

National Assembly for Wales
Enterprise and Learning Committee

Arrangements for School Funding
Follow-up Inquiry

October 2009



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Introduction

1. The purpose of this short inquiry was to scrutinise the Minister and teaching unions on progress made since the Enterprise and Learning Committee published its report into [Arrangements for School Funding in Wales](#) in May 2008. Our report was itself a follow-up to the [Report on School Funding Arrangements](#), published by the Committee on School Funding in 2006. Our current report summarises the written and oral evidence we received and makes recommendations.

Background

2. One of the main issues to emerge during the Committee on School Funding's inquiry was the existence of a "funding fog" surrounding arrangements for school funding and a "perception of a complicated and unresponsive system where accountability was scattered and unclear." The Committee on School Funding also concluded that overall funding for schools in Wales and the way in which that funding was distributed seemed to be driven more by historical patterns of spending rather than any objective assessment of schools' current and future needs.
3. The Committee on School Funding made 27 recommendations (which are listed in full in Appendix A of this report). The key recommendation was for the Welsh Assembly Government (Welsh Government) to review the education element of the local government distribution formula so that it would be based on the current and future costs of providing education rather than on historical costs.
4. In response to the report, the then Minister for Finance, Local Government and Public Services commissioned a study by Heriot-Watt University into [Alternative Resource Allocation Models for Local Services in Wales](#) (the "Bramley Report"). The Welsh Government clarified in its written evidence to our current inquiry that it would not be implementing the funding scenarios set out in the Bramley Report. Instead, officials are considering changes for making school funding more outcome-focused in a way that will not destabilise local authority funding. The Minister for Social Justice and Local Government is taking the lead on that work¹ (see paragraph 21 below).

¹ Record of Proceedings column 107, 9 July 2009, Annex 2

5. The Enterprise and Learning Committee's follow-up inquiry in 2008 included scrutiny of the Wales Audit Office, Estyn, Professor Glen Bramley (author of the Bramley Report) and the then Minister for Education, Lifelong Learning and Skills. The Committee also consulted stakeholders at all levels in Wales to seek their views.
6. Our 2008 report noted that while progress had been made in some areas such as the introduction of three-year funding, little progress had been made in other areas, in particular:
 - Effective information – guidance, comparability and availability
 - Effective use of funding
 - Effectiveness of school budget forums
 - Quality of school buildings, especially toilets.
7. Our report made ten recommendations (listed in full in Appendix B of this report), six of which the Welsh Government accepted and four of which the Government accepted in principle. Our key recommendations were for the Bramley Review to be implemented; for transparency of funding through a school funding website; and for transparency of comparison in spend between schools.
8. Since the time our report was published last year, new issues have emerged to influence our current inquiry, such as funding issues arising from the implementation of 14-19 Learning Pathways; and the inquiry into hypothecated grants by the National Assembly's Finance Committee,² which looked at the range of specific education grants and how the administration and processing (the bureaucracy) of education grants could be streamlined to make them more efficient.

Overview of school funding

9. Schools are funded by local authorities, which in turn receive around 80% of their schools' funding from the Welsh Government.
10. Welsh Government funding is primarily provided in the form of Revenue Support Grant, which is un-hypothecated (that is, there are no conditions placed on how local authorities allocate it) and distributed to local authorities on the basis of Standard Spending Assessments.³
11. The Standing Spending Assessment (SSA) is further split into service-specific Indicator-Based Assessments (IBAs).⁴ The Welsh Government does not set targets for local authority expenditure on schools. Local authorities therefore have the discretion to set their school service budgets above or below IBA, and their overall budget above or below their individual SSA, according to their own priorities and their own funding formula.

² Inquiry into Specific Education Grants, Finance Committee, August 2009

³ SSAs are the amount of revenue expenditure, net of specific grants, which the Welsh Government considers appropriate for each local authority to spend to provide a basic level of service at a common rate of Council Tax

⁴ SSAs and IBAs are mechanisms for distributing funding. They are not intended to be prescriptive for local authority spending

12. Welsh Government funding is provided to all local authorities for pre-16 provision in schools maintained by the authority and in voluntary-aided schools. Funding for post-16 provision in schools is provided by the Welsh Government in the form of a specific grant.
13. The remaining 20% of school funding is raised locally, primarily through Council Tax. Local authorities may receive additional funding in the form of hypothecated grants from the Welsh Government aligned to its strategic priorities. The Welsh Government also provides capital funding grants for schools.

Evidence Base

14. For this follow-up inquiry, we received written and oral evidence from the Minister for Children, Education, Lifelong Learning and Skills, and from the teaching unions – the National Association of Head Teachers / Association of School and College Leaders, National Union of Teachers (NUT), NASUWT, Undeb Cenedlaethol Athrawon Cymru (UCAC), and the Association of Teachers and Lecturers. Their written evidence is included in Annex 1 and their oral evidence in Annex 2.

Clarity and comparability of funding

Revenue Support Grant

15. While some witnesses felt that progress has been made towards achieving greater clarity and comparability of school funding,⁵ it was felt there is still some way to go.
16. The NUT provided us with a copy of a report it commissioned from consultant John Atkins in mid-2008⁶ which highlighted the differences between funding in Wales compared with England, and also between the 22 Welsh local authorities. The report questioned why, if Wales is spending only 1 per cent less per head of population on education than England, is it spending 9.5 per cent (£495) less per pupil? The discrepancy, the report argued, does not appear to be explained by differences in the age distribution of the population, nor by differences in the comparative basis of spending, nor by the take-up of private education. The Minister told us that spend is not directly comparable because it includes adult education, youth training and student awards.⁷
17. NASUWT was of the view that the Welsh Government is failing both to ensure funding is made available to the education sector in Wales and that the distribution of education funding is fair and equitable across Wales, concerns shared by the Association of School and College Leaders and the National Association of Head Teachers.⁸ The Association of School and College Leaders told us that there is a lack of consistent financial reporting, and that greater access to high-quality information on

⁵ National Association of Head Teachers/Association of School and College Leaders

⁶ The funding of education in Wales – an update report, NUT Cymru, 21 March 2009

⁷ Record of Proceedings column 113, 9 July 2009, Annex 2

⁸ Record of Proceedings columns 29-31, 9 July 2009, Annex 2

funding issues is needed if Wales is to plan for the future and manage schools effectively.⁹

18. The Welsh Government was heavily criticised for its “unexpected and very late”¹⁰ decision to cut the post-16 education budget by 7.4 per cent in March 2009, after school leaders had planned their curriculum and staffing for 2009/10 - a decision that was later reversed. NASUWT “wished to disabuse [us] of any notion that the restoration of the cut addressed adequately the funding requirements of post-16 education.” The Association of School and College Leaders raised concerns that the impact on schools will be much larger classes and fewer opportunities for children as well as a reduction in pupils’ performance at key stages 3 and 4. They believed there was a risk that children in Wales will be left at a disadvantage compared with those in England, although collaboration and learning good practice would go some way to addressing those concerns.¹¹

19. We also received information from the Neath Port Talbot Schools Forum that was referred to us by the Chair of the Finance Committee,¹² which raised concerns about funding levels from the Welsh Government through the Revenue Support Grant and the impact on schools in that particular local authority. The Welsh Government stated in a paper to the Finance Committee in June 2009¹³ that the local government settlement for 2009/10 was,

“tight but it was also a fair deal for both local government and council tax payers against the context of the general financial climate.”

20. In her oral evidence to us, the Minister stated that education spend has increased year on year. Spend per pupil is now 81 per cent higher than it was in 1999/2000, and budgeted gross expenditure per pupil is set to rise yet again in 2009/10 by 4.5 per cent – all set against a backdrop of falling pupil numbers and fewer schools.¹⁴

21. The Minister’s written evidence stated that while the Welsh Government does not intend to implement the funding scenarios set out in the Bramley Report, it is consulting with local authorities on modelling changes to the distribution of Revenue Support Grant to make it more targeted and outcome-focused. The approach would involve incorporating an under-achievement indicator into the secondary school formula by taking a top slice of the total and applying the new indicator on the top slice amount. If successful, the approach could be applied to other parts of the Standard Spending Assessment formula. This work is part of a wider joint programme that includes reviewing the model for mainstream schools and developing a better indicator of deprivation than the current one of free school meals.¹⁵ The Minister said it was a case of phasing in

⁹ Record of Proceedings column 7, 9 July 2009, Annex 2

¹⁰ National Association of Head Teachers/Association of School and College Leaders

¹¹ Record of Proceedings columns 41 and 96, 9 July 2009, Annex 2

¹² Letter to the Minister, Annex 3

¹³ Unpublished

¹⁴ Record of Proceedings columns 104 and 111, 9 July 2009, Annex 2

¹⁵ Record of Proceedings column 123, 9 July 2009, Annex 2

change by “introducing a change in formula funding without a growth in budget.”¹⁶

- 22. We recommend that the Welsh Government should review school funding mechanisms to reduce obscurity, complexity and disparity within the current system, to improve its responsiveness to current and future need, and to focus on desired outcomes. We also recommend that new approaches to funding distribution should be subject to robust scrutiny and a timetable for implementation published so that progress can be monitored.**

Education grants

23. The NUT’s written evidence stated that because there are at least 23 different direct “education-related” grants available from the Welsh Government, the situation is confusing and complex to monitor with the result that not all schools are able to benefit from them. Direct grants, it was argued, are not appropriate for supporting major changes in curriculum or in the shape of provision or for meeting long-term needs, especially where there is or will be a legislative or inspection-based requirement to implement such changes. UCAC and the Association of Teachers and Lecturers¹⁷ argued that the current grants system can hamper head teachers because it leads to extra workload, distraction from core business and ineffective use of resources in preparing, processing and auditing bids.
24. We agree that while educational grants may be the preferred approach for funding new initiatives or for implementing good practice, they are not appropriate for sustaining day-to-day school activity. We were therefore pleased to hear from the Minister that she is currently looking at grant rationalisation in response to the Finance Committee’s report and expects to have made “tangible progress” by spring 2010.¹⁸
- 25. We recommend that the Welsh Government should provide us with early sight of its response to the Finance Committee’s report, and that it should not only look to improve the transparency of information about educational grants and reduce the bureaucracy of administering them but seek to replace inappropriate use of grants with a more targeted and sustainable approach.**

¹⁶ Record of Proceedings column 131, 9 July 2009, Annex 2

¹⁷ Record of Proceedings column 74, 9 July 2009, Annex 2

¹⁸ Record of Proceedings columns 105 and 144, 9 July 2009, Annex 2

Local authority funding

26. The NUT, NASUWT and UCAC argued that because local education authorities establish their own funding formulae for education provision and report their schools' data in different ways, this creates complications in trying to understand how individual schools are funded and creates problems with comparison and transparency.
- 27. We recommend that the Welsh Government should improve the transparency, comparability and consistency of published information on school funding in Wales, both on the funding distributed to local authorities and in turn to schools; also the requirements for reporting on education expenditure.**
28. In its written evidence the NUT questioned whether local authorities devote a fair proportion of what they receive to education and suggested that 14 of the 22 local education authorities in Wales spend less on education than their Indicator-Based Assessments (IBAs) would indicate, the lowest being 94.3 per cent of IBA. In its written evidence, the Association of Teachers and Lecturers called for funding to be ring-fenced "and not allow for syphoning off into other services, as seems to occur in several authorities." NASUWT was particularly concerned that school money was being retained by some local education authorities.¹⁹
29. UCAC referred to the "postcode lottery"²⁰ where spending on education varies according to how high it is on the political agenda and which some head teachers believe places certain types of schools at a disadvantage (small primary schools and Welsh-medium secondary schools of medium size). The National Association of Head Teachers told us that the percentage of funding provided by local authorities to schools has reduced consistently over the last ten years or so and in some areas by around 70 per cent.²¹
30. The Association of School and College Leaders told us that they were in favour of local democracy, but there should be a greater degree of ring-fencing to ensure that funding reaches the chalk face.²² In fact there was general support across the teaching Unions for increased consistency in distributing funding at a local authority level and some support for reviewing the possibility of a recommended minimum education funding requirement. The Minister was adamant, however, that IBA is not a spending target.²³
31. The Minister told us that the Welsh Government expects local authorities to achieve economies of scale through their procurement policies, to tackle surplus capacity, to avoid waste and to take tough decisions about school reorganisation and strategic planning, linked to capital investment.²⁴

¹⁹ Record of Proceedings column 52, 9 July 2009, Annex 2

²⁰ Record of Proceedings column 51, 9 July 2009, Annex 2

²¹ Record of Proceedings column 36, 9 July 2009, Annex 2

²² Record of Proceedings column 21, 9 July 2009, Annex 2

²³ Record of Proceedings column 113, 9 July 2009, Annex 2

²⁴ Record of Proceedings column 113, 9 July 2009, Annex 2

32. We appreciate the importance of local authorities having discretion and flexibility over school funding to respond to local needs and circumstances, but we also see the need for greater consistency and comparability between funding mechanisms across Wales. **We recommend that the Welsh Government commission an independent review of schools' revenue needs which would form a basis for agreement between the Welsh Government and local authorities on a recommended minimum funding requirement in respect of local authorities' education spend.**

School funding website

33. In our previous report on Arrangements for School Funding in Wales we made recommendations for a School Funding Website, in particular that the website should be clearly advertised by the Welsh Government to parents, teachers, governors and school forums; that the website should include a funding area with information on capital funding; and that the Welsh Government should seek and act on feedback from all stakeholders on the content, currency and usefulness of the site.

34. The Minister's written evidence states that she is "confident that the school funding webpages are a useful and easy to use resource for schools, authorities and members of the public." This was not the view of some of our witnesses, however.²⁵ **We welcome the Minister's willingness to receive comment and feedback on improving the school funding website,²⁶ and we recommend that the Welsh Government should review the accessibility and interactivity of the website to ensure it is fit for purpose by seeking the views of stakeholders.**

School buildings

35. There was much concern that the school building stock in Wales is inadequate and that such deficiencies adversely affect student learning and waste energy and money.²⁷ The Minister herself recognised that there is a real task to do in refurbishing and rebuilding the school capital estate across Wales.²⁸

36. We appreciate that local education authorities are trying to tackle the problems with school buildings but we believe they need support in being prudent with spend for this work. We were therefore pleased to hear that the Minister has approved 32 local authority projects in the first tranche of applications to the Twenty-first Century Schools programme; the second tranche of applications has just been submitted for this year.²⁹

²⁵ NUT written evidence, Annex 1; UCAC Record of Proceedings column 88, 9 July 2009, Annex 2

²⁶ Record of Proceedings columns 103 and 143, 9 July 2009, Annex 2

²⁷ National Association of Head Teachers/Association of School and College Leaders, UCAC and NASUW

²⁸ Record of Proceedings column 137, 9 July 2009, Annex 2

²⁹ Record of Proceedings columns 107-108, 9 July 2009, Annex 2

37. **We recommend that the Welsh Government should work with local authorities to ensure that capital investment in schools is clearly identifiable and that allocated funds are fully utilised on education capital spending.**

School forums

38. All local education authorities in Wales are required to establish a school forum (also known as a school budget forum) in order to aid communication between the local authority and individual schools on funding and budgetary issues.

39. UCAC's written evidence stated that although some head teachers feel that the forums are representative and they are satisfied with the arrangements, others (mostly from the primary sector and smaller schools) are less certain. The Association of Teachers and Lecturers also considered the operation of school budget forums to be "patchy" with some operating reasonably well and others not. The Association wanted to see representation on school forums from teacher and head teacher unions strengthened and made obligatory.

40. NASUWT believed that the school forums have not lived up to the expectation of providing a "much needed robust scrutiny of local education budgets." Rather, the Union thought the forums had become "talking shops controlled by a small minority of head teachers and local authority personnel." The National Association of Head Teachers told us that some school forums were not able to ask the right questions or to secure additional funding for local priorities.³⁰

41. In 2008 the Welsh Government commissioned an independent review of the effectiveness of school forums from the National Foundation for Educational Research. Some of the teaching unions argued that all the recommendations of that review should be adopted.³¹ The Minister told us that the review had been important in improving transparency and in enabling the communication and understanding of financial issues to inform school budgets, and that she will be publishing good practice on school budget forums towards the end of this year.³² **We recommend that the Welsh Government's proposed good practice on school forums should include clear guidance on their expected role and responsibilities and should draw from the recommendations of the National Foundation for Education Research review to ensure the best funding outcomes for schools.**

³⁰ Record of Proceedings column 35, 9 July 2009, Annex 2

³¹ www.wales.gov.uk/docs/dcells/publications/090331schoolforumsexecutivesummaryen.pdf

³² Record of Proceedings columns 106 and 141, 9 July 2009, Annex 2

Issues arising from new initiatives

42. The 14-19 Learning Pathways programme will have significant implications for the way in which education is funded in schools, colleges and work-based learning providers and how those institutions work in collaboration over the use of resources. The Minister told us that the extra funding for the Foundation Phase and the 14-19 Learning Pathways enables the Welsh Government to “deliver the education that we have planned for.”³³
43. In its Stage One Committee report, the Learning and Skills (Wales) Measure Committee was concerned that the two different funding systems for pre-16 and post-16 education would hinder the collaborative planning and provision of education as part of the 14-19 Learning Pathways programme, a view shared by UCAC. The Committee was also concerned that current funding systems tend to promote competition between institutions rather than the collaborative approach required for both the new Measure and the Transformation Agenda.
44. The Association of School and College Leaders told us that the 14-19 Learning Pathways policy has been a success (as did UCAC)³⁴ but there is still a large learning curve to ensure that the 14-19 progression routes are fully funded, and the Union is concerned about the effect on standards at key stages 3 and 4.³⁵ **We recommend that the Welsh Government should evaluate the impact of the two separate funding models for pre-16 and post-16 education on collaborative working for 14-19 education provision.**
45. UCAC also told us it was concerned about making fundamental changes to the curriculum based on the demands of learners for “new” courses (in place of more traditional courses such as music or drama), which are then abandoned when the funding runs out. Continuity of the curriculum and staff expertise are therefore being placed at risk.
46. In its supporting report on the funding of education, the NUT suggested that it might have been better not to fund the Foundation Phase through a grant but rather to fund the initiative by modifying the pre- and primary school teaching Indicator-Based Assessment to take account of the additional costs that schools might face in funding the Foundation Phase. The NUT also argued that this would have reduced the bureaucracy involved in allocating the Foundation Phase Grants.
47. **We recommend that the Welsh Government should evaluate carefully the progress and implementation of the Learning and Skills (Wales) Measure 2009 including the funding of local curricula and the number of pupils who are unable to follow a course of their choice because of “disproportional expenditure”.**³⁶

³³ Record of Proceedings column 111, 9 July 2009, Annex 2

³⁴ Record of Proceedings column 60, 9 July 2009, Annex 2

³⁵ Record of Proceedings columns 15 to 16, 9 July, Annex 2

³⁶ Under the Learning and Skills (Wales) Measure 9(2)(e) 14-19 year-olds have a legal entitlement to study any course they wish, although college principals can override the decision on a variety of grounds, including disproportional expenditure

48. The transformation agenda for post-16 education and the various collaborative models that deliver it is a huge issue, and one that our Committee will turn to in detail later in 2009.

Conclusions

49. The teaching unions' evidence to this short inquiry suggests that there is a perceived funding gap in education in Wales, especially compared with England. Although we agree with the Minister³⁷ that the "funding fog" has begun to lift, we believe that on the basis of evidence received for this inquiry there is still a need for greater clarity, transparency and accountability in the school funding system, both in the way funding is distributed from the Welsh Government to local authorities and how they in turn distribute their funding to individual schools.

50. We believe that school funding should be a means to an end - which is the delivery of positive outcomes for both schools and pupils. Based on our scrutiny, we conclude that there is the need for a culture change throughout the whole education funding system where the driving force is educational attainment, as opposed to the current model of focusing on historical costs to deliver the same old outputs.

51. While we therefore support the Welsh Government's objective of seeking to ensure that by 2015, 95 per cent of young people will be ready for highly skilled employment or for higher education,³⁸ **we recommend that the Welsh Government should continue to make progress on developing a sustainable and symbiotic relationship between education policy objectives and the school funding system that delivers them.**

³⁷ Record of Proceedings column 103, 9 July 2009, Annex 2

³⁸ Record of Proceedings column 151, 9 July 2009, Annex 2

Annex 1

Association of Teachers and Lecturers

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135400&ds=7/2009>

Minister for Children, Education, Lifelong Learning and Skills

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135960&ds=7/2009>

NASUWT Cymru – papers and annexes

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135513&ds=7/2009>

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135535&ds=7/2009>

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135775&ds=7/2009>

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135537&ds=7/2009>

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135538&ds=7/2009>

National Association of Head Teachers Cymru / Association of School and College Leaders Cymru

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135390&ds=7/2009>

National Union of Teachers – papers and annex

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135495&ds=7/2009>

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=135768&ds=7/2009>

Undeb Cenedlaethol Athrawon Cymru

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=136234&ds=7/2009>

Annex 2

Transcript from 9 July

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=137493&ds=7/2009>

Annex 3



Neath Port Talbot Schools Forum



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Vice Chair: Mr W. Griffiths
Rhyd Y Fro Primary School
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Secretary: Miss J. Clarke
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10th November 2008

Mrs J Hull
Minister for Children, Education, Lifelong Learning and Skills
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

Dear Mrs Hull

Schools' Forum – Neath Port Talbot County Borough Council

Once again I have been asked to write to you on behalf of the Neath Port Talbot Schools' Forum to express our dismay at the provisional budget settlement proposed for Local Government in 2009-10.

For yet another year Local Government is to receive an uplift substantially below the current rate of inflation and for yet another year this will inevitably lead to a reduction in the resources available within schools. As Forum members we see this on a daily basis.

In a year when the WAG is to receive an additional 4.8% from Westminster, Local Authorities will receive an average increase of only 2.9%. This is significantly below expectations at a time when inflation is approaching 5%. Neath Port Talbot, one of Wales' economically and socially deprived areas, will receive just 2.2% - even less when new spending requirements are taken into account. Following several years of 'efficiency savings' it is hard to see how this further cut in real funding can lead to any other outcome than a diminished service for our children.

Why are schools accorded such a low priority by the WAG? Rhetoric suggests that we are aiming for a first class educational system to prepare our young people for the Wales of the future. Reality suggests that we are starving our schools of the vital staff and resources they need to be successful.

Since the last academic year there are now forty six less teachers working in Neath Port Talbot as a result of the 2008-9 settlement. A similar reduction seems inevitable again this year unless something is done.

Currently pupil performance in Wales is lagging behind that of England. The disappointing PISA results places the achievements of Welsh fifteen year olds alongside countries such as Azerbaijan and Croatia [Professor D Reynolds]. In these circumstances the WAG should appreciate that the real need within schools at the present moment is an increase to our base funding to provide adequate teachers, resources and classrooms.

Yours

10th November 2008

Mrs J Hutt

Specific grants for specific purposes have increased and are, of course, helpful – even if they are inefficient and costly to administer. However, they do not compensate for the insufficient level of basic funding that will prevent us from delivering our core purpose.

The Schools' Forum in Neath Port Talbot would, therefore, respectfully ask that proper account is taken of these views and that the WAG consider again the implications of this draft budget for schools in Wales.

Yours sincerely

R Skilton
Chair – Schools' Forum

Appendix A

Recommendations: Committee on School Funding, Report on School Funding Arrangements, June 2006

1. We recommend that the Assembly Government should investigate the reason for differences in funding between the key stages, in particular for Year 6 and Year 7 pupils and report to the ELLS Committee.
2. We recommend that the Assembly Government should immediately set in train a review of the weight given to factors such as transportation, sparsity and deprivation in allocating education resources within the local government settlement, to ensure that weightings are based on objective need.
3. The Committee fully supports the Wales Audit Office recommendation to the Assembly Government that there should be a review of whether eligibility for free school meals represents the best indicator of deprivation and recommends that it be implemented as soon as possible.
4. To improve transparency and budget scrutiny, we recommend that the Assembly Government should make arrangements to permit relevant committees to scrutinise the local government finance budget as part of the annual budget setting procedure.
5. We recommend that the Assembly Government should immediately set in train a review of the local government distribution formula so that the education element is based on the current and future costs of providing education services rather than on historic costs.
6. We recommend that the Assembly Government should commission detailed research on the effect that variations in funding have on pupil attainment after taking account of other variables such as deprivation and sparsity.
7. We recommend, in line with the Wales Audit Office's recommendation, that the Assembly Government should require all local authorities to issue concise annual summaries to schools in their area, showing the factors that have led to changes in school budgets.
8. We recommend that the Assembly Government should issue guidance to local authorities to ensure that these annual budget summaries are comparable across local government boundaries and that clear, consistent audit trails are set up and monitored.
9. We recommend that the Assembly Government should issue a single set of unequivocal guidance to authorities on completion of Section 52 budget statements to ensure consistency of reporting.

10. We recommend that, in reviewing the “RA” accounting return, the Assembly Government should ensure that it becomes easier to compare across authorities the proportion of education funding spent directly on education and on central and other administration services.
11. Irrespective of any other changes, we recommend that the Government should work closely with local government to improve schools’ understanding of the funding process and funding streams.
12. We recommend that the Assembly Government requires authorities to prioritise in their distribution formulae the provision of targeted support to the most deprived schools in their area, and demonstrate this in the proposed schools budgets reported to the Assembly Government.
13. We recommend that the Assembly Government should publish, at the lowest level of disaggregation possible, meaningful comparisons of education spending in Wales, the other nations and regions of the UK and internationally and that it should work with other parts of Government to increase the level of detail available.
14. We recommend that the Minister for Education, Lifelong Learning and Skills should, at the timing of receipt, inform the ELLS Committee of any education-related Barnett consequential funding that is received by the Assembly Government.
15. We recommend that the Assembly Government should establish and publish minimum common basic funding requirements for school staffing, accommodation and equipment and that this information should be used to benchmark and inform decision-making at national and local levels on school funding. The Assembly Minister for Education and Lifelong Learning should report regularly to the ELL committee on progress towards establishing a minimum common basis funding requirement for schools.
16. We recommend that the Assembly Government should require authorities to report annually on any difference between the funding they allocate to schools and the minimum common basic funding requirement published by the Assembly Government.
17. We recommend that the Minister for Education, Lifelong Learning and Skills and the Minister for Local Government and Public Services should work closely with those local authorities who are funding schools below the minimum common basic funding requirement, to ensure that funding is brought up to this level within an agreed timescale. Until a minimum common basic funding requirement can be established, education IBAs should be used as a target indicator.

18. We recommend that the Minister for Education, Lifelong Learning and Skills should report regularly to the ELLS Committee on the progress made by local authorities in meeting the minimum common funding requirement for schools or in the interim their education IBA target.
19. We recommend that the Assembly Government should avoid initiating unsustainable policy actions through short-term specific grant programmes and should aim to provide longer-term funding (in alignment with the three-year budgeting proposals) to allow better financial planning by schools.
20. The Assembly Government should ensure that the benefits of new grant schemes and streams of funding are not compromised by excessively onerous and bureaucratic bidding mechanisms.
21. To help schools plan, we recommend that when new grant schemes are implemented, the Assembly Government prepare a report on its sustainability and on an exit strategy for each scheme as part of the guidance to authorities on the continuation of schemes.
22. We recommend that the Assembly Government consider amending the guidance on local education authority funding formulae to ensure greater consistency across Wales and to dampen year to year changes in funding arising from variation in pupil numbers.
23. We recommend that an evaluation of the function and responsibilities of school budget fora is undertaken by the Assembly Government with a view to improving the communication between authorities and schools.
24. We recommend that 3-year budgets for schools should be introduced as a priority.
25. We recommend that the Assembly Government should require authorities to report annually on their adherence to the budget-setting timetable and that this information is reported annually to the ELLS Committee.
26. We recommend that the Assembly Government should require that funding allocated to authorities for capital purposes is fully utilised on education capital spending and should consider making available additional resources if it remains committed to its target to make all schools fit for purpose by 2010.
27. We recommend that the ELLS Committee and the LGPS Committees should follow up progress in responding to our recommendations, initially, within six months of the Government's initial response.

Appendix B
Recommendations: Enterprise and Learning Committee Report,
Arrangements for School Funding in Wales, May 2008

1. The Committee recommends that, in light of evidence from the Wales Audit Office the Assembly Government considers further revising guidance and/or regulations in respect of section 52 returns and revenue account (RA) forms.
2. The Committee recommends that the Assembly Government ensures that the school funding area of the website, currently under development, is clearly advertised by the Assembly Government to parents; teachers; governors and school fora etc.
3. The Committee recommends that the school funding area of the website includes a section on capital funding aimed at providing local authorities and other stakeholders with information on national initiatives and links to local decision-making.
4. The Committee recommends that the Assembly Government actively seeks feedback from all stakeholders on the content, currency and usefulness of the school funding area of the website and acts on that feedback.
5. The Committee invites the Minister to present her proposals for action to the Committee (at an appropriate time) in respect of the Bramley report's conclusions.
6. The Committee recommends that the Assembly Government should review the role of bursars and finance officers and consider producing best practice guidance to be shared amongst all stakeholders.
7. The Committee recommends that the Assembly Government issues guidance to local authorities to ensure that education asset management plans are considered as a part of wider authority asset management plans.
8. The Committee recommends that the Assembly Government undertakes an immediate survey to establish the current state of pupils' toilets; and publishes a report on their condition.
9. The Committee recommends that on completion of the survey and publication of a report on the condition of school toilets the Assembly Government takes urgent action with local authorities to make any necessary improvements.
10. The Committee recommends that the Minister ensures that all authorities' asset management plans are published, are monitored and are accessible.