

**MINUTES**

**Date:** Friday, 4 July 2003  
**Time:** 9.30 am to 12.25pm  
**Venue:** Princess Gwenllian Centre, Kidwelly, Carmarthenshire

**Attendance: Members**

|                          |                                         |
|--------------------------|-----------------------------------------|
| Peter Black (Chair)      | South Wales West                        |
| Alun Cairns              | South Wales West                        |
| Janet Davies             | South Wales West                        |
| Tamsin Dunwoody-Kneafsey | Preseli Pembrokeshire                   |
| Brian Gibbons            | Aberavon                                |
| Christine Gwyther        | Carmarthen West and South Pembrokeshire |
| Dai Lloyd                | South Wales West                        |
| Val Lloyd                | Swansea East                            |
| Helen Mary Jones         | Mid and West Wales                      |
| Catherine Thomas         | Llanelli                                |
| Gwenda Thomas            | Neath                                   |
| Rhodri Glyn Thomas       | Carmarthen East & Dinefwr               |

**Presenters:** Alun Davies Director of Education and Community Services, Carmarthenshire County Council

Gerson Davies Director of Education and Community Services, Pembrokeshire County Council

Cllr John Davies Cabinet Member for Children, Young People and Welsh Language, Pembrokeshire County Council

Tim Day Head Teacher, Ysgol Glan-y-Môr

Brian Hitchman Head Teacher, Swiss Valley CP School

David Thorley Head Teacher, Pembroke Dock CP School

Peter Williams Carmarthenshire County Council

**Committee Secretariat**

|               |                        |
|---------------|------------------------|
| Jane Westlake | Committee Clerk        |
| Claire Morris | Deputy Committee Clerk |

**Election of Chair**

The Committee Clerk invited nominations for the election of the Chair. Alun Cairns nominated Peter Black. There were no other nominations and Peter Black was elected.

**Item 1: Apologies, Substitutions and Declarations of Interest**

1.1 Apologies were received from:

|               |                    |
|---------------|--------------------|
| Nick Bourne   | Mid and West Wales |
| Andrew Davies | Swansea West       |
| Glyn Davies   | Mid and West Wales |
| Lisa Francis  | Mid and West Wales |
| Edwina Hart   | Gower              |

1.2 Alun Cairns declared an interest as his wife works as a lawyer specialising in education litigation.

## **Item 2: Funding of Schools**

2.1 The Chair said that the minutes of the meeting would be referred formally to Jane Davidson, Minister for Education and Lifelong Learning.

### **Carmarthenshire County Council**

2.2 Alun Davies, Director of Education and Community Services, made the following points:

- ◆ The proposal to establish Schools Forums was generally supported as it would enable wider participation.
- ◆ The proposed timescale gave some cause for concern. It was vital that schools had a definite plan in terms of timing and when they could expect to receive their budgets.
- ◆ The hypothecation of funding and the relationship between the different funding streams needed clarification. For example it was not clear whether ELW<sup>a</sup> or the local authority was accountable for 6<sup>th</sup> form funding.
- ◆ The new regulations were not yet in place and there had been little time for consultation.
- ◆ Dates on which pupil numbers were counted should be rationalised. It was important to avoid duplication and increased burdens on schools.
- ◆ Additional money from in-year grants was welcomed but it was difficult to plan as it often came after strategic decisions had been taken.
- ◆ Assumptions had to be made in terms of teachers' pay awards as these were not known until February. If budget discussions were to take place earlier it would be helpful to have an indication of the likely level of award.
- ◆ Carmarthenshire County Council was in discussion with colleagues about moving to a three-year budget cycle.
- ◆ Attempts had been made over the last 18 months to minimise the number of specific funding supplements and create greater transparency.

A copy of Mr Davies' presentation is attached at Annex A.

2.3 Brian Hitchman, Head Teacher at Swiss Valley County Primary School, Felinfoel, made the following points:

- ◆ There was greater consultation and transparency within Carmarthenshire as partnership working had developed.
- ◆ The role of governing bodies was important in managing delegated budgets.
- ◆ The needs of large primary schools were more akin to secondary schools in terms of budgetary issues.
- ◆ There was a need to consider further delegation and control of individual schools budgets (ISB) where the local education authority (LEA) transferred the ISB to the relevant school account.
- ◆ Issues relating to classroom support and teacher workload need to be addressed.
- ◆ Reducing class sizes had implications for buildings and the capital programme.
- ◆ In principle, school forums were seen as a good initiative. Membership should include teachers and members of the governing body, although some governors had difficulty attending important meetings. The Assembly Member and the business sector could be included in the membership.
- ◆ Schools forums should be able to monitor the LEA and this should be a two-way process.

2.4 Tim Day, Head Teacher of Ysgol Glan-y-Môr, Burry Port made the following points:

- ◆ The catchment area for the school included pockets of acute deprivation.
- ◆ The school had a budget of £2.5m, an increase of 16.7%, which was welcome, but there had also been an 8% increase in pupil numbers which meant there was little left over for investment in capital.
- ◆ Grants amounting to £58,000 had also been received to stimulate partnership and collaboration and to continue the implementation of performance management for teachers.
- ◆ There were increasing maintenance costs associated with mobile classrooms, rotting window frames and asbestos .
- ◆ Investment by the Assembly in the National Grid for Learning (NGfL) was welcomed but ICT was an expensive resource to maintain.
- ◆ A culture of openness and partnership existed in Carmarthenshire and there was a common sense of direction and recognition of the needs being faced by schools.
- ◆ An area of major concern to teachers was the implementation of the National Workload Agreement. Whilst it should enable improvements in planning and teaching, significant additional funding would be needed to cover the capital costs of creating office space as well as the cost of employing additional administrative support, learning assistants, supply staff, etc.
- ◆ Schools Forums would be welcomed but they should not take the place of the structures that currently operated in Carmarthenshire, which worked extremely well.
- ◆ Any funding formula needed to account for the individual circumstances of schools.

2.5 Members of the public were then invited to ask questions and to comment.

2.6 **Sandra Davies**, Mencap Cymru supported the comments made by Alun Davies regarding the need for greater clarity between the different funding streams, especially in respect of post 16 funding for young people with learning difficulties.

2.7 **Moelwen Gwyndaf**, ACCAC, said that whilst the changes coming into force in September as a result of the National Workload Agreement were welcomed, they must be adequately funded.

2.8 **Ann Billey** highlighted the need for funding for children with learning difficulties.

2.9 In response to questions from Members, the presenters made the following additional points:

- ◆ Carmarthenshire had a high level of inclusion of pupils with special education needs (SEN). The aim was to make more money available in the classroom to meet the needs of all special needs pupils, without their needing to be statemented.
- ◆ There was a shortfall of £14m across Wales in the funding required to implement the National Workload Agreement. Exact figures for Carmarthenshire would be provided to the Clerk for circulation to Members.
- ◆ Whilst it was the responsibility of schools to provide speech therapy they did not have the expertise and had to rely on agreements with the Local Health Board. This was proving unsatisfactory and discussion was taking place to try to improve the service, particularly through the medium of Welsh.
- ◆ Consideration had been given to simplifying the funding formula but it was recognised that if it were simplified too far it would not be possible to take account of the variation of needs.
- ◆ Closer links with all agencies that had an impact on the lives of young people in Carmarthenshire were being developed.
- ◆ The average spend per head was £3,000 (£2,700 for primary school) although there were wide variations on both figures. Whilst spend per head was important, Carmarthenshire was more concerned with modernising and improving education provision in the county.

- ◆ Consideration was being given to extending the use of all council owned buildings and a number of schools had joined in looking at ways of extending that community focus.
- ◆ The September implementation of the National Workload Agreement was the immediate priority.

## **Pembrokeshire County Council**

2.10 Cllr John Davies, Cabinet Member for Children, Young People and Welsh Language, gave a presentation on behalf of Pembrokeshire County Council, and made the following points:

- ◆ The Council was restricted in how it could spend its capital but education was high on the list of priorities.
- ◆ Pembrokeshire allowed surpluses to be accumulated and over the last few years £4.5m had been ploughed back into improving schools.
- ◆ £25m had been spent on capital improvements.
- ◆ Whilst new initiatives were welcomed they needed to be funded adequately by the Assembly and LEA.
- ◆ The education budget had been increased by 10.6%, but increased cost commitments meant it was a standstill budget.

2.11 Gerson Davies, Director of Education and Community Services, made the following points:

- ◆ Service delivery needed to be funded on a basis which identified service pressures and pressures arising from national agreements.
- ◆ Distribution of resources should be directly to local authorities and should continue to be unhyphocated.
- ◆ Resources should be allocated and distributed in support of a clear strategy. This would ensure outcomes that added value to the education service as a whole.
- ◆ Delegation to schools should reflect service needs and ensure that it recognised school responsibility and enabled flexibility.
- ◆ ELWa's funding of 6<sup>th</sup> forms was too prescriptive.
- ◆ Continuous review of spending profile and service configuration to generate additional cash for service needs was important in resource planning.
- ◆ Capital resources linked to a strategy was important and the contribution arising from additional resource made available by the Welsh Assembly Government was recognised.

A copy of Pembrokeshire's response to the consultation paper on Schools Forums is attached at Annex B.

2.12 David Thorley, Head Teacher of Pembroke Dock County Primary School, made the following points:

- ◆ The National Workload Agreement should be phased in in accordance with the funding available.
- ◆ Funding through third parties created confusion.
- ◆ Whole scale direct funding to schools was not advocated but head teachers would like to see direct funding in initiatives that related to all teachers and all schools, whilst the LEA retained funding for all aspects that required strategic management.
- ◆ The creation of Schools Forums was not needed. A body including governors, schools and unions had been carrying out this function in Pembrokeshire for five years.

2.13 Members of the public were then invited to ask questions and to comment.

2.14 **Mike Brew**, Chair of Governors at Greenhill School, made the following points:

- ◆ Budgets should be allocated on a three yearly basis, not annually, to enable schools to plan expenditure. This should apply to both LEA and ELWa funding.
- ◆ The ELWa funding formula needed to be examined carefully.
- ◆ Planning for capital spending should take account of the fact that many school buildings were not appropriate for teaching the curriculum of the 21<sup>st</sup> century.

2.15 **Cllr Charles Henrywood**, Cabinet Member with responsibility for Education, School Improvement and Lifelong Learning at Neath Port Talbot County Borough Council, said that he supported the proposals for school forums, but more emphasis on their role in budget management was needed. Education should be seen as part of the body corporate and not as a separate service, as it reflected the needs of all the community. It would be helpful if the Minister would extend the timescale for local authorities to set their schools budgets to the end of February for 2004, before moving to 31 January in subsequent years.

2.16 In response to questions from Members, the presenters made the following additional points:

- ◆ Priorities for the education budget were agreed in consultation with head teachers and schools.
- ◆ It was felt that direct funding to schools would increase costs, would not generate change and would not meet the needs of customers.
- ◆ Flexibility had been built into the funding formula for SEN that allowed schools to respond to individuals.

### **Item 3: Topics for the Autumn**

3.1 Provisional meeting dates for the autumn were 3 October and 28 November. The Assembly's Sustainable Development Scheme and Objective One had been suggested as topics for discussion. Members were asked to advise the Clerk of any other subjects they would like to consider.



Cyflwyniad gan / *Presentation by*

Alun G Davies

Cyfarwyddwr Dysgu Gydol Oes a Hamdden  
*Director of Lifelong Learning and Leisure*



## Schools Forum – positives

- Principles are supported

- Wider participation
- Transparency
- Agreed structures
- Timelines

## Fforwm Ysgolion - cadarnhaol

- Cefnogi'r egwyddorion

- Cyfraniad eang
- Tryloywder
- Strwythurau cytun
- Llinellau amser



### Schools Forum – for debate

- Annual cycle/timing needs coherence
- Clarity on hypothecation versus local autonomy
- Relationship between funding streams – Authority and ELWa
- Regulations not yet in place
- Lack of time for consultation

### Fforwm Ysgolion – i'w trafod

- Amseru/cylch blynyddol angen cysondeb
- Eglurder ar bridiau yn erbyn ymreolaeth leol
- Perthynas rhwng ffrydiau ariannol – Awdurdod ac ELWa
- Dim rheoliadau hyd yma
- Diffyg amser i ymgynghori





### Schools Forum – coherence

- Autumn count - duplication, bureaucratic burden
- Significant skew from in-year grants
- Pay awards – national for teachers, local for ancillary staff

### Fforwm Ysgolion - cysondeb

- Cyfrifiad Hydref – dyblygiad, baich gwaith
- Grantiau yn creu gwyriad sylweddol
- Dyfarniad cyflog – cenedlaethol i athrawon, lleol i'r gweddill



### **Carmarthenshire - background**

- 150 schools, pupil number range from 12 to 1600
- Delegation - top quartile in primary , top third in secondary
- Fair Funding - 75% on AWPV factor Age Weighted Pupil Value)
- 25% in specific supplements - premises, small schools supplement, SEN, bilingual provision, deprivation

### **Sir Gaerfyrddin - cefndir**

- 150 ysgol, nifer disgyblion o 12 hyd 1600
- Dirprwyo - chwarter uchaf i'r cynradd, traean uchaf i'r uwchradd
- Ariannu Teg – 75% ar ffactor GDO (Gwerth Disgybl yn ol Oed)
- 25% ychwanegiadau – adeilad, ysgolion bychain, AA, darpariaeth dwyieithog, amddifadedd



### Carmarthenshire – background

- Increase in delegated budget this year - around 11%, 76 to 85million pounds
- Assumption in RSG around 8-9% increase
- Council Tax increase 5.7%
- No teacher redundancy this year – except where falling rolls
- Schools hold healthy balances
- 84% of total schools expenditure is delegated - excludes transport, SEN statementing, nursery school, catering, GEST
- Reducing bureaucracy/workload remains underfinanced

### Sir Gaerfyrddin - cefndir

- Cynnydd cyllideb dirprwyedig eleni – tua 11%, 76 i 85 miliwn o bunnau
- Rhagdybiaeth o 8-9% yn y GCT
- Cynnydd Treth Cyngor 5.7%
- Dim colli swyddi athrawon – heblaw gostyngiad disgyblion
- Gweddillau cyfforddus gan ysgolion
- 84% o'r cyllid cyfan wedi'i ddirprwyo – ac eithrio trafndiaeth, datganiadau AA, ysgol feithrin, arlwy, GCAH
- Lleihau baich gwaith/biwrocratiaeth wedi'i dangyllido



## Views of Pembrokeshire Education Service on Funding of Schools and the Consultation Paper on ‘School Forums – Wales’

### A. School Funding

1. **There is a need to fund service delivery on a basis which identifies service pressures and pressures arising from national agreements.** These have been identified by the WLGA’s expenditure sub-group and include threshold agreements, the workload agreement, and performance management; these will increase costs with no necessary service gain. The impact of these amounts to a negative efficiency saving – in contrast to RSG and WPI arrangements. This analysis does not include the resource implications of developments such as the introduction of the “foundation phase” or “Learning Pathways 14-19”.

The WLAG analysis indicates as follows: -

| Education      | £m    |
|----------------|-------|
| Pay Award (3%) | 34    |
| Restructuring  | 23    |
| Increments     | — 8   |
|                | 65    |
| Other          | — 131 |
| <b>£196m</b>   |       |

The ‘other’ pressures include early years provision, special educational needs, social inclusion, ICT requirements, pupil numbers implications, school transport costs and libraries.

2. **Distribution of resources should be directly to local authorities and should continue to be unhypothecated.** This will streamline service funding and ensure that the maximum amount of resources go to services. There are indications that the emerging pattern of resource distribution in education provision in Wales is building up administrative and bureaucratic costs i.e. system maintenance costs are increasing (Elwa’s sixth form funding model, GTCW’s involvement in Continuous Professional Development, partnership costs, resources linked to specific bids which, in themselves, take up resource and time which could be spent on service improvement). Simplification and the use of existing distribution mechanisms would ensure that such system costs are minimised. Local authorities are charged with “Community Leadership” – this provides a basis for coherent resource allocation linked to strategy.

3. **Resources should be allocated and distributed in support of a clear strategy.** “Additional Revenue Funding to Improve School Standards” given by WAG is an example. In Pembrokeshire this has been a beneficial additional resource whose impact has been all the greater because it has been allocated to support a strategy agreed by stakeholders in the education community. It has this helped to lever change in specific areas:
  - Families of schools/transition
  - KS3 improvement
  - Classes under 30
  - Underachievement and SEN

Significantly the distribution basis to school recognises that achieving the outcomes is their responsibility. It ought to be axiomatic that resources be linked to service gain. Additional resources should be linked to levering change and supporting a clear strategy. This has not always been the case.
4. **Delegation to schools should reflect service needs and ensure that it recognises school responsibility and enables flexibility.** This requires a recognition of the difference between funding and spending – giving school discretion on the way they meet obligations; this is one of the strengths of the LMS formula in contrast to Elwa’s proposals in relation to VI form funding with its proposed formula. In this case spend is likely to be linked to funding and may limit the role of customer needs in programme planning.
5. **Continuous review of spending profile and service configuration to generate additional cash for service needs is important in resource planning.** One example of the benefit of this is Pembrokeshire’s financial strategy which allowed savings and additional resources over a period of 3 years to be targeted on a strategic priority – improvement of school building so enhancing the environment for learning. This strategy, and its accompanying investment, generated financial contribution from school budgets which, in turn, partially addressed school surpluses. Similarly, school rationalisation with its accompanying capital commitment, has generated revenue savings which have been reinvested on a strategic basis into the local schools budget. The existence of an “invest to save/improve” fund has enabled strategic developments to occur.
6. **Capital resources linked to a strategy is important and the contribution arising from additional resources made available by WAG is recognised.** A number of additional matters consolidate capital developments: the commitment of this council to commit additional resources to targeted developments; recognition of the fact that a productive capital strategy requires some difficult decisions in relation to priorities and rationalisation of primary education. In Pembrokeshire the link between a capital strategy and rationalisation is recognised in the School Organisation Plan; this has enabled a programme of successful infrastructure development. The fact is that it is not financially possible (or prudent) to invest without a strategy; it is certainly the case that the Assembly’s target in relation to 2010 cannot be met without this.

The WAG's proposals in relation to additional capital resources is welcomed; this authority is currently seeking early distribution of these to support identified schemes. The proposal to top-slice some of this additional resource for regional SEN facilities is not supported since it militates against local strategic planning. The alternative approach of distributing a formula based sum to all authorities, leaving individual authorities to decide whether or not to contribute to a regional development, seems more prudent.

## **B. School Forums**

1. The guidance is unnecessarily prescriptive and assumes a worse case scenario – much like the guidance on authority - school relationships. In many cases suitable consultative arrangements exist; in the case of Pembrokeshire an “LMS Consultative Group”, with similar representation to that envisaged by the guidance on schools forum has been in existence since 1996; it has been successful and has contributed to a reduction in the funding formula elements (from 43 to 14) and to reforming some of the elements. The recent Audit Commission report in Wales indicated that local authorities already had local arrangements in place that appeared to meet local needs. These new requirements add to workload and are unnecessarily bureaucratic.
2. Some elements of the guidance are not practical:
  - access to contracts runs against normal arrangements for tendering in Financial Regulations; the assumption of confidentiality will not work;
  - the suggestion that Schools Forums have the scope to look ahead for a 3 year period is of no practical use without a move towards triennial funding and early recognition of budgetary pressures;
  - to require forums to inform governing bodies of all consultations carried out is bureaucratic and duplicates existing arrangements – regulations already require that governing bodies consult;
  - representational recommendations are too prescriptive and do not allow local discretion;
  - the proposed timescale is impractical – a forum in place by November 2003 is too late to influence 2004/5 budgets;
  - it is not the forum that should review contracts and SLAs; there is no privity of contract here; there is a relationship between individual parties (in this case individual schools and local authority); there is no role for the forum. Would such a role be envisaged for the forum when individual schools have a contract with the private sector?
3. There is an inherent contradiction at the heart of the recommendations that this body will have a role – and the costs linked to exercising this role – but the accountability lies with the local authority. If “community leadership” and service accountability rests here, why the proliferation of ad hoc bodies, when consultative arrangements are already in place?