

Consultation on School Funding in Wales

Response of the Association of School and College Leaders (Cymru)

1. The Association of School and College Leaders (ASCL) represents 19,000 heads, principals, deputies, vice-principals, assistant heads, business managers and other senior staff of maintained and independent schools and colleges throughout the UK.

ASCL Cymru represents school leaders in more than 90 per cent of the secondary schools in Wales.

The sufficiency of provision for school budgets, in the context of other public service budgets and available resources

2. ASCL has been campaigning for a long time for changes to the way that schools are funded in Wales. As long ago as 2005 we provided calculations that showed how schools in Wales were significantly worse off than schools in England (reckoned to be more than £400.00 per student). Since that time, the position has worsened, and we are now at a stage where we feel it accurate to describe the situation as “critical”. It is our view that unless fundamental changes are made, and significant additional funds committed to education, it will not be long before no secondary school in Wales is able to balance its budget and therefore unable to deliver the educational vision for the young people of Wales. In this response, therefore, we will seek to outline not just the problems as we understand them, but also to offer potential solutions.
3. In many respects, education is a unique part of public service. All those who work as teachers are required to be graduates and therefore attract salaries commensurate with that level of qualification. This means that the cost of providing the service is immediately higher than that of many other areas. The number of non-teaching staff required to run a secondary school is significant, along with the considerable number of teaching support staff required for students with Additional Learning Needs, including those with social and emotional issues, means it is no surprise that for many schools the salary bill accounts form more than 85% of their available budget. Over the last ten years, as funding has become ever tighter, school leaders and governors have had to take difficult decisions as they attempt to balance the books.
4. School budgets have been under pressure for many years. All schools have gone from a position of relative stability in the mid-2000s to a position where every possible saving has been made. Every budget heading has been addressed and cuts made in an attempt to set positive budgets. The result of this has been:
 - the loss of hundreds of our most experienced teachers and middle leaders who have opted for early retirement;
 - a worrying decrease in the breadth of the curriculum;
 - departmental capitation budgets shrunk to such a level that teachers are unable buy anything except the most basic materials;
 - class sizes gradually increased, particularly in KS3, to an extent where classes of 40 are not uncommon;
 - increasing reduction in mental and emotional health support;
 - current middle leaders becoming unwilling to take on extra responsibilities because of the additional pressures;
 - low morale throughout schools in the face of unremitting bad news, leading to significant difficulties in recruiting and retaining the best practitioners.

From our perspective, the fact that 35% of secondary schools are currently in budget deficit is a very clear indication that there is insufficient funding making it to the front line of education.

The extent to which the level of provision for school budgets complements or inhibits delivery of the Welsh Government's policy objectives

5. School leaders remain committed to the major policy changes instigated by the Welsh Government, particularly the National Mission and the new curriculum. However, the level of optimism is declining markedly as they realise that without sufficient funding, there is developing an unbridgeable gap between the aspirations of policy makers and professionals, and the reality of what can be delivered in school. We have some concerns that funding for professional learning, which is critical to the success of this, is channelled through the Regional Consortia, (see para 6 below). We are grateful for the additional funding provided by the Welsh Government for this ongoing work but feel it will prove to be insufficient unless there is more to follow. There is real concern that the innovative changes that schools have been involved in developing for years now may not come to fruition because of the parlous state of school funding.

The relationship, balance and transparency between various sources of schools' funding, including core budgets and hypothecated funding.

6. We are enormously concerned that the current balance between the various sources of school funding is flawed. Whilst the bulk of the funding is delivered by the RSG, our calculations show that there is an additional sum equivalent of approximately £550.00 per student per year that is delivered via various grants. This money does not find its way equally to all schools; it is sent to the Regional Consortia who are then required to use it in schools. However, we are far from convinced that it is fairly and equitably distributed in all regions. Indeed, there appears to be a "postcode lottery" element at work. Some schools feel that there is a "grace and favour" approach adopted, and those schools who toe the line are more likely to receive a higher proportion of grant funding. We would emphasise that these are perceptions, but they demonstrate the level of the problem. There is not yet sufficient transparency over the financial matters of the consortia to allow anyone to prove or disprove these perceptions.
7. We are concerned about the level of funding which is retained by Local Authorities for the delivery of education. There is approximately £22 million retained for school improvement; this is a clear example of duplication in the middle tier.
8. It is our view that the current pattern of distributing a significant proportion of school funding through grants (approximately £150m per year) is wasteful and unsustainable. We understand that nearly 20% of all grant funding is used in tracking and monitoring schools' spending; this seems to us to be vastly wasteful of scarce resources. Part of the role of ESTYN is to ensure that schools spend their money wisely and effectively; we do not understand why it is also thought necessary to use millions of pounds each year to monitor grant funding that should be monitored as a part of the inspection cycle. If all these monies were passported directly to schools, it would have a major impact on relieving budget pressures. The current system implies a lack of trust in schools and their leaders to be able to spend their funding appropriately.

The local government funding formula and the weighting given to education and school budgets specifically within the Local Government Settlement

9. Core budgets are no longer sufficient to maintain the levels of expert staffing, maintain school buildings and purchase the necessary equipment required to ensure that all our schools are able to deliver the best possible education for the young people of Wales. We know of schools who have seen their actual budget reduce by £1m over a period of eight years (and in some cases less) at the same time as their pupil numbers have remained constant and, in some cases, risen. It is testament to the resilience of teachers that at the same time, standards have often risen. However, this trend will not continue without some redress, and this realisation is causing many in education to feel betrayed, resentful and angry. School leaders and teachers do not want to be part of a system that talks a good game but does not provide sufficient resource to allow the vision to be realised.
10. It is a real weakness of the current system that school funding is not hypothecated. This allows councils to take decisions that are patently not in the interests of education, but in the interest of local governance. There is real inequality between the levels of funding apportioned to schools by different local authorities. It is no exaggeration to say that two schools five miles apart, but in different authorities, may see their funding differ by as much as a thousand pounds per pupils per year. This is not fair nor equitable. Whilst some local authorities may put more money into education than the amount stipulated in the RSG, there are also examples of local authorities who do the opposite. It is our view that there is little transparency in terms of the funding of school between the Individual Spending

Assessment and actual monies in the Local Authority Education Budget. This is then further confused by funding which makes its way to the Individual Schools Budget (ISB).

11. We do not feel that the published levels of delegation are an accurate picture of the funding which makes its way to the schools' budgets. This is due to a number of Service Level Agreements, which, in some instances, are not genuinely delegated in order to inflate levels of delegation. This is misleading, at best, in terms of the monies given to schools.
12. Our view is that the Welsh Government should introduce a fair funding formula for school funding that is hypothecated and requires the money to be passported directly to schools. Whilst it is clear that during the introduction of such a system there will be "winners and losers" we believe that in the long-run it would eliminate the inequalities of the current system.
13. We remain concerned that local decisions on funding may appear to favour schools in certain areas and underfund others. There seems to be little appetite by either national or local politicians for challenging such perceived inequalities and it is time, we feel, for a system that sets the levels of funding for schools to be introduced.
14. The Government made a clear commitment to give grants to fund the teachers' pay awards in 2018/19 and 2019/20. It is unacceptable to ASCL that this funding has not yet made its way into all school budgets and Local Authorities are in some instances retaining these monies. This is adding further pressures to the already stretched school funding and adding to the sense of crisis our members are feeling each day.

15. We are not convinced that all figures relating local spending on education are made public soon enough, nor in a form that is readily understandable by those who are not economists. We feel there is a real need for more transparency over school funding and tighter regulation to ensure that figures are published in a timely and user-friendly manner. This would do much to remove the suspicion of interference and inequality that pervades the issue of school funding.

Conclusion

16. As leaders of educational professionals, we are committed to doing everything we can to ensure the provision of the best possible education for the young people of Wales in the context of the National Mission. We are, however, concerned that there may be a significant gap between the desire of schools to do the best they can, and their ability to deliver at a time when the level of funding for schools is causing such significant issues and diverting their attention from the central focus of learning and teaching. It is clear to us that there will need to be a significant additional investment in overall funding if the aspiration to implement a world class education system is to be achieved.
17. I hope that this is of value to your inquiry. ASCL Cymru would be happy to contribute to further discussions.

Tim Pratt
Director of ASCL Cymru
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