too large to enable the group to be meaningful.